

# REQUEST FOR PROPOSAL (RFP)



NAME & ADDRESS OF FIRM	DATE: 11 <sup>th</sup> October 2021
	REFERENCE: CMDP/RFP/03/2021

Dear Sir / Madam,

We kindly request you to submit your proposal for "Study on Marketing and Pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts". The detailed Terms of Reference (ToR) is attached as Annex 4.

To enable you to submit the proposal, the attachments are:

1. Description of the requirements
2. Form for submitting service provider's proposal
3. UNDP Contract General Terms and Conditions
4. Terms of Reference

Please be guided by the form attached hereto as Annex 2, in preparing your proposal.

Proposals shall be submitted on or before 5:00 PM Wednesday, 3<sup>rd</sup> November 2021 by hand delivery/courier mail to the address below:

**Cooperative Market Development Programme**  
**Singh Durbar, Kathmandu Nepal**  
**Phone: 01-4200080**

Your Proposal must be expressed in English language, and valid for a minimum period of 80 days.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by CMDP/UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of CMDP/UNDP requirements.

The Proposal that complies with all the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by CMDP/UNDP, and the unit price shall prevail, and the total price shall be corrected. If the Service Provider does not accept the final price based on CMDP/UNDP's re-computation and correction of errors, its Proposal will be rejected.



At the time of Award of Contract, CMDP/UNDP reserves the right to vary (increase or decrease) the quantity of services, by up to a maximum twenty-five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any contract that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that CMDP/UNDP is not bound to accept any proposal, nor award a contract, nor be responsible for any costs associated with a Service Providers in the preparation and submission of a proposal, regardless of the outcome or the manner of conducting the selection process.

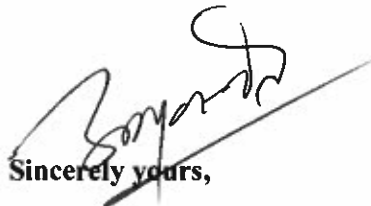
CMDP/UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link: <http://www.undp.org/procurement/protest.shtml>.

CMDP/UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to CMDP/UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

CMDP/UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against CMDP/UNDP, as well as third parties involved in CMDP/UNDP activities. CMDP/UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link :

[http://www.un.org/depts/ptd/pdf/conduct\\_english.pdf](http://www.un.org/depts/ptd/pdf/conduct_english.pdf)

**Thank you and we look forward to receiving your Proposal.**

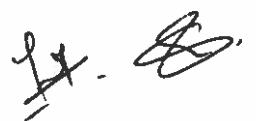


Sincerely yours,

*Anant Kumar Basnet*

*National Project Coordinator, CMDP*

*11<sup>th</sup> October 2021*



## Description of Requirements

Context of the Requirement	CMDP is seeking a firm to study the marketing and pricing practices of fruits and vegetable in Kathmandu valley, particularly of the fruits and vegetable produced in the periphery districts of the valley. The detail of the assignment is mentioned in annex 4.
Implementing Partner of UNDP	N/A
Brief Description of the Required Services <sup>1</sup>	Conduct a study and prepare a report on "Marketing and pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts": The study is supposed to find the marketing and pricing practices and identify the number of layers of the traders regarding the fruits and vegetables produced in the selected nine districts and supplied in the Kathmandu valley.
List and Description of Expected Outputs to be Delivered	<p>The main output of this assignment is to prepare a report on "Marketing and pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts". The report is expected to feature the marketing and pricing practices of fruits and vegetable—produced in the selected nine districts—in Kathmandu valley. The key deliverables of the assignment are as follows:</p> <ul style="list-style-type: none"> <li>a) Inception report: Inception report shall be first deliverable to be submitted. It shall include study plan, field plan, field areas, checklist of the information to be collected, and a set of lists of tentative questions to be administered during the study.</li> <li>b) First draft report: The service provider shall submit the first draft of the report as the second deliverable of the assignment.</li> <li>c) Final report: The finalized and edited version of the report shall be the third and final deliverable to be submitted by the service provider after addressing the comments/feedback made by CMDP.</li> </ul>
Person to Supervise the Work/Performance of the Service Provider	National Project Manager and Cooperative Policy Specialist of the project
Progress Reporting Requirements	As per the ToR
Location of work	<input checked="" type="checkbox"/> Selected districts of Bagmati Province and Province 2.
Expected duration of work	11th November 2021 to 30 January 2022
Travels Expected	As specified in the ToR
Special Security Requirements	<input checked="" type="checkbox"/> Others: Not Applicable

<sup>1</sup> A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.





