



**UGANDA
DEVELOPMENT
CORPORATION**
Driving Industrial Growth

UGANDA DEVELOPMENT CORPORATION

Notice of Expression of Interest for Provision of Consultancy Services to Undertake; a Feasibility Study for the Establishment of a Shredder and Sterilizer Facility in Uganda

Publishing a notice inviting expression of interest and developing a shortlist

UDC/CONS/2020/21/00014

- 1. The Uganda Development Corporation has allocated funds to be used for the acquisition of the consultancy services to Undertake; a feasibility study for the establishment of a shredder and sterilizer facility (ssf) in Uganda**
2. The Entity now invites eligible consultants to submit sealed expressions of interest for Consultancy Services to Undertake; a feasibility study for the establishment of a shredder and sterilizer facility (ssf) in Uganda.

The government of Uganda aspires to industrialize agriculture through the agro-industrialization programme of NDPIII to achieve increased incomes, employment opportunities and penetration to high value domestic and international markets. The shift in focus to embrace the whole value chain is upon the realization that transformative changes in agriculture can no longer be attained through emphasis on only primary agricultural production and reliance on traditional agricultural methods as these have led to stagnation or decline in productivity and competitiveness. The programme leverages the availability of raw materials, favorable agro-ecological conditions, abundant labor force and increasing domestic and international markets for agricultural products.

The programme focuses investments in 10 priority value chains that have great potential for food security, job creation, export growth and import replacement. In the crop-sub sector the plan focuses on; coffee, tea, cocoa, cotton, vegetable oil, maize, and cassava. While in the livestock and fisheries industry, the plan focuses on three priority value chains of beef, dairy and fish. The three commodities contribute close to 20 percent of agriculture GDP and hold great potential to add more value to the sector and economy. However, realization of this is hampered by absence of innovativeness, technology and skills on how to add value to animal by-products that are currently classified as waste e.g. eviscerations, blood meals, feathers, bones etc

Therefore, in order to reduce unnecessary wastage, animal by-products and off-cuts that have ordinarily been considered a waste have the potential to be processed into high quality animal feeds particularly for the livestock and aquaculture industry. Consequently, the Government of Uganda through UDC and in conjunction with other Government Agencies' and the private sector is

exploring the prospects of setting up a facility that will employ novel and patented high value addition processes to transform animal by-products (e.g. blood meal, eviscerations, offals, blood meal, hooves etc) that are currently classified as waste into high quality base proteins for further formulation and incorporation into the animal feeds industry.

3. Interested consultants should provide information demonstrating that they are eligible and possess the required qualifications to perform the services supported with relevant documentation.

4. The short listing criteria will include:

a. A preliminary examination to determine the eligibility of the firms;

- i) A certificate of registration issued by the Authority for bidders currently registered with the Authority or a copy of the Bidder's Trading licence or equivalent and a copy of the Bidder's Certificate of Registration or equivalent for bidders not currently registered with the Authority;
- ii) Evidence of fulfilment of obligations to pay taxes;
- iii) social security contributions in Uganda where applicable;
- iv) have the legal capacity to enter into a contract;
- v) not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;
- vi) Not have had your business activities suspended;
- vii) have the nationality of an eligible country, as defined in the Special Conditions of Contract;
- viii) not to have a conflict of interest in relation to this procurement requirement; and
- ix) not to be subject to suspension by the Public Procurement and Disposal of Public Assets Authority.
- x) a copy of Form 7 for the Company Directors

b. The Firm's organisational set up: Organisational structure showing key departments of the firm to perform the required services

5. Details of technical personnel clearly stating their qualifications, experience in conducting a **feasibility study for the establishment of a shredder and sterilizer facility (ssf)** .Possession of the required skills within the firm shall include but not limited to the following;

- i) Economist
- ii) Financial Analyst
- iii) Animal Feeds Expert
- iv) Fisheries Expert
- v) Veterinary Doctor
- vi) Solids Waste Management Expert/ Technologist
- vii) Mechanical Engineer

c. Experience in similar assignments (consultancy services in undertaking a feasibility **study for the establishment of a shredder and sterilizer facility (ssf)**, of at least three (3) projects conducted in the industry , detailing their scope , complexity and costs

6. On the basis of the applications received, a maximum of six (6) best evaluated consultants will be invited to submit technical and financial proposals.

