

# COUNTY GOVERNMENT OF KISUMU



## DEPARTMENT OF AGRICULTURE, IRRIGATION, LIVESTOCK AND FISHERIES

P.O BOX 2738-40100 KISUMU, KENYA

### CALL FOR EXPRESSION OF INTEREST (EOI)

#### OPERATION AND MAINTENANCE OF AHERO RICE MILLING PLANT

EXPRESSION OF INTEREST (EOI) NO: CGK/DAILF/EOI/001/2022/2023

**NAME OF PROCURING ENTITY:** County Government of Kisumu, Department of Agriculture, Irrigation, Livestock and Fisheries

**ASSIGNMENT/CONTRACT TITLE:** Operation and Maintenance of Ahero Rice Milling Plant

**REFERENCE NO.:** CGK/DAILF/EOI/001/2022/2023

- 1) The *County Government of Kisumu, Department of Agriculture, Irrigation, Livestock and Fisheries* intends to shortlist strategic investors to provide **Operation and Maintenance of Ahero Rice Mill Plant** -This involves the operation and maintenance of the Ahero Rice Milling Plant under a lease agreement with The County Government of Kisumu, Department of Agriculture, Irrigation, Livestock and Fisheries (Entity that procured the Rice Mill) and National Irrigation Authority (NIA) (Entity hosting the Rice Plant). The intention to engage a strategic investor to lease, operate and maintain the rice mill was approved by the Cabinet of The County Government in full consistency with the Terms of Reference (TOR) that are attached or referred to in this request for expressions of interest and also found on the County Website [www.kisumu.go.ke](http://www.kisumu.go.ke) and PPIP portal [www.tenders.go.ke](http://www.tenders.go.ke)
2. The *County Government of Kisumu, Department of Agriculture, Irrigation, Livestock and Fisheries* now invites eligible firms to submit their interest in operating and maintaining the milling plant. Interested Strategic Investors should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria on required qualifications and experience of the firm are:
  - i) Experience in the assignment, including technical and managerial capability of the firm.
  - ii) Number of years in business working on the area of the assignment.
  - iii) Reference to at least three assignments of similar nature and size carried out.

**Office of Director Supply Chain Management**  
**County Government of Kisumu**  
**P.O Box 2738-40100 Kisumu**

**Prosperity House 2<sup>nd</sup> Floor Wing C**

**Email:** [procurement.cgk@kisumu.go.ke](mailto:procurement.cgk@kisumu.go.ke)

During office working hours (8:00Am- 5:00pm) before seven (7) days of the submission date.

Qualifications and Experience of Key Experts shall not be included in the short-listing criteria. Key Experts will not be evaluated at the shortlisting stage.

3. The attention of interested Investors is drawn to the following provisions that will be highlighted in the Request for Proposals to be issued to shortlisted firms.
  - i) The Investor will be expected to have no conflict of interest with other assignments or its own corporate interests and acting without any consideration for future work.
  - ii) The Investor has no personal or business relationship with the Procuring Entity's senior management or professional staff.
  - iii) A firm or an individual in the firm has not been sanctioned by the Public Procurement Regulatory Authority or are under a suspension or a debarment imposed by any other entity of the Government of Kenya, or any international organization.
  - iv) Government-owned enterprises or institutions of Kenya Government, officials and civil servants and employees of public institutions not eligible.
4. Strategic Investors may associate with other firms to enhance their qualifications, but must indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.
5. An Investor will be selected in accordance with the Request for Proposal method set out in the Act and Regulations.
6. Further information can be obtained at the address below during office hours [**8:00AM to 5:00PM**].

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7. Expressions of interest must be delivered in a written form to the address below (in person, or by postal mail, or by e-mail) on or before 26<sup>th</sup> May 2023 at 12:00Noon.

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**The Terms of Reference (TOR)**

The County Government of Kisumu is seeking for a competent and experienced strategic investor to lease, operate and maintain the Rice Mill.

**Background Information**

Rice is widely grown in the county mainly in the sub counties of Nyando, Muhoroni, Kisumu East and Nyakach. The production of rice in the county is mainly through flood irrigation requiring infrastructure investment for water control systems. The farming community in

irrigation schemes in the county is affiliated to cooperative societies, self-help groups and or Irrigation Water Users Associations (IWUA) for the purposes of rice production and marketing. There are a number of rice farmers' cooperatives in the county with the main ones being West Kano Scheme Farmers' Cooperative Society, Ahero Multipurpose Rice Cooperative Society, South West Kano Farmers' Cooperative Society and North Kano Irrigation Scheme Organization (NOKISO).

The County Government of Kisumu with the support of the national government through National Irrigational Authority (NIA) and a development partner, JICA, has over the years been supporting the development of the rice value chain through the use of certified rice seed including hybrids; adoption of input use especially basal and topdressing fertilizers in production; adoption of good agronomic practices in rice cultivation; use of mechanical harvesting of rice especially combine harvesting. Additionally, deliberate efforts have been made in expanding rice schemes and strengthening of rice cooperative societies. Due to these efforts, there has been tremendous growth in production and harvested paddy yield i.e., 19,000 tons from 6,500 ha by 12,000 households as of December 2021.

