

Expression of Interest (EOI)

NDDB/C/EOI/2073/74/01
Milk Marketing Strategy Study in Nepal

Office Name: National Dairy Development Board (NDDB)

Office Address: Harihar Bhawan, Lalitpur

Financing Agency: Government Budget

Request for Expression of Interest (EOI)

National Dairy Development Board (NDDDB)

Harihar Bhawan, Lalitpur, Nepal

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EOI No: NDDDB/C/EOI/2073/74/01

Publication Date: 10 January 2017

1. The *National Dairy Development Board (NDDDB)* invites Expression of Interest (EOI) from eligible consultants to provide the consulting services for *Milk Marketing Strategy Study in Nepal*.
2. Interested eligible consultants may obtain further information and inspect the EOI document at *NDDDB* during office hours or visit the Client's website <http://nddb.gov.np>.
3. The copy of the EOI document will be available from *NDDDB* free of cost alternatively the document may be downloaded from the Client's website.
4. Interested Consultant and its team members should possess significant knowledge and proven experience in project related assignment. The capability of the consulting firms seeking to be short listed is determined based on the criteria set in the EOI document.
5. Consultant interested to submit the expression of interest should submit the EOI document in sealed envelope and should be clearly indicate the project name and EOI number. The Envelope should also clearly indicate the name and address of the Applicant.
6. Expressions of interest must be submitted manually to *NDDDB* by **12:00 hour's** local time on or before **25 January 2017**.
7. Any EOI Document received after the closing time for submission of proposals shall not be considered for evaluation.
8. A Consultant will be selected in accordance with the *QCBS* method.

B. Instructions for Submission of Expression of Interest

1. Expression of Interest may be submitted by a firm, association, or a joint venture of consulting firms.
2. Expression of Interest should contain following information:
 - (i) A covering letter addressed to the Representative of the client given below on the official letter head of company duly signed by authorized signatory.
 - (ii) Applicants shall provide the following information in the respective formats given in the EOI document:
 - Details of the Applicant as per format (Annex-1)
 - Details of similar assignments undertaken in the previous seven years (Annex-2)
 - Details of related professional staff and their field of expertise (Annex-3)
 - Annual Turnover detail of the Applicant in consultancy services assignments for the consecutive 3 years ending 2072-73 as per format (Annex -4)
 - (iii) If EOI is submitted by the association or joint venture of two or more firms then the above information should be provided in respective formats by each member of the association or joint venture and the name of the lead firm should be mentioned.
 - (iv) Applicants may submit additional information with their application but shortlisting will be based primarily on the evaluation of information requested and included in the formats provided in the EOI document.
 - (v) The Expression of Interest (EOI) document can be collected free of cost from NDDDB and submitted at **NDDDB, Hariharbhawan, Lalitpur**, in sealed envelope clearly marked as “EOI Application for Short-listing for the *“Milk Marketing Strategy Study in Nepal.”*”. The Envelope should also clearly indicate the name and address of the Applicant.
 - (vi) The completed EOI Document must be submitted on or before the date and time mentioned in the “Invitation notice” at **National Dairy Development Board (NDDDB)**. In case the submission falls on public holiday, the submission can be made on the next working day. Any EOI Document received after the closing time for submission will not be considered for evaluation.

C. Background, Objectives and Scope

C.1 Background

National Dairy Development Board (NDDDB) is the apex level policy body formed by the government of Nepal in 1992 for holistic dairy sector development of the country. Functions and duties of NDDDB includes formulation and recommendations on policies on import and export of good necessary for production and promotion of milk and milk products, acceleration of the implementation of approved policies; formulation and recommendation on pricing policy of milk to Government of Nepal; encouragement to development of dairies through the medium of co-operatives; monitoring, evaluation and review of dairy development; and registration of dairy industries.

In Nepal, with the development of road as well as increment of municipalities, the dairying has become a good income generating business for rural nearby areas. The organized commercial dairy farming is increasing with start of the larger (more than 20 cattle/farm) as well as medium sized (6-20 cattle/farm) dairy farms. This increment in farm obviously increases production of milk and milk products which may be consumed in the nearby market of the farm area. Because of changing food habit as well as higher purchasing power, demand for modern dairy products such as pasteurized milk, cheese, butter, ice cream etc. and traditional milk products including ghee, yoghurt, paneer, and different types of milk-based sweets are increasing tremendously in urban areas.