7. Consultants may associate with other firms in the form of a joint venture to enhance their qualifications. The form of association, where applicable, should be indicated in the Expression of Interest.
8. Preference schemes shall apply when evaluating Request for Proposals from the shortlisted consultants.
9. Interested eligible consultants may obtain further information at the address given below from 8:00am to 5:00pm from Monday to Friday
10. Sealed Expressions of Interest must be delivered to the address below at or before **11:00am, 5th May, 2021**

The Executive Director
Uganda Development Corporation
5th Floor, Soliz House
Plot 23, Lumumba Avenue
P. O. Box 7042, Kampala, Uganda

11. The notice of expression of interest is available at the Entity's Notice Board
12. The planned Procurement schedule (Subject to changes) is as follows:

Activity	Date
a. Publication of Notice of Expression of Interest	15th /04/2021
b. Closing date for receipt of Expression of Interest	5th /05/2021
c. Evaluation of Expressions of Interest	<i>Within 15 working days from closing date</i>
d. Display of shortlist	<i>Within 5 working days from approval of shortlist by the Contracts Committee</i>

EXECUTIVE DIRECTOR

Note: "Any form of Canvassing or Lobbying for the tender shall lead to automatic disqualification"

1.0 BACKGROUND

The government of Uganda aspires to industrialize agriculture through the agro-industrialization programme of NDPIII to achieve increased incomes, employment opportunities and penetration to high value domestic and international markets. The shift in focus to embrace the whole value chain is upon the realization that transformative changes in agriculture can no longer be attained through emphasis on only primary agricultural production and reliance on traditional agricultural methods as these have led to stagnation or decline in productivity and competitiveness. The programme leverages the availability of raw materials, favorable agro-ecological conditions, abundant labor force and increasing domestic and international markets for agricultural products.

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Therefore, in order to reduce unnecessary wastage, animal by-products and off-cuts that have ordinarily been considered a waste have the potential to be processed into high quality animal feeds particularly for the livestock and aquaculture industry. Consequently, the Government of Uganda through UDC and in conjunction with other Government Agencies' and the private sector is exploring the prospects of setting up a facility that will employ novel and patented high value addition processes to transform animal by-products (e.g. blood meal, eviscerations, offals, blood meal, hooves etc) that are currently classified as waste into high quality base proteins for further formulation and incorporation into the animal feeds industry.

2.0 OBJECTIVE

The overall objective of the assignment is to undertake a feasibility study that assesses the financial, technical and economic viability of investment in a shredder and sterilizer facility for high grade protein-based animal feeds. The findings will facilitate the corporation's investment decisions as regards the prospects to set up a socio-economically viable facility that will operate using novel technologies to process animal by-products into high grade protein base ingredients for animal feeds.

2.1 Specific Objectives

The specific objectives of the assignment are to:

- a) Analyze the market for Uganda's animal feed industry highlighting the demand and supply of raw materials and animal feed products with a special focus for high grade

- protein-based animal feeds. Based on the existing market, project the trends of future market for animal feeds.
- b) Assess the financial viability of the project given the prices of raw materials and animal feed products
 - c) Examine the economic impact of the project including the effect of the project on the welfare and livelihoods of the farmers, the agricultural sector and whole economy.
 - d) Assess the availability of supportive infrastructure, technology, utilities, skills, financial and fiscal incentives for establishment of a competitive and sustainable shredder and sterilizer facility for animal feeds
 - e) Analyze the policy, legal and institutional environment for animal feeds industry in Uganda and in particular examine how it supports or hinders establishment of a high-grade protein-based animal feeds market.
 - f) Provide recommendations for establishing an economically viable and socially sustainable high grade protein based animal feed industry.

3.0 SCOPE OF WORKS

3.1 The consultant's assignment for the project

In order to realize the main and specific objectives as has already been outlined in sections 2.0; the consultant will be required to undertake the following tasks (**not necessarily in chronological order**):

- i) Analyze the demand and supply of raw materials and products for/from the animal feed industry including; the various types of raw materials, the volumes produced, the prices, the sources, the category of buyers, and the seasonality of the raw materials.
- ii) Examine the demand and supply of high-grade protein base ingredients for animal feeds including the local demand, the value and volume of imports, the sourcing destinations, the drivers of imports, etc
- iii) Examine the supportive policy, legal and institutional environment for the animal feeds industry including review of the main legislation, key institutions, functions and interactions of the actors
- iv) Assess the nature and extent of incentives (finance, tax, etc.) that are available for animal feeds industry to function optimally or the gaps that the government needs to fill to attract investments in animal feeds.
- v) Assess the biosafety and biosecurity issues that are likely to be encountered and the probable ways to address or overcome them.
- vi) Determine the existing (baseline), the pattern and future trend of livestock and aquaculture numbers, volumes, values, types of breeds, productivity levels and how these variables are likely to affect the demand for animal feeds and the investments in the industry in the next 10 years.