While increased rice productivity and production has been realized, the produce is mostly sold as unmilled paddy by individual farmers. Processing and value addition is still very low in the rice growing schemes in the county. The few available operating single-stage mills produce ungraded, un-dested, high percentage broken rice. For these reasons, the County Government of Kisumu through its budgetary allocation for financial year 2021/2022 to promote rice processing and value addition procured a multi-stage rice mill capable of sorting, grading and packing with a throughput of 2.5 ton/hour. This mill has been delivered and is being installed at NIA, Ahero. Thus, the county government needs to develop a more viable way to operationalize and run the mill that will make it competitive and generate a positive return on investment. Such a strategy will ensure that the rice mill delivers on its mandate of enhancing market access for the local rice produce

Therefore, the County Government of Kisumu wishes to entrust the operation and management of the milling plant to a willing, competent and experienced strategic investor. The private investor will operate the rice mill as a business under a legally executed lease agreement.

**The private investor shall perform the following;**

- 1) Enter into a tripartite agreement/memorandum of understanding with the county government of Kisumu and National irrigation Authority on the terms of engagement
- 2) Operate and Manage the Rice Mill as a private business venture
- 3) Pay the agreed monies/fees promptly to the county government of Kisumu and National Irrigation Authority (NIA) for the use of the facility
- 4) Willingly support the local community in rice marketing and providing employment opportunities for local community especially for the labor requirement.
- 5) Maintain and safeguard the county investment for the period the investor will be at the facility in accordance with the tripartite agreement.
- 6) Hand over the rice mill to the county government in proper working condition at the expiry of the engagement period.

**The interested investor shall fulfil the following requirements;**

- 1) Demonstrate interest to invest in rice mill

- 2) Demonstrate clear understanding of leasing for use government facilities
- 3) Have experience in major cereal milling operation
- 4) Demonstrate expertise in major rice milling operation
- 5) Demonstrate organizational set up to operate and manage a major rice mill
- 6) Have a strategy on supply of rice paddy to the rice mill and marketing of milled and graded rice.
- 7) Demonstrate ability to open up new markets for locally produced and processed rice
- 8) Demonstrate financial capability to support such engagement.
- 9) Demonstrate understanding of the local (Kisumu) situation and needs in rice production and development
- 10) Demonstrate a strategy to integrate rice farmers' cooperatives on the demand side as clients and consumers, and/or on the supply side as producers, entrepreneurs or employees in a sustainable way.

The following certified documents must be submitted as part of expression of interest;

1. Certificate of incorporation/partnership deed/business certificate
2. Current valid tax compliance certificate
3. A list of directors as contained in the CR12 or its equivalent
4. Three referees to ascertain the investor has undertaken similar business investment successfully
5. A statement that the company has not been debarred from participating in Public Procurement
6. Attach copies of certified audited accounts by a reputable firm for the last two years.

## EXPECTED RESPONSE

In responding to this expression of interest, the EOI must cover the following areas;

1. A technical proposal that portrays scope and the business model to be applied.
2. Proposed workplan of the investment
3. CVs of key personnel working with the investor

## Criteria for Selection of a Strategic Investor for the Ahero Rice Mill

S/No.	Item	Score
1.	The investor must have an ongoing successful business in the related field.	20
2.	The business should have been operational for at least 10 years.	20
3.	The business should be financially sound/have financial capability	20

4.	The investor should have the capacity and proof to fund a new business venture.	15
5.	The investor should provide proof of existence of a distribution channel and marketing ability.	15
6.	The investor should have related investment in Kisumu County	10
	<b>TOTAL</b>	<b>100</b>

### **Minimum -70 Marks**

**NOTE:** Only firms who score 70 Marks and above will be shortlisted for Request for Proposal.

### **SELECTION PROCESS**

The selection process will be conducted in three stages;

**Stage 1:** Expression of Interest (EOI) received from interested firm and investors that have submitted all required documentation will be reviewed by the evaluation committee. Shortlisted applicants will be notified accordingly

**Stage 2:** The Request for Proposal for the assignment will be shared with shortlisted applicants who will be invited to submit a technical and financial proposal.

**Stage 3:** The technical and financial proposal will be evaluated following the guidelines outlined in the request for proposal.

Interested and eligible firms may obtain further information from The Office of Director Supply Chain Management, Prosperity House (New Nyanza Regional Headquarters) 2<sup>nd</sup> Floor Wing C during the working office hours of between 8am to 5pm during working days.

Expressions of interest must be sent through email address or enclosed in plain sealed envelopes marked with the EOI Number and Name and be delivered by courier to the address below or deposited in the Tender Box at the Reception Area 2<sup>nd</sup> Floor Wing C.

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Expression of interest should be submitted so as to be received on or before 26<sup>th</sup> May 2023 at 12:00 Noon. EOI will be opened immediately after the deadline date and time at the County Department of Agriculture, Livestock, Fisheries and Irrigation Offices Boardroom, Kisumu (New Nyanza Regional Headquarters building) in the presence of firms' designated representatives who choose to attend. Request for Proposal documents will thereafter be sent to the successful firms with specific Terms of Reference.