Facilities to be Provided by CMDP/UNDP (i.e., must be excluded from Price Proposal)	<input checked="" type="checkbox"/> Others: Not Applicable				
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required				
Company Profile	<input checked="" type="checkbox"/> Required				
Company Registration Certificate	<input checked="" type="checkbox"/> Required				
VAT/PAN Registration	<input checked="" type="checkbox"/> Required				
Latest Tax Clearance Certificate	<input checked="" type="checkbox"/> Required				
List of relevant projects completed (please indicate contract value and duration)	<input checked="" type="checkbox"/> Required				
Names and curriculum vitae of the Team Leader and other members with signature	<input checked="" type="checkbox"/> Required				
Currency of Proposal	<input checked="" type="checkbox"/> Local Currency: Nepalese Rupees (NPR.)				
Value Added Tax on Price Proposal <sup>2</sup>	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes				
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input checked="" type="checkbox"/> 80 days In exceptional circumstances, CMDP/UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.				
Partial Quotes	<input checked="" type="checkbox"/> Not permitted				
Payment Terms <sup>3</sup>	Outputs	Percentage	Timing	Conditions for Payment Release	

<sup>2</sup> VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

<sup>3</sup> UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a

	Upon submission of detail inception report	30%		Within thirty (30) days from the date of meeting the following conditions: a) CMDP/ UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.
	Upon submission of draft report	50%		
	Upon submission of final report	20%		
Type of Contract to be Signed	<input type="checkbox"/> Purchase Order <input type="checkbox"/> Institutional Contract <input checked="" type="checkbox"/> <b>Contract for Services</b>			
Criteria for Contract Award	<input checked="" type="checkbox"/> Highest Combined Score: 70% weightage given to technical proposal and 30% weightage given to financial proposal <input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criterion and cannot be deleted regardless of the nature of services required. Non-acceptance of the GTC may be grounds for the rejection of the Proposal.			
Criteria for the Assessment of Proposal	<b><u>1. Technical proposal evaluation (total obtainable points: 1000)</u></b> <input checked="" type="checkbox"/> Expertise of the Firm - 200 points <input checked="" type="checkbox"/> Proposed Work Plan and Approach - 450 points <input checked="" type="checkbox"/> Qualification of Key Personnel- 350 points  The technical proposal which will secure minimum 700 will be selected for financial proposal evaluation.  <b><u>2. Financial proposal evaluation (total obtainable points: 300)</u></b> <ul style="list-style-type: none"><li>• Lowest price quote among the technically qualified - 300 points</li><li>• Points for price quote other than lowest price quote among technically qualified- 300*lowest price quote/price quote of the proposer in concern</li></ul>			
CMDP/UNDP will award the contract to:	<input checked="" type="checkbox"/> <b>One and only one Service Provider</b>			
Annexes to this RFP <sup>4</sup>	<input checked="" type="checkbox"/> <b>Form for Submission of Proposal (Annex 2)</b> <input checked="" type="checkbox"/> <b>General Terms and Conditions / Special Conditions (Annex 3)<sup>5</sup></b> <input checked="" type="checkbox"/> <b>Detailed TOR – Annex 4</b>			

bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

<sup>4</sup> Where the information is available in the web, a URL for the information may simply be provided.

<sup>5</sup> Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.



<p>Contact details for Inquiries (Written inquiries only)<sup>6</sup></p>	<p><b>Procurement Unit, Cooperative Market Development Programme,</b> <b>Email:</b> suman.cmdp@gmail.com</p> <p><b>Subject line:</b> Inquiry: Study on Marketing and pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts</p> <p><b>Inquiry deadline:</b> before 5:00 PM, 25<sup>th</sup> October 2021. Inquiries received after the above date and time shall not be entertained.</p> <p>Any delay in CMDP's response shall not be used as a reason for extending the deadline for submission, unless CMDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>
<p>Other Information [pls. specify]</p>	<p><b>The Financial Proposal and the Technical Proposal Envelopes <u>MUST BE COMPLETELY SEPARATE</u> and <u>each of them must be submitted sealed individually</u> and clearly marked on the outside and as either "TECHNICAL PROPOSAL" or "FINANCIAL PROPOSAL", as appropriate. Each envelope MUST clearly indicate the name of the Proposer. Failing to submit the Technical and Financial Proposals in separately sealed envelopes will be treated as non-responsive.</b></p> <p>The outer envelope shall be addressed to:</p> <p><b>National Project Director Cooperative Market Development Programme Singh Durbar, Kathmandu, Nepal</b></p> <p><b>Marked with:</b> CMDP/RFP/03/2021– Study on Marketing and pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts</p>

<sup>6</sup> This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.



## FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL<sup>7</sup>

*(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery<sup>8</sup>)*

[insert: Location]

[insert: Date]

To: [insert: Name and Address of CMDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to CMDP/UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions.

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of CMDP/UNDP by submitting the following:

### A. Qualifications of the Service Provider

- a) Profile – describing the nature of business, field of expertise;
- b) Business Licenses – Registration Papers (Company registration and VAT registration), Latest Tax Clearance Certification (upto 2076/77), etc.
- c) Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;
- d) Track Record – List of clients for similar services as those required by CMDP/UNDP, indicating description of contract scope, contract duration, contract value, contact references;
- e) Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.

### B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the need of the RFP, providing a detailed description of reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the context of the work.

### C. Qualifications of Key Personnel

<sup>7</sup> This serves as a guide to the Service Provider in preparing the Proposal.

<sup>8</sup> Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers for verification purposes

*The Service Provider must provide:*

- a) Names and qualifications of the proposed personnel: both team leader and the member/s;
- b) CVs of the proposed personnel demonstrating the qualification and experiences as expected in the TOR; (if more than one firm(s)/ company(ies) propose same person, then all the firm(s)/ company(ies) will be eliminated from the selection process)
- c) Written confirmation (original signature) from each personnel that they are available for the entire duration of the contract. **Note:** scanned signatures will not be acceptable.

**D. Cost Breakdown per Deliverable\***

	<b>Deliverables</b> <i>[list them as referred to in the RFP]</i>	<b>Percentage of Total Price (Weight for payment)</b>	<b>Price (Lump Sum, All Inclusive)</b>
1	Upon submission of detail plan and inception report		
2	Upon submission of draft report		
3	Upon submission of final report		
	<b>Total</b>		

*\*This shall be the basis of the payment tranches*

**E. Cost Breakdown by Cost Component [This is only an Example]:**

<b>Description of Activity</b>	<b>Remuneration per Unit of Time</b>	<b>Total Period of Engagement</b>	<b>No. of Personnel</b>	<b>Total Rate</b>
<b>I. Personnel Services</b>				
a. Team Leader			1	
b. Business/cooperative expert			1	
<b>II. Out of Pocket Expenses (please select only the applicable items)</b>				
1. Travel Costs				
2. Daily Allowance				
3. Communications				
4. Print/reproduction				
5. Cost associated with the field work such as meetings, interviews and focused group discussion (a detailed breakdown may be presented in a separate sheet)				
<b>III. Other Related Costs (please specify)</b>				

*[Name and Signature of the Service Provider's Authorized Person]*

*[Designation]*

*[Date]*

*[Signature]*



## UNDP Contract General Terms and Conditions

### 1. LEGAL STATUS

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the Government of Nepal. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of the Government of Nepal.

### 2. SOURCE OF INSTRUCTIONS

The Contractor shall neither seek nor accept instructions from any authority external to the Government of Nepal in connection with the performance of its services under this Contract. The Contractor shall refrain from any action, which may adversely affect the Government of Nepal and shall fulfill its commitments with the fullest regard to the interests of the Government of Nepal.

### 3. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

### 4. ASSIGNMENT

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of the Government of Nepal.

### 5. SUB-CONTRACTING

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of the Government of Nepal for all sub-contractors. The approval of the Government of Nepal of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.

### 6. OFFICIALS NOT TO BENEFIT

The Contractor warrants that no official of the Government of Nepal has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

### 7. INDEMNIFICATION

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, The Government of Nepal, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out



of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

## **8. INSURANCE AND LIABILITIES TO THIRD PARTIES**

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

## **9. ENCUMBRANCES/LIENS**

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with The Government of Nepal against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

## **10. TITLE TO EQUIPMENT**

NA.

## **11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS**

The United Nations Development Programme (UNDP)/Cooperative Market Development Programme (CMDP) shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, documentation, or modifications thereof, which are produced, prepared or collected in consequence of or in the course of the execution of this Agreement. At the Government of Nepal's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNDP/CMDP in compliance with the requirements of the applicable law.

## **12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE GOVERNMENT OF NEPAL**

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with the Government of Nepal, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of the Government of Nepal, or any abbreviation of the name of the Government of Nepal in connection with its business or otherwise.

