REQUEST FOR APPLICATIONS (RFA)

Kenya Feed the Future – Crops and Dairy Market Systems Activity

Issuance date:  November 5, 2019
Closing date:  December 2, 2019

RFA-KCDMS-FY20-023: Rollout and Implementation of KS1758 Part II in KCDMS Counties

1.0. Program Background
The Kenya Crops and Dairy Market System (KCDMS) is a five-year (Oct 2017– Sept 2022) Activity of the USAID funded Feed the Future initiative implemented by RTI International. The Activity has been designed to facilitate improved productivity and development of competitive, resilient and sustainable dairy and horticulture market systems in selected counties in Eastern and Western regions of Kenya.

KCDMS works in 12 focus counties divided into 3 regions:

<table>
<thead>
<tr>
<th>Western</th>
<th>Nyanza</th>
<th>Eastern</th>
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<tbody>
<tr>
<td></td>
<td>9. Homabay</td>
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2.0. Project Objective and Approach
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 (agro-dealers, dairy and horticulture input suppliers, aggregators, processors, and exporters) to invest in higher productivity, quality improvements and greater supply chain efficiency.

The Horticulture sector in Kenya has over 500,000 growers with over 240 active exporters, about 1.5 million people directly employed, and 4.5 million directly or indirectly dependent on horticulture. About 95% horticulture production is traded domestically while about 5% is exported. There are about 150,000 smallholder farmers in the export value chain with Large Scale –Small scale linkages as a driving force and Marketing strength.

Quality Standards as a tool of compliance are gaining remarkable ground in facilitating sustainable market access in the export market. This same effect can be replicated at the domestic market where KS1758 is used as a guide production for local and regional markets. The
adoption of KS1758 Standard is expected to strengthen the country’s commitment to foster safe, high quality food for all. It is against this backdrop that the KCDMS wishes to facilitate the roll-out of KS1758 part II and hence adoption of KS1758 part II by the industry.

2.1 Horticulture Code of Practice – Part 2: Fruits and Vegetables
A code of practice is a set of written rules which explains how people working in a profession or sector should behave. It provides for uniformity in certain practices and aids in establishment of best practice by all actors in the sector. Kenya developed the KS1758 Code of Practice for Horticulture Industry: Part 1 which deals with Floriculture, and Part 2 deals with Fruits and Vegetables, in line with international standards. The KS 1758-2:2016 Code of Practice/Standard aims at providing rules for safe and sustainable production and supply of fruits and vegetables in Kenya for both export and domestic markets. The KS1758, as a basic standard, is soon to be mandatory for exporters and producers. It applies to all players or operators involved in the primary production, processing, transportation and marketing of fruits and vegetables in Kenya.

The objectives of KS1758-2:2016 are:
1. to promote good agricultural practices,
2. to protect consumers,
3. to promote social welfare, conservation of the environment.
4. to promote compliance with applicable laws and regulations.

The adoption of the KS1758 standard will promote sustainable production and consumption practices as envisioned in SDG 12 whose targets include, but are not limited, to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses, by 2030. KCDMS wants to encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

3.0. General Requirements
All applicants must be Industry Associations representing private sector firms engaged in horticulture trade in Kenya. Applicants must demonstrate a detailed understanding of KS1758 and a clear strategic vision of how roll out and adoption of KS1758 by sector players will enhance food safety, promote horticulture trade, and result in economic growth that benefits smallholder horticulture producers. Proposed roll out must be explained as the first step in the commercial roll out of KS1758 capacity building for members on a full cost recovery - fee for service basis going forward. Successful applications will be invited to negotiate with KCDMS and HCD to undertake the assignment, with agreed deliverables and budget. They will be expected to explain their long-term business model for service delivery and sustainability.
4.0. Required Documents
4.1. Cover page (includes; project title, name of organization/company, contact details – name of contact person, physical address, phone number, and email address).

4.2. Technical proposal (See section 4.0): The technical proposal will address all issues related to the assignment activities and approach to produce deliverables as outlined in the Scope of Work attached in the following section.

4.3. Cost proposal/budget – Applicants should submit a detailed budget in excel format (template provided upon request), accompanied by a narrative that explains the basis of the estimate for each line item

5.0. Application Format & Review
A technical panel from KCDMS and HCD will review proposal submissions using the following criteria:

- **Technical approach:** - Applicants should describe their approach/methodology for undertaking this assignment, including a detailed work plan with specific timelines, activities, and deliverables.