The milk cooperative movement in the rural areas and establishment of modern dairies in the urban has been the milestones and driving force for milk marketing in the country. However, despite decades of cooperative movement and gradual shifting toward formal milk marketing sector, a large proportion of milk and milk products in Nepal continues to be marketed through the ‘informal or unorganized sector.’ The informal sector comprising middlemen, private milk traders and direct sale from producer to consumer, still accounts a large portion of marketed milk and milk products in the country. Trends indicate that, the informal sector will continue to play its dominant role in milk marketing in the foreseeable future.

The profitability and sustainability of dairy production depends upon its cost structure and a remunerative price, for which a good marketing outlet is crucial. Therefore understanding prevailing milk marketing structure, analyzing associated constraints and developing proper strategies for holistic dairy sector development in the country has become extremely essential.

C.2 Objectives of the Study

The main objective of the current study is to concretely develop dairy marketing strategy based on ground reality such that the risk factor for investor in dairy sector is reduced significantly with the following specific objectives:

- Assessment of the current milk production, seasonal variation and productivity of dairy cattle, buffalo and *nak* and *chauries*,
- Analysis of the current status of milk and milk product markets in the country,
- Analysis of demand, supply and price trend for milk and milk products including imports of dairy products,
- Identification of the market potential for milk and milk products within and outside the country with special reference to import substitution and export promotion,
- Prepare an outline of five year dairy sector strategy plan with emphasis on marketing strategy, products diversification and market development, and
- Supplement the database of NDDDB by providing market and consumer information and export/import data for various dairy products in Nepal.

C.3 Scope of the Study

The study must cover the following areas of dairy sector:

1. Develop dairy animal farm inventory encompassing small, medium and large cattle, buffalo, and mixed farms; and *nak/chaury* farms in major dairy pocket areas throughout the country.
2. Develop inventory of milk processing industries (large, medium, small and cottage) with their daily processing capacity and actual processing over last five years.
3. Depict milk production, collection, milk and milk product marketing. trend in last five years.
4. Disaggregated annual milk production data by species (cattle, buffalo, and *nak/chauries*).
5. Analyze seasonal variation in milk production and collection over the last five years.
6. Depict milk productivity of dairy cattle, buffaloes and *nak/chauries*.
7. Analyze milk production cost of buffalo and cattle under (i) smallholder (upto 5 cow/buffalo), (ii) medium holding (6-20 cow/buffalo), and (iii) large commercial scale of production (more than 20cow/buffalo); and cost of *nak/chaury* milk production.
8. Collect milk trade and household consumption data:
 - Quantity of milk and milk products consumed at household level
 - Raw milk vendors in major city centers
 - Prices of milk and milk products
9. Milk Production constraints and potentials.
10. Quantify major diversified milk products based on the popularity and availability of dairy products in five development region e.g. dahi, icecream, butter, paneer, cheese, khoa etc.
11. Milk and milk products import and export trend over last 5 years.
12. Projection of milk and milk products demand in major market area in next five years.
13. Analyze potential of import substitution and export market and strategies.
14. Develop strategies to bring more proportion of milk in the formal market.
15. Mapping of dairy value chain.
16. Collect milk production trend in last five year in neighboring SAARC countries and China(secondary data).
17. Cost of milk production trend in last five year of neighboring SAARC countries and China (secondary data).
18. Following major dairy pocket areas of five development regions should be covered during study
 - Eastern Development Region : Ilam,Morang,Jhapa,Saptari and Sunsari
 - Central Development Region: Kathmandu, Bhaktapur, Lalitpur, Kavreplanchowk, Makwanpur, Sarlahi, Chitwan, Dhading, and Sindhupalchowk
 - Western Development Region : Kaski, Syanja, Nawalparasi, Rupendehi,Palpa, and Baglung
 - Mid Western Development Region : Banke, Bardiya, Dang and Surkhet
 - Far Western Development Region: Kailali, Kanchanpur and Dadeldhura
19. The districts for study on Nak/Chauries are Dolakha,Rasuwa, Solukhumbu and Taplejung.

C.4 Human resource

The consulting firm should involve qualified and experienced work force to complete the assignment. Duly signed Bio-data of concerned specialist along with commitment for availability for the study period should be submitted by the concerned specialist as well as other essential assistant staffs for field work and data management .

