Request for Proposal

Sahaj – Nepal Agricultural Market Development Programme (NAMDP) – Phase II

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Annex 1

Terms of Reference for Consulting Services

Assignment Titles: Consulting services to prepare business plan for applicant companies of Sahaj Challenge Fund Round 2

1. Introduction:

1.1 Sahaj-NAMDP Phase II

The Nepal Agricultural Market Development Programme (NAMDP), also known as Sahaj (Nepali for 'facilitate' or 'make easier'), is designed with three successive phases spanning across a 12-year horizon. Sahaj’s objectives are based on a vision of a thriving and inclusive agriculture sector, aiming to grow employment and income for Nepal’s rural population.

Sahaj operates under a bilateral agreement between the Government of Nepal and the Government of Switzerland. Sahaj is a Swiss Agency for Development and Cooperation (SDC) project, implemented by a consortium of Swisscontact (as the lead agency) and the Center for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED). The programme focuses on Province Number 1.

Sahaj-NAMDP Phase II objective is to support market system transformation to achieve the goal: "women and men, including from disadvantaged groups, find employment and increase income.”

Three interlinked outcomes contribute to this goal:

- **Outcome 1**: Agribusinesses, particularly SMEs increase the trade value of agricultural produce in key value chains.
- **Outcome 2**: Agriculture and Non-Agriculture Service Providers offer innovative services/products.
- **Outcome 3**: Federal, Provincial and Local governments create a more enabling environment for businesses and SME growth in agriculture.

NAMDP has the mandate to contribute with activities that encourage Agribusiness in increasing trade value, buy and sales figures of agricultural produce in the key value chain under outcome 1 as the following:

- **Outcome 1**: Agribusinesses, particularly SMEs increase the trade value of agricultural produce in key value chains.
  - **Outcome 1.1**: Increase in trade value in key-value change by end of phase II
  - **Outcome 1.2**: Increase in buy figures (domestically sourced) from agribusiness, particularly SMEs
  - **Outcome 1.3**: Increase in sales figures from agribusiness, particularly SMEs

Under outcome 1.1, The dairy processor with its innovative dairy product will add significant value to the raw milk and increase its trade value before selling it to the customers or agribusiness.

Under outcome 1.2, With the introduction of new dairy product, the dairy processors will have to source raw materials e.g., milk from Nepali farmers.

Under outcome 1.3, The production and distribution of the innovative product in the market will generate new income for the dairy processor.
1.2 Context of the assignment:

This assignment is related to the activities of NAMDP. NAMDP has a plan to foster innovation and increase value-added product diversity in the dairy sector through Challenge Fund. The challenge fund would issue grants and technical assistance to co-finance the costs involved in developing and piloting new business models and solutions in Province 1 with an aim to reduce risk, encourage innovation, and in doing so, push for diverse dairy products in Nepali market.

The assignment will develop business plan and financial plan for the selected firms/companies based on the proposed innovative idea of product or packaging, the company and its founder’s background, market, competition, and sustainability of the along with the financial history and future plan.

As the activity requires high degree of subject, market, and product knowledge, NAMDP has initiated the procurement of the Short-Term Consultancy Organisation.

2. Objective of the Assignment:

Conduct due diligence and then prepare a business plan, and financial plan for a minimum of 5 companies with a scope of additional companies selected by Sahaj Challenge Fund Round 2.

3. Scope of the Assignment:

This assessment intends to prepare a business plan and financial plan that will aid the panel of judge to select the winner for the Sahaj Challenge Fund Round 2. The business plan will help understand more about the applicant’s company, the proposed idea’s feasibility, market, and scalability while the financial plan will help in understanding the financial situation of the company along with future projections and sustainability.

The preparation of a business and financial plan will involve meeting with the selected applicants to understand the company, its finance, business needs, strength & weaknesses, and alignment with the requirements of SCF 2. Assessing and analyzing the Nepali dairy market, business practices and procedures and compiling research findings and recommendations.

The business plan should follow the below-given outline to illustrate the applicant’s proposal would unlock the dairy product diversity in Province 1.

1. Executive summary
2. Project Description
   o Company Background
   o Project Introduction and alignment with the requirements of the SCF 2
   o Organizational Structure
   o Founders’ Profiles
3. Market Analysis
4. Business Model
5. Value Chain
   o Key inputs
   o Suppliers
   o Production Process
6. Marketing and Sales Strategy
   o Competitive Advantage
4. Expertise/Eligibility
The consultancy organization shall have at least 5 years of experience in similar type of assignment. The consultancy organization shall share the CVs of their consultants working for the assignment. The consultants shall have the following qualifications and experience:
- Minimum Masters’ degree in accounting, business, finance, marketing, or management.
- Experience of preparing Business model and financial report for Nepali companies.
- Strong research and data collection skills.
- Strong analytical and problem-solving skills.
- Strong knowledge of Nepali private businesses.
- Excellent communication, interpersonal, and presentation skills.
- Prior work experience in Province 1 will be an added advantage.
- Proficiency in Microsoft Office.