- **Organizational and technical (personnel) capacity:** The bidder must provide CVs for technical personnel or consultants as an annex to the proposal. In case of more than one technical person, the Team Leader should be specified and a reasonable staffing plan for implementing this assignment provided.

- **Previous relevant experience** in horticulture trade, export standards, and understanding of KS1758 part 11

- **Budget and value for money:** – All applications should include a detailed itemized budget as per the activities proposed. Fee rates and level of effort for each specified consultant should be itemized.

The technical proposal must be organized to respond to the evaluation criteria above. Proposals must be valid for at least 6 months from the closing date.

6.0. Eligibility
Eligible applicants include any legally registered industry association with experience in the areas laid out in the attached Scope of Work. Applicants must demonstrate an in-depth understanding of and practical experience working in the Kenyan horticulture sector and specifically an in-depth understanding of KS1758 and its implication for the industry. The bidder should have a vested interest in continuing to provide training, advisory and oversight services related to KS1758 to its members on a sustainable commercial basis and demonstrate how the roll-out activities sponsored by KCDMS will be sustained going forward.
The successful bidder will also possess the following technical qualifications:

- Nominate personnel with the necessary technical competencies in training, standards enforcement, and systems development.
- Demonstrate strategic interests in the long-term sustainability of KS1758 services to members.
- Have specific links to member firms based in the counties of interest.
- Understanding of the economic, financial, demographic and market systems landscape in the operational counties will be an added advantage.

7.0. Duration of Assignment:
An 8 months engagement is anticipated. KCDMS therefore invites innovative proposals that will achieve the above objectives within this period.

8.0. Budget and Pricing
This will be a Fixed Price Award with payment based on deliverables. All budgets line items will be reviewed for reasonableness, and financial proposals will be evaluated on value for money. The successful bidder will be required to provide a **reasonable budget (in KES)** covering the cost of the entire assignment. VAT registered firms should specifically include VAT in the budget. All firms should be aware that withholding tax will be deducted before payment but should not be included in the budget.

For the purposes of budgeting, please use the following information:

The technical proposal must justify the need, the appropriateness of the technical advisors used by the firm and the detailed budget to complete the task. Bidders must submit a detailed financial proposal justifying how the overall objectives for this SOW can be successfully met. The financial proposal should be done using the Excel budget template (Attachment C) which can be obtained by submitting written request to procurement@kcdmsd.rti.org.

Labor should be justifiable based on salary history; applicants must submit documentary verification for daily rate history/justification for the assigned staff in accordance with USAID policy. Labor rates presented should be unloaded, and fringe benefits and other loading should be added separately, starting in line 35 of the budget template.

The **expected disbursement schedule for assignment is outlined below and should be included as a summary following the budget;**

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<th>Deliverable</th>
<th>Estimated Time Frame</th>
<th>% of contract Budget</th>
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<tbody>
<tr>
<td>1. Upon presentation of inception report with a detailed and timed work-plan to undertake the assignment with selected off takers</td>
<td>Month one</td>
<td>15%</td>
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For the purposes of budgeting, please use the following information:

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<th>Deliverable</th>
<th>Estimated Time Frame</th>
<th>% of contract Budget</th>
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<tr>
<td>2. Upon execution of sensitization meetings with county governments and submission of first report</td>
<td>Month two</td>
<td>25%</td>
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| 3. Upon execution of training to offtakers and submission of first quarterly report  
  Note: Service provider collects the 25% cost share directly from the offtaker as a down payment before the training | Depending on the number of offtakers to be trained | 35%                  |
| 4. Upon completion of the assignment and acceptance of the final report by the Offtakers | Month 8              | 25%                  |

**9.0. Submission Guidelines**

The proposals must be submitted using the English language and must not exceed ten (10) pages (exclusive of annexes).

Applications including cover letter, technical proposal and financial proposal should be completed and submitted to procurement@kcdmsd.rti.org with ‘KCDMS – KS1758 Rollout in the subject line reference by December 2, 2019. The applications should be written in the English language.

Questions relating to this RFA may be submitted to procurement@kcdmsd.rti.org by November 25, 2019.

Bidders should submit written requests for the excel budget template to procurement@kcdmsd.rti.org.