## **13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION**

13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations,

estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of the Government of Nepal, shall be treated as confidential and shall be delivered only to the Government of Nepal authorized officials on completion of work under this Contract.

13.2 The Contractor may not communicate at any time to any other person, Government or authority external to the Government of Nepal, any information known to it by reason of its association with the Government of Nepal which has not been made public except with the authorization of the Government of Nepal; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

#### **14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS**

14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.

14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the Government of Nepal, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the Government of Nepal of any other changes in conditions or the occurrence of any event, which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, the Government of Nepal shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.3 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the Government of Nepal shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

#### **15. TERMINATION**

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.

15.2 The Government of Nepal reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case the Government of Nepal shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by the Government of Nepal under this Article, no payment shall be due from the Government of Nepal to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent,



or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the Government of Nepal may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform the Government of Nepal of the occurrence of any of the above events.

## **16. SETTLEMENT OF DISPUTES**

### **16.1 Amicable Settlement**

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

### **16.2 Arbitration**

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

## **17. PRIVILEGES AND IMMUNITIES OF UNDP OR THE UNITED NATIONS**

Nothing in or related to this Contract shall be deemed a waiver of any of the privileges and immunities of the United Nations, including its subsidiary organs.

## **18. TAX EXEMPTION**

NA.

## **19. CHILD LABOUR**

The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

Any breach of this representation and warranty shall entitle the Government of Nepal to terminate this Contract immediately upon notice to the Contractor, at no cost to the Government of Nepal.

## **20. MINES**

NA.

## **21. OBSERVANCE OF THE LAW**



The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

## **22. AUTHORITY TO MODIFY**

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against the Government of Nepal unless provided by an amendment to this Contract signed by the authorized official of the Government of Nepal.

A handwritten signature in black ink, appearing to be "H. S.", followed by a horizontal line.

## Terms of Reference

### **Study on Marketing and Pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts**

#### **1. Context:**

Kathmandu valley is the most populous part of the country. According to the World Bank studies, it is the fastest-growing metropolitan city in South Asia—registering about 4 percent population growth every year<sup>9</sup>. According to the Central Bureau of Statistics (CBS), the valley was the home of about 2.52 million people in 2010; it is estimated that the population size reached at 3.26 million in 2021<sup>10</sup>. Moreover, experts estimate that there has been additional 2.5 million floating population in Kathmandu, not documented formally<sup>11</sup>.

Despite having sluggish economic growth in the past decade, Nepal was able to reduce the poverty headcount notably. It has been able to improve its human and social development aspects as well. Various macroeconomic indicators show that such progresses have resulted an expansion in the consumption basket in general and rise in consumption of food in particular. Nepal Living Standard Survey (NLSS) reports reveal that average food consumption expenditure of a person rose from NPR. 80,263 (US \$1,088 approximately) in Kathmandu valley in 2003/04 to NPR 134,000 (US \$1,8049) in 2010. As the government has been devising various sectoral policies and programmes with the aim of graduating Nepal from least developed to developing one, consumption basket in Kathmandu would be expanded further which would lead to increase the consumption of fruits and vegetables in the coming days.

Land availability for fruits and vegetable production has significantly reduced in Kathmandu and peripheral districts in the recent decades. To illustrate, according to statistical information on Nepalese Agriculture, about 10,800 hectares land was used for the production of green vegetables in Kathmandu valley in 2003/04; however, only about 8,483 hectares was found cultivated for the same purpose in 2019/20. Whereas, total consumption of green vegetables in Kathmandu valley is increasing day by day.

Nepal's fruits and vegetable market is considered imperfect in nature. While explaining the market in Kathmandu valley, there are large numbers of buyers and sellers; the products are not identical; and prices are not regulated. Yet, price determination process is not considered fair. Kalimati's wholesale market is government owned and the leading wholesale marketplace in Kathmandu valley<sup>12</sup>. Though there are a couple of private and public markets in Kathmandu, Kalimati is the place where majority of fruits and vegetables in particular are traded. It is the price leader in fruits and vegetable sector as well. So, the farmers want to send their produce to Kalimati market directly.

<sup>9</sup> <https://www.worldbank.org/en/news/feature/2013/04/01/managing-nepals-urban-transition>

<sup>10</sup> Central Bureau of Statistics (2014). National Population and Housing Census 2011 (Population Projection 2011-2031).