Key Personnel	Number	Minimum Qualification	Minimum Experience
Team Leader	1	MSc in Animal Science/ Dairy Science/ Dairy Technology	10 years
Agri Economist	1	MSc in Agri Economics	7 Years
Sociologist	1	MA Sociology	7 Years

D. Evaluation of Consultants EOI Application

Consultant's EOI application which meets the eligibility criteria will be ranked on the basis of the Ranking Criteria. A maximum of 6 consultants shall be short listed

<u>i) Eligibility Criteria</u>	Compliance
Corporate Registration	
VAT/PAN Registration	
Tax Clearance/Tax Return Submission/Time Extension Letter of F/Y 2072-73	
Minimum years of standing (3 years)	
Commitment for Code of Ethics	
Commitment for adherence to Anti-Corruption Policy	

<u>ii) Ranking Criteria</u>	Score
General Experience of the consultants	20
Specific Experience of consultants in EOI assignment related project	40
Professional Employees of the consultants (Only assignment related experts to be considered)	30
Average Annual Turnover of the consultant for the consecutive 3 years	10
Total	100
Minimum Pass marks = 60	

E.Application Form

Date:

Name of the assignment:.....

To:

.....
.....

We, the undersigned, certify to the best of our knowledge and belief:

- a. We have read the advertisement, including the terms of reference (TOR), for this assignment.
- b. Neither the consulting firm nor its JV member or sub-consultant or any of its experts prepared the TOR for this activity.
- c. We confirm that the project references submitted as part of this EOI accurately reflect the experience of the specified firm/consortium.
- d. We further confirm that, if any of our experts is engaged to prepare the TOR for any ensuing assignment resulting from our work product under this assignment, our firm, JV member or sub-consultant, and the expert(s) will be disqualified from short-listing and participation in the assignment.
- e. All consulting entities and experts proposed in this EOI are eligible to participate in GoN/DPfunded, -supported activities.
- f. The lead entity and JV member or sub-consultant has not been declared ineligible, under the country laws or official regulations

Name:

In the capacity of

Signed

Duly authorized to sign the Expression of Interest for and on behalf of

Date

F. EOI Formats

- (i) Applicant's information (Annex-1)
- (ii) Similar Assignment Experience (Annex-2)
- (iii) Professional Staff Information (Annex-3)
- (iv) Average Annual Turnover (Annex -4)

Applicant's Information

(In case of the association or joint venture of two or more firms to be filled separately for each constituent member)

1. Name of Firm/Company:
2. Type of Constitution: (Partnership/ Pvt Ltd/Public Ltd/ Public Sector/Joint Venture):
3. Date of Incorporation / Commencement of Business (Please specify):
4. Place of Incorporation:
5. Details of Services Provided:
6. Registered Office/Place of Business:
7. Telephone No; Fax No; E-Mail Address
8. Name of Authorized Contact Person / Designation/ Address/Telephone:
9. Name of Authorized Local Agent /Address/Telephone:
10. Consultant's Organization:

(Provide Company Profile with description of the background and organization of the Consultant and, if applicable, for each joint venture partner for this assignment.)

Details of similar assignments undertaken in the previous Seven years
(In case of the association or joint venture of two or more firms to be filled separately for each constituent member)

Assignment name:	Approx. value of the contract (in current NRs)
Country: Location within country:	Duration of assignment (months):
Name of Client:	Total No of person-months of the assignment:
Address:	Approx. value of the services provided by your firm under the contract (in current NRs)
Start date (month/year): Completion date (month/year):	N ^o of professional person-months provided by the joint venture partners or the Sub-Consultants:
Name of joint venture partner or sub-Consultants, if any:	Name of senior regular full-time employees of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):
Narrative description of Project:	
Description of actual services provided in the assignment:	
Note: Provide highlight on similar services provided by the consultant as required by the EOI assignment.	

Firm's Name: _____

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Details of related professional staff and their field of expertise

(In case of the association or joint venture of two or more firms to be filled separately for each constituent member)

S.N	Name of Staff	Field of Expertise	Qualification	Years of Experience
1.	Team Leader			
2.	Agri Economist			
3.	Sociologist			

Applicants Annual Turnover from Consulting Services Assignments
(Information of individual applicant or Lead Partner of association or JV to be provided)

Fiscal Year	Annual Turnover in NRs.
2070-71	
2071-72	
2072-73	
Total	