**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 the rollout and implementation of KS 1758 part II in KCDMS counties**

<table>
<thead>
<tr>
<th>a</th>
<th>Objectives of the assignment</th>
<th>The key objective of this assignment is to facilitate roll out and adoption of KS1758 part II by horticulture actors along the value chain. It is expected that adoption of KS1758 will also facilitate sustainable market access in the export market. This same effect can be replicated at the domestic market where KS1758 is used as a guide for local and regional markets production. This is driven by the changing market demands where export and domestic markets are becoming increasingly conscious of food safety.</th>
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| b | Deliverables for the assignment | Key activities to be undertaken under the KS1758 part II Rollout include the management, design, planning, execution, implementation, and training of association members (firms and Farms) for both local and export horticulture markets. The deliverables under this engagement will include but not limited to the following:  
  - Detailed inception report with the roll out program and work plan and highlighting activity will be undertaken  
  - Developing a sensitization and roll out plan to county government agriculture and trade officials (Specify counties to be covered and mode of organization.)  
  - Training technical staff of at least 5 horticulture offtakers (for domestic and export markets) for training on KS1728 Part II. Training to be done as part of a sustainable business plan for the association, with KCDMS subsidizing not more than 75% of the actual training costs and the offtakers paying the balance. Facilitating of the offtakers Training of Trainers will be done using the training manual developed by the horticulture associations |
| c | Agreed Methodology | The selected firm will be required to provide a detailed work plan as part of the inception report which will form the first deliverable. The proposed methodology should detail the following  
  - Number of members offtakers to be reached  
  - Proposed KCDMS regions to be covered  
  - Proposed roll out and training approach to offtakers with budgets. Note that the offtaker will be required to pay 25% cost share towards the training |
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<td><strong>Proposed sensitization model for county government officials in agriculture and trade departments with accompanying budget per county/region</strong>&lt;br&gt;&lt;br&gt;The consulting firm will identify and work directly with offtakers to deliver the training. KCDMS field staff may support the contracted firm to mobilize county officials for the sensitization meetings. Upon contracting, the firm will:&lt;br&gt;&lt;br&gt;a) Provide a detailed inception report/workplan to the offtaker on how on how the consultant will conduct trainings to the offtaker staff and achieve the set objectives of the contract&lt;br&gt;&lt;br&gt;b) Facilitate sensitization meetings with county officials in all KCDMS regions. Submit a report on the training&lt;br&gt;&lt;br&gt;c) Conduct the offtaker training, and submit a report on the offtaker training and follow-up&lt;br&gt;&lt;br&gt;d) Submit final summary report</td>
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<td>e</td>
<td><strong>Time schedules</strong>&lt;br&gt;An 8-month engagement is anticipated. KCDMS therefore invites innovative proposals that will achieve the above objectives within this period.</td>
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<td>f</td>
<td><strong>Pricing</strong>&lt;br&gt;This will be a Fixed Price Award with payment based on deliverables. All budgets line items will be reviewed for reasonability, and financial proposals will be evaluated on value for money. The successful firm will be required to provide a <a href="https://www.kcdms.org">reasonable budget (in KES)</a> covering the cost of the entire assignment.&lt;br&gt;&lt;br&gt;<strong>The technical proposal must justify the need, the appropriateness of the technical advisors used by the firm and the detailed budget to complete the task. Labor rates should be justifiable based on salary history; applicants must submit documentary verification for daily rate history/justification for the assigned staff in accordance with USAID policy. Labor rates presented should be unloaded, and fringe benefits and other loading should be added separately, starting in line 35 of the budget template.</strong></td>
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<td>g</td>
<td><strong>Terms of payment</strong>&lt;br&gt;KCDMS shall cover 75% of the costs while the benefiting offtaker pays 25% of the cost of KS1758 Training and rollout. These payments shall be made directly to the consulting firm as per the breakdown below</td>
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<td>Method of Submission</td>
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<td>h</td>
<td>Bid documentation should include the following:</td>
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1. A one-page cover letter that summarizes the firm technical experience and capability in undertaking this assignment. It should also indicate the availability of the key resource team.

2. A brief technical proposal for the assignment and work plan (not more than 10 pages). The proposal should include a well outlined design indicating the preferred region, approach and methodology.

3. The cost proposal (in the attached budget template) should consist of a comprehensive itemized budget highlighting a Level of Effort (LOE) of xxx days and should be done on a offtaker basis. Total disbursement will depend on the number of off takers served during the contracting period.

4. One-page with bios of the team to be engaged in carrying out the assignment.

Note: Cost proposal (in the attached budget template) should consist of a comprehensive itemized budget highlighting a Level of Effort (LOE) of 60 days spread over 6 months per cooperative. and should be done on a per region basis.

(a) 15% upon acceptance of the inception report and detailed workplan (paid by the offtaker)
(b) 25% upon completion of the County level sensitization.
(c) 35%- upon completion of the offtaker training and submission of first draft of the report, and other agreed documentation
(c) 25% upon completion of the assignment and acceptance of the final report by the Cooperative