<sup>11</sup> [https://www.unescap.org/sites/default/files/7.%20App\\_SUTI\\_Kathmandu-Mr.%20Bhagawat.pdf](https://www.unescap.org/sites/default/files/7.%20App_SUTI_Kathmandu-Mr.%20Bhagawat.pdf)

<sup>12</sup> The market is managed by Kalimati Fruits and Vegetables Market Development Committee (KFVMDC).

However, getting access to the Kalimati market is not easy to the smallholder farmers. For years, registered traders have occupied the Kalimati market forcing the smallholder farmers to sell their produce through them. Normally, those traders are the ones who set the wholesale prices and keep their share secured. Therefore, at the end of the chain, consumers pay excessively higher and farmers are given very low prices. Such issues have been raised by the farmers, consumers and their organizations since long but to vain. Several media reports have also taken it as an important issue. They have mostly covered bad practices of wholesale traders, grievances of farmers and consumers, existence of many layers of traders between farmers and consumers, unfair distribution of the benefits, among others. Against this context, answers to the following questions would be interesting to recommend an evidence-based policy:

- how do fruits and vegetables enter into Kathmandu valley's market from the periphery districts,
- how many layers of middle persons actually exist between the farmers and the consumers and what are the factors that work as the key to bind those market players each other
- how prices are set, who leads this process, how are different players positioned on their share in the final price

## 2. Objectives:

The overall objective of the study is to find the real situation of marketing and pricing system in the vegetable & fruits sector in Kathmandu valley. It will mainly focus on the produce supplied by the periphery districts. The study will also identify the share of farmers and other market players on the final price of those produce. Specific objectives include:

- a. analysis of the volume of production and supply of vegetable and fruits by the selected periphery districts of Kathmandu valley,
- b. analysis of supply of vegetables and fruits by those districts in different markets in Kathmandu valley and the process of supply,
- c. identification of different market players—being operated from production pockets of above-mentioned districts to consumer markets in Kathmandu valley—and their respective shares in the final price,
- d. assessment of regulatory mechanism and pricing systems that are prevalent in the fruits and vegetable sector in Kathmandu valley, and
- e. policy recommendation for fruits and vegetable market reform in Kathmandu valley.

## 3. Methodology:

The study is qualitative and will be descriptive in nature. It will involve intense literature and desk review along with field visit in the production pockets and existing fruits and vegetable market visit in Kathmandu valley. More precisely, the following methods shall be applied:



**Study districts:**

Kathmandu, Bhaktapur, Lalitpur, Makawanpur, Chitwan, Dhading, Nuwakot, Kavrepalanchowk, Sarlahi.

**Research methodology:**

- a) review of literature focusing on the related policies and regulatory mechanisms
- b) collection of secondary information about the production and supply of vegetable and fruits from sources like MoALD, KFVMDC and other markets being operated in Kathmandu valley, District Agriculture Knowledge Centres (formerly, District Agriculture Development Office) of the selected the production districts
- c) focused group discussion (FGD) in two pockets of each of the selected districts, nearby markets, and markets in Kathmandu valley
- d) Key Informants' Interview (KII) with relevant stakeholders including informed farmers, associated traders and representative of the traders based in district and production pocket areas, wholesalers and retailers of vegetable and fruits markets in Kathmandu valley,
- e) interview with major fruits and vegetable outlets like Bhat Bhateni Superstore and BIG Mart in Kathmandu valley

Detailed methodology is expected from all the aspirant proposers during their submission.

#### 4. Deliverables

The main output of this assignment is to prepare a final report on **"Study on Marketing and Pricing practices of vegetable and fruits in Kathmandu: A case study of production of selected periphery districts"**. The key deliverables of the assignment are as follow:

**Inception report:** Inception report shall be the first deliverable to be submitted by the service provider. The report shall cover a clear study design and methodology covering the sets of the interview questions to be administered during FGD, KIIs and in-depth interviews, and study execution plan within 10 days from the contract signing date.

**Draft report:** The service provider shall study and submit the draft report within 50 days from the submission of the inception report. The draft report shall have following sections but not limited to:

- Glossary/Acronyms
- Executive Summary
- Introduction
- Objectives, methodology and limitations
- Production and supply of fruits and vegetables
- Market layers and pricing practices
- Findings, conclusions and recommendations
- Appendices





**Validation meeting and presentation:** A validation meeting shall be conducted no later than 10 days upon the submission of the draft report. Senior officials at MoLCPA and technical experts at CMDP and other relevant stakeholders will be invited to the consultation. The representative of the service provider shall make a presentation and highlight the methodology of the study and its results.

