REQUEST FOR PROPOSALS FOR TECHNICAL ASSISTANCE SERVICES
POST-HARVEST MANAGEMENT AND MARKET LINKAGES

1. NOTICE OF TECHNICAL ASSISTANCE SERVICES

The Eastern Africa Grain Council (EAGC) is requesting proposals from firms or consortium of firms to provide technical assistance services on post-harvest management and market linkages under the Kenya Cereal Enhancement Programme-Climate Resilient Agricultural Livelihoods-Climate resilient Agricultural livelihoods (KCEP-CRAL).

Interested firms should send their proposals to procurement@eagc.org, with a copy to grains@eagc.org by April 13, 2017 at 1700 Hours East Africa Time (GMT +3). Inquiries for clarifications or more information can be addressed on email to the above address or to the Programs Administration Manager, +254 733 444035.

2. PROGRAMME BACKGROUND

Eastern Africa Grain Council (EAGC) is one of the partners in the Kenya Cereal Enhancement Programme-Climate Resilient Agricultural Livelihoods-Climate resilient Agricultural livelihoods (KCEP-CRAL). The KCEP-CRAL is a programme implemented by the Government of Kenya through the State Department of Agriculture, Ministry of Agriculture, Livestock and Fisheries (MoALF) with the support from European Union and the International Fund for Agricultural Development (IFAD). The programme is aimed to reduce the grain deficit in the country and promote food security. Through this partnership, the Government of Kenya is expected to support 100,000 smallholder farmers to graduate from cereal subsistence farming to commercial agriculture through targeted investments in key cereal value chains.

The overall development goal of KCEP-CRAL is to contribute to the reduction of rural poverty and food insecurity of smallholders, by developing their economic potential. This development goal is pursued through the following objectives: the graduation of smallholder farmers to commercially oriented, post-production management practices and market linkages for targeted value chains. KCEP-CRAL will be implemented over a period of 7 years and will target 185,000 smallholders whose livelihoods revolve around maize, sorghum millet and pulses including (i) 140,000 subsistence farmers who will be supported in graduating to commercial agriculture - of which 65,000 are producers of maize, 58,200 of sorghum, and 7,800 of millet; and (ii) 45,000 small farmers who are already engaged in
developing farming as a business based on appropriate use of agricultural inputs and improved agricultural practices. Special focus will be on women-headed households and youth given the specific constraints they face in accessing agricultural services and inputs.

Under this Programme, EAGC is responsible for implementing the Post-Harvest Management & Market Linkages component which aims at supporting farmers to capitalize on their productivity gains through promoting improved on-farm grain-handling and management, access to storage and warehouse receipt systems, increasing smallholders’ access to markets, and building their capacities to sell their produce at more favourable terms and prices.

Small producers of grain face two main challenges related to post-harvest management: (i) poor grain handling and management, leading to up to 30% post-harvest losses contributing to national shortage in food supply; and (ii) marketing of grain at low price forcing households to buy grains for family consumption when prices increase. Component 2 will support farmers in securing productivity gains from investments supported under Component 1 through: (i) adoption of improved on-farm grain handling and management technologies and practices to minimize post-harvest losses; (ii) enhanced access to profitable grain markets enabling marketing of produce at more favourable terms.

3. AREAS OF OPERATION

The Programme will be implemented in 13 Counties in Kenya as shown below:

Zone 1: Western Region- Kakamega and Bungoma;
Zone 2: North Rift Valley Region – Nandi and Trans Nzoia;
Zone 3: North Rift Valley Region-Nakuru;
Zone 4: Upper Eastern Region-Tharaka Nithi, Embu,
Zone 5: Lower Eastern Region-Kitui, Machakos and Makueni;
Zone 6: Coast Region- Kilifi, Kwale and Taita Taveta;

4. THE SCOPE OF WORK

The entity selected will implement 2 sub- components as follows:

4.1. Post-harvest Management
This sub-component will focus on improving on-farm grain management by subsistence farmers by building up their capacity to use adequate technologies/practices to dry, extract and store grain. Under the component, the following activities will be implemented:

4.1.1. On-Farm Grain Management
The tasks to be undertaken here are:

a) Capacity building of target farmers in grain drying, handling and on-farm storage meeting standards for food handling and minimising losses;
b) Demonstration of new including collapsible dryer cases, mechanical solar drying, and metal silos; and (iii) access of subsistence farmers - through the E-voucher scheme- to a tarpaulin to ensure clean drying, and 10 hermetic bags using the ‘modified atmosphere’ bagging technology to reduce grain losses caused by insect infestation.