5. Deliverables:
The deliverables under this assignment will be:
- Prepare the business plan and financial plan for a minimum of 5 selected applicants, with scope for additional companies as per the mentioned outlined in the Scope of the Assignment (section 3).
- Other related tasks assigned by NAMDP.

6. Request for Proposal:
The potential and interested organization are requested to submit documents showing their keen interest to undertake the proposed assignment as listed below. The proposal should include following:
1. Cover letter expressing interest
2. Eligibility criteria list (documents mentioned in section 9, technical and financial proposal, CV of proposed consultants, and list of previous clients)
3. Technical proposal (70% of the weightage)
4. Financial proposal (30% of the weightage).
7. Structure of Technical Proposal

Cover Page
Table of Content
List of Tables (If required)
List of Figures (If required)
Abbreviations
A. Organizational profile demonstrating relevant knowledge and work experiences related to development of business plan and financial plan for Nepali companies (including agri-processing companies).
B. Methodology and detail plan for conducting the research on the companies, collect data required to prepare the business, operational, financial plan and other analysis as outlined in the Scope of the Assignment (section 3).
C. CV/s of the consultant/team for business plan and financial plan research and documentation.
D. Summary of experience in conducting relevant events
Annexes (If required)

8. Structure of Financial Proposal

The financial proposal should include the following:
- Cost of preparing the business and financial plan for a minimum of 5 firms/companies (including travel, accommodation cost and other expense).
- Cost of preparing the business and financial plan for each additional firm/company (including travel, accommodation cost and other expense).

9. Scoring Criteria
For technical proposal

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Instructions</th>
<th>Full Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Conceptual clarity on the deliverables and Workplan demonstration</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Work Experience of consulting firm:</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>• General work experience: Relevant work experience in developing a business plan and financial plans for Nepali companies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Specific work experience: Relevant work experience in developing the business plan and financial plan for Nepali agriculture product processing companies</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Qualification of proposed human resources</td>
<td>20</td>
</tr>
<tr>
<td>4.</td>
<td>Experience of proposed human resources:</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>• General work experience: Relevant work experiences in using several approaches and detailed plans to research the companies, collect data required to prepare the business, operational, financial plan, and other analysis to prepare the business and financial plan and on developing of business plan and financial plan for Nepali companies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Specific work experience: Relevant work experiences in using several approaches and detailed plans to research on the companies, collect data required to prepare the business, operational, financial plan, and other analysis to prepare the business and financial plan and on developing of business plan and financial plan for Nepali agriculture product processing companies</td>
<td></td>
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</tbody>
</table>

Total Marks 70
For financial proposal
The financial proposal will be evaluated following the completion of the technical evaluation. The bidder with the lowest evaluated cost will be awarded 30 points. The financial proposal from the bidder will receive pro-rated points on the relationship of the bidder’s prices to that of the lowest evaluated cost.

Both the proposals must be in two separate pdf files. The financial proposal will be opened only after the technical proposal is rated. Technical proposals with scores less than 50% will not be further evaluated.

The following documents are required to be received within the date stipulated in this ToR:
- Organisation profile
- Registration certificate of the organisation along with latest renewal certificate
- VAT registration certificate (if applicable)
- Tax clearance certificate
- Audit report of last year

10. Selection process and negotiation
NAMDP Phase II will follow the below-mentioned method for the selection of firm:
1. Firms missing any of the documents mentioned in the eligibility criteria will not be included for further assessment.
2. NAMDP Phase II will evaluate the proposals based on the expertise and subject matter.

After completing the evaluation of proposals as per the conditions mentioned above, NAMDP Phase II will contact and further discuss with the finalist.

Before awarding and signing the contract with the selected organization, NAMDP Phase II may undertake an assessment of the organization’s financial and management capacity and the relevant practices, through one or more meetings and visits.

11. Time Duration of Services:
Cover letter, eligibility criteria along with financial proposal must be submitted in PDF format addressed to email np.info@swisscontact.org by 12th August 2022.

The assignment is planned as starting from 24 August 2022 to 24 September 2022 for a maximum of 21 working days.

12. Terms of payment:
The payment for services rendered by the consulting firm will be made as per NAMDP’s rules and regulations. There will be a formal contract for the service. The payments will be done on a milestone basis and the total value of the service will be paid by a bank transfer to the firm’s bank account.

13. Payment Modality:
The project will release payment to the consultant after satisfactory completion of the assignment i.e., acceptance of the final business plan and financial plan as mentioned in deliverables (section 5)
by the NAMDP Phase II. The consultant, timesheet and invoice, and other supporting documents subject to approval by the project. Applicable taxes will be deducted before making payment to the consultant.

14. Reporting and communication:
The consultant shall prepare and submit final business plan and financial plan as mentioned in section 5 (deliverables) after completion of assignment. The project team will review and provide feedback and comments if any to incorporate in final business plan.