- vii) Examine the demand and supply of animal by-products (e.g., blood meal, eviscerations, offals, hooves, chicken feet, etc) including the major sources, the size and frequency of supply, the nature and type of source animals, the trend of growth, the quality of raw materials, etc
- viii) Determine the availability of labour and the cost including; the wages, minimum wage, contracting terms, the type of skills sets available for animal feeds industry and in particular for the shredder and sterilizer facility, and identify the gaps in skills required including; the technical, managerial, semi and non-skilled, and other labor requirements for optimal functionality of the proposed facility; and recommend the most suitable management and operations model for the same facility.

- ix) Assess the sustainability of the facility by looking at: (a) the livestock and aquaculture populations produced annually; (b) the possibility of procuring fresh off-cuts and eviscerations from neighbouring countries.

- x) Assess the likely levels of employment opportunities that will be generated by the establishment of the SSF factory.

- xi) Assess the nature and extent of local, regional and international markets for the resultant protein base animal feeds ingredient that will be produced by the factory. This should include the likely source of competition that will be faced by the proposed facility, identify the likely challenges in the marketing of the protein base ingredient and make recommendations to overcoming them.
- xii) To establish the break-even point between the cost of raw materials and the price of feed per ton for the various feed types and especially the feed type that relies on high grade protein base ingredients.

- xiii) Clearly specify and justify the **required total investment including the initial working capital for the proposed investment project**. In addition, assess the possible financing mechanisms for the proposed investment venture and recommend the most appropriate and feasible financing option(s). This should cover the “cost to benefit” analysis to determine the financial and economic viability of the proposed investment by demonstrating the projected; Internal rate of return, payback period, financial Net present Value, Economic Net Present Value, “benefit to cost” ratio;

- xiv) Assess and make recommendations on the various models by which the SSF facility will procure the off-cuts/eviscerations from abattoirs and other animal dressing facilities. The assessment should also include the following:
 - a) The average price (in kilograms) at which the abattoirs would be selling their off-cuts/eviscerations on the open market (**if applicable**);
 - b) The average price (in kilograms) at which the SSF facility would be purchasing the raw materials from the local suppliers;
 - c) The mode of transportation and delivery/collection of off-cuts/eviscerations from the abattoirs to the SSF facility;

- d) The most appropriate mode of payment to the abattoirs for the fresh off-cuts/eviscerations that would have been delivered to the SSF facility;
- xv) Assess and advise on the best packaging materials that will be used in the production, conservation, storage and transportation of both the un-processed and processed products.
- xvi) Assess the infrastructure needs for efficient operation of the SSF facility including availability of affordable power and water, location for waste treatment plants, etc
- xvii) Recommend the locality that would be best placed to locate the proposed SSF facility site. This should be based in terms of; proximity and accessibility to abattoirs and animal/fish products dressers, availability of the required amenities e.g. 3phase power.
- xviii) Compile all the information outlined and analyzed above into a comprehensive feasibility study report upon which the corporation and its MDA partners will base to make the most appropriate investment decisions.

3.2 The consultant should accomplish the assignment specified above by:

- i) Through a comprehensively developed inception report, clearly outline how the assignment will be undertaken
- ii) As guided by the reviewed/accepted inception report; proceed to undertake the assignment ensuring that all aspects in the scope of works are fully covered.

3.3 The consultancy services should be carried out in following stages:

- i) Preparation of the inception report;
- ii) Execute all aspects of the assignment;
- iii) Conduct an in-depth analytical review of all the obtained information and thereafter compile it into the 1st draft of the feasibility study report;
- iv) Subject the 1st draft report to a comprehensive review analysis and input by UDC and other relevant peer-stakeholders (multi-sectoral TWG). In this case the review input and guidance from the main client i.e. UDC will take precedence should there be a clash of opinions.
- v) Taking note of the review input and guidance, prepare and submit to UDC a revised and final feasibility study report.