4.1.2. Produce collection and warehousing
The tasks to be undertaken here are:

a) Strengthen farmer organisations around 100 existing village-based collection centres through access to tools to meet cleanliness and moisture content standards. Priority will be given to sorghum collection centres as it is not planned to finance new storage facility for this crop; and

b) Setup of 60 certified farmer-owned storage facilities (mainly for maize and millet faced with significant price fluctuation) and access warehouse receipt financing. This will include the construction of 15 new farmer-owned facilities, renovation of 35 facilities, and certification of 10 existing facilities financed by owners. Farmer-owned facilities will be promoted in the form of Limited Liability Companies (LLCs) with shares held by farmers.

4.2. Market Linkages and Value Addition:
This sub-component will support the investment in community storage facilities allowing target farmers to stock their produce to attract wholesale buyers, to wait for favourable terms of trade, and/or to leverage their stock to access credit. In addition, the programme will (i) support target group to respond to market requirements, negotiate better prices and increase their share in the added value; and (ii) contribute to improving market access through spot improvements of feeder roads.

Activities carried out under this part of the sub-component will include:

a) The training and coaching of farmer organisations (FOs) to develop business partnerships between farmers’ organization and buyers (identification and establishment of contact with potential buyers, information of FOs on buyer requirements, and hand-holding in contract negotiation and signing) and strengthening of farmer organizations for sustained market presence (production planning, monitoring of progress, produce delivery management, payment management);

b) Organisation of initiatives at local level aimed at building commercial partnership and promoting as much as possible contracts with buyers; and

c) Technical capacity building for newly established processing initiatives.

5. OBJECTIVES AND OUTPUTS

5.1. Objectives
The overall objective of engaging a contractor (s) is to implement some component activities on behalf of EAGC and achieve the following specific objectives:
a) Identify market opportunities for targeted crops and establish modalities through which targeted farmers can take advantage of such opportunities;
b) Participate in the mobilization, organization and capacity building of farmers into strong market oriented institutions well positioned to take advantage of existing and future market opportunities;
c) Train targeted farmers on good harvest and post-harvest management practices for reduction in post-harvest losses and improved quality of produce for home consumption and marketing;
d) Support the development and integration of targeted smallholder farmers in structured marketing systems for their grains;
e) Provide technical support in development of value addition and processing activities in the targeted value chains; and
f) Support farmers to establish and maintain business partnerships with lead buyers of their produce.

Table 1: Distribution of Project Targets in the KCEP-CRAL Zones

<table>
<thead>
<tr>
<th>ACTIVITIES IN EACH ZONE (COUNTIES)</th>
<th>ZONES</th>
<th>TARGETS</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Farmers sensitized and trained/ accessing PHH services</td>
</tr>
<tr>
<td>1) Formation of formally constituted groups and capacity building on farmers organization;</td>
<td>Zone 1: Western Region- Kakamega and Bungoma;</td>
<td>26,000</td>
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<tr>
<td>2) Sensitize and train farmers on improved harvest and post-harvest management of targeted grains to meet food safety standards for home consumption and marketing of surplus produce;</td>
<td>Zone 2: North Rift Valley Region – Nandi and Trans Nzoia;</td>
<td>26,000</td>
</tr>
<tr>
<td>3) Establishment and improvement of produce collection centres</td>
<td>Zone 3: North Rift Valley Region- Nakuru;</td>
<td>13,000</td>
</tr>
<tr>
<td>4) Development of a service market for increased accessibility of shelling and threshing services;</td>
<td>Zone 4: Upper Eastern Region- Tharaka Nithi, Embu,</td>
<td>31,305</td>
</tr>
<tr>
<td>5) Support farmers in produce value addition and processing</td>
<td>Zone 5: Lower Eastern Region- Kitui, Machakos and Makueni;</td>
<td>47,242</td>
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<tr>
<td></td>
<td>Zone 6: Coast Region- Kilifi, Kwale and Taita Taveta;</td>
<td>41,453</td>
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<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>185,000</td>
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</table>
5.2. Deliverables/Milestones and Payments.

The successful contractor(s) will be assigned tasks and deliverables in their areas of operation. The Contractor will then be expected to develop a budget based on the deliverables in table 1 above and submit to EAGC for approval.

The accomplishment of each assignment will be based on the successful submittal or completion of the tasks and deliverables delineated for that period. Payments will be based on the pre-established tasks and deliverables with fixed amounts. Payments will be made upon the submission of evidence that deliverables have been achieved or completed and EAGC acceptance of the task(s) completion.

3.3 Time frame

The KCEP-CRAL programme is scheduled to end on 20th September 2022. However, EAGC will provide the selected firm(s) with short-term assignments of between 3-6 months depending on the scope of work until the programme ends. Successful bidders will therefore be expected to structure periodic milestone plans.

6. SUBMISSION OF PROPOSALS

The qualified contractors should submit technical and financial proposals in accordance with information provided in this bid solicitation. The technical proposal should be organized as follows:

a) Technical Approach: Details on the proposed methodology and approach for accomplishing the assignment, ensuring that the following are covered:

   (i) Rationale:
   - Any comments on the terms of reference of importance for the successful performance of activities, in particular its objectives and expected results, thus demonstrating the degree of understanding of the assignment.
   - An opinion on the key issues related to the achievement of the contract objectives and expected results;
   - An explanation of the risks and assumptions affecting the performance of the contract;

   (ii) Strategy:
   - An outline of the approach proposed for contract performance
   - In the case of a tender being submitted by a consortium, a description of the input from each of the consortium members and the distribution and interaction of tasks and responsibilities between them
   - A description of the support facilities that the contractor will have to facilitate the smooth running of the activities.

   (iii) Timetable of activities/Work plan:
   - The timing, sequence and duration of the proposed activities, taking into account mobilization time;
• The expected number of working days required each month during the period of performance of the contract.

(iv) Area of Operation:

As detailed in section 3 above, all bidders are expected to indicate the areas they would like to serve and demonstrate their capacity and experience in the areas they have chosen.

b) Financial Proposal: The contractor shall provide a clear budget with realistic costs. The costs should cover all field-related activities (trainings, group formation, business linkages, and travel e.t.c) labour among others. Note: Each budget component should be linked to the deliverables.

c) Personnel: The contractor shall propose a competent staff capable of implementing all the activities identified in the terms of reference. The staff under the contractor should have the following qualifications:

- Understanding of the Kenyan grain sector and issues related to harvest and post-harvest management;
- Knowledge and experience in development of agricultural value chains; formation and strengthening of farmer institutions; and linkages of smallholder farmers to produce markets; and
- Financial and business management of farmer institutions, including preparation of business plans, establishment of financial management and information systems; and training of farmers in business management skills;

The bidder should however identify the number of other staff to be deployed in undertaking the assignment and demonstrate the process that will be followed to ensure the personnel are identified and deployed, including specifications on professional qualifications, language skills and work experience.

d) Experience of the Contractor: The contractor should have good experience in grain value chain management and farmers-agribusiness linkages, and a track record in business solutions involving smallholder farmers and their organizations in the grain sector. Bidders should submit a brief description of past or current contracts/work programs for efforts similar in size, scope and complexity to this tender. If the bidder proposes to partner with other existing organizations or firms, the roles of each partner should be fully explained. The institutional brief of the firm should demonstrate:

- Experience in development of structured trading systems in the grain sector in Kenya, including warehouse receipt systems;
• Experience in support to farmers organizations to improve harvest and post-harvest handling of their produce, and linkages to markets;
• Proven record in value chain development work in Kenya’s grain sector;
• Proven record on business development services to farmers, farmer organizations and SMEs along commercial agriculture value chains.

3 EVALUATION CRITERIA

The firm will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Consultant Guidelines. Technical proposals submitted will be evaluated in accordance with the following criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Score</th>
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<tbody>
<tr>
<td>Technical Approach &amp; Methodology</td>
<td>40%</td>
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<tr>
<td>Proposal should demonstrates a clear understanding of the grain sector in Kenya,</td>
<td>10%</td>
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<td>issues faced by smallholder farmers and the identified constraints being addressed</td>
<td></td>
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<tr>
<td>under the Component</td>
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<tr>
<td>Clearly defined intervention activities to address the constraints identified, with</td>
<td>20%</td>
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<tr>
<td>a direct impact on improved post-harvest handling of grains and market access</td>
<td></td>
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<tr>
<td>for targeted smallholder farmers</td>
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<tr>
<td>Personnel</td>
<td>40%</td>
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<tr>
<td>Technical experience of the proposed individuals to conduct intervention or</td>
<td>20%</td>
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<tr>
<td>activities</td>
<td></td>
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<tr>
<td>Experience of the firm in offering similar services</td>
<td>10%</td>
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<tr>
<td>Organizational capacity to implement the proposed intervention</td>
<td>10%</td>
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<tr>
<td>Financial Proposal</td>
<td>20%</td>
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<tr>
<td>Realistic costs and clear budget</td>
<td>20%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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