4.0 THE REQUIRED CONSULTANT

A reputable Consultancy Firm with outstanding, distinguished and relevant experience in similar assignments shall be selected. The consultancy firm to be selected shall have a team of specialists with relevant professional experience and academic qualifications, as well as practical capabilities in the areas specified in scope of work. These specialists shall include but shall not be limited to those specified in Table 3 below. The curriculum vitae of these specialists shall be submitted to UDC and multi-sectoral TWG team together with the company profiles of the consultancy firms for the technical evaluation.

Table 3: Required Specialists, the qualifications and experience

Specialist	Minimum Academic Qualification	Experience
<u>Team leader</u> Economist	Should have a Masters' Degree in Economics or a related field	Should have at least 15 years' experience in a field related to or affiliated to the task at hand
Animal Feeds Expert	Should have a Bachelors' degree in areas related to the processing and formulation of animal feeds or Degree in a related field	Should have at least 15 years' experience in a relevant field
Fisheries Expert	Should have at least a degree in Fisheries sciences (e.g. capture and aquaculture fisheries) or their equivalent.	Should have at least 10 years' experience in fisheries technology (capture or aquaculture technology) and be conversant with fish processing technologies
Veterinary Doctor	Should have at least a degree in Veterinary Medicine or their equivalent. Should be registered with the Uganda Veterinary Board	Should have at least 10 years' experience in veterinary medicine and be conversant with abattoir SOPS and other animal /aquaculture dressing processes
Solids Waste Management Expert/ Technologist	Should have a Degree in fields related to waste management or a related field	Should have at least 10 years in the same or relevant field
Financial Analyst	Should have a Degree in Accounting or related field	Should have at least 10 years' experience in field related to financial planning, analysis and projections for agro-processing enterprises
Mechanical Engineer	Should have a Bachelor's Degree in Mechanical Engineering	Should have at least 10 years' experience in the field of mechanical engineering

5.0 Co-ordination and reporting

All processes of the consultancy shall be coordinated by Uganda Development Corporation and TWG in order to ensure timely delivery of the reports/documents and their discussion; scheduling of meetings; execution of the decisions reached by the parties; administrative, logistics and other issues related to the assignment and generally ensuring that the parties to the processes are well coordinated and contract terms and conditions are achieved.

All correspondences, reports and submissions from the consultant shall be addressed to the UDC Executive Director and all correspondences from UDC shall be addressed to the Team Leader of the Consultant. Such correspondences/reports/submissions shall be acknowledged for by the recipients in writing or by way of initialing the delivery book. Such communications shall be kept as confidential as possible. The medium of communication shall be limited to written material in English. Any reports/documents shall be submitted officially (hard and soft copy). All reports from the consultant shall be submitted to:

The Executive Director

Uganda Development Corporation

5th Floor, Soliz House

Plot 23, Lumumba Avenue

P. O. Box 7042, Kampala, Uganda

5.1 The Consultant's Obligations

The selected consultancy firm shall take all the necessary steps to ensure that the entrusted task is executed properly and on schedule in accordance with the established terms of reference. The selected consultancy firm shall:

- i) submit for approval by the client, the inception report containing the CVs of the experts who will participate in the assignment and maintain them for the duration of the assignment;
- ii) undertake to perform the task in accordance with the terms of reference and according to internationally accepted standards;
- iii) maintain a complete list of sources of information used and surrender all documents to UDC at the end of the study;
- iv) have its own logistical capacity including transport to satisfactorily execute the assignment;
- v) carry out the assignment with utmost faithfulness, confidentiality and trust.

5.2 Contractor's Obligations

The Government of Uganda through UDC as its focal point agency and with support from the multi-sectoral technical committee will be responsible for the following:

- i) Provision of all relevant information, reports and documentation pertaining to and as required in the assignment;
- ii) Timely access to all information essential to the proper implementation of the study to consultant;
- iii) Identification of the coordinator/liaison officer (in this case the multi-sectoral TWG team) who will be the focal point link between UDC and the consultant to coordinate the day-to-day activities of the assignment, including handling of logistics related issues and any other matters relating to the assignment. These may include arranging the issuance of letters of introduction among others;
- iv) UDC shall supervise the implementation of the assignment; All queries concerning the assignment shall be addressed to the UDC Executive Director.

Application should be addressed to:

The Executive Director

Uganda Development Corporation

5th Floor, Soliz House

Plot 23, Lumumba Avenue

P. O. Box 7042, Kampala, Uganda