**Final report:** A finalized and edited version of the report shall be submitted by the service provider within 10 days from the validation meeting. The final report shall adequately address the comments and incorporate the suggestions provided during the validation meeting.

## 5. Eligibility criteria/requirements

Interested service provider must:

- be legally constituted and registered under the laws of Nepal. The organization must be registered in value added tax (VAT) as well. The aspirant application should submit copy of the company registration certificate, certificate of the registration at tax office and tax clearance certificate;
- have sufficient technical expertise and human resources;
- submit the evidence of past experiences relevant to this assignment;
- submit CV of the personnel as per section 6 and the written confirmation from each personnel; (with their original signature) that they are available for the entire duration of the contract; and
- Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.

**Note:** If more than one firm/ company are found to have used same CV of a person, then all the firms/ companies will be deemed ineligible from the selection process.

## 6. Expertise

The aspirant service provider should have a study team comprising of a multidisciplinary group of experts for this assignment. It should have at least following team members in the study team:

- Team Leader:** The team leader must have an advanced degree (at least Master's or equivalent) in agriculture/economics/sociology/business development/ development studies/rural development or any other public policy related subjects from a recognized university. S/he should have at least 10 years of professional experience in research/monitoring and evaluation/policy formulation/programme implementation in the field of business and marketing/socio-economic development. Preference will be given to the company which proposes a person having the prior experience of leading the team in the similar research/study. S/he shall be responsible for the overall design of the study framework, research coordination and submission of the deliverables.
- Researcher:** Researcher shall have a Master's degree in business, marketing, economics, agriculture or related field from the recognized university. S/he shall have at least 5 years of working experience in research/monitoring and evaluation/policy formulation/programme implementation in the field of business and marketing/ socio-economic development/community empowerment. Preference will be given to the company which proposes the person having prior experience of primary data collection in the similar research/study.

## 7. Guidance

The necessary administrative/operational guidance will be provided to the selected service provider by the Cooperative Policy Specialist of the programme.

## 8. Payment

About 30 percent of the agreed amount will be paid upon the submission of the inception report. The service provider will be provided 50 percent of the contract amount after it submits the first draft report. The remaining 20 percent amount will be paid only after the service provider submits the final report adequately addressing the comments/ incorporating the suggestions made by CMDP and final report accepted by CMDP.

## 9. Evaluation criteria

A two-stage procedure is followed in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The financial offers of the proposals will be opened only for submissions that obtain the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical proposals.

In the first stage, the technical proposal is evaluated on the basis of following criteria:

Summary of Technical Proposal Evaluation			Score Weight	Points Obtainable	Applicant				
					A	B	C	D	E
1.	Expertise of Firm / Organisation submitting Proposal	20%	200						
2.	Proposed Work Plan and Approach	45%	450						
3.	Personnel	35%	350						
	Total		1000						

Details of the technical proposal evaluation criteria	
I. Expertise of firm submitting proposal (Points obtainable 200 Points)	
1.1 Overall Experience of the Organization	50
1.2 Litigation and Arbitration history	25
1.3 Experience in field-based research	100
1.5 Work for UNDP/ major multilateral/ or bilateral programmes	25
<b>Total for Expertise of firm / organization submitting proposal (I)</b>	<b>200</b>
II. Proposed Work Plan and Approach (Points obtainable 450 Points)	
2.1 To what degree does the Offeror understand the task?	100
2.2 To what degree does the offeror clearly propose the methodology?	100
2.3 Are the different components of the TOR adequately weighted relative to one another?	50

2.4 To what degree the does offeror appropriately propose the work plan	100
2.5 Is the presentation clear and is the sequence of activities and is the planning logical, realistic? Does it promise efficient implementation of the activity?	100
<b>Total for Proposed Work Plan and Approach (II)</b>	<b>450</b>
<b>III. Personnel (Points obtainable 350 Points)</b>	
<b>3.1 Team Leader:</b>	
Academic Qualification	50
Years of professional experience	50
Specific experience	70
Experience of working with national government, INGOs/donors, communities and diverse stakeholder groups	30
<b>Sub Total for Team Leader</b>	<b>200</b>
<b>3.2 Researcher</b>	
Academic qualification	50
Years of professional experience	50
Specific experience	50
<b>Sub Total for Business/cooperative expert</b>	<b>150</b>
<b>Total for Personnel (III)</b>	<b>350</b>
<b>Grand Total (I+II+III)</b>	<b>1,000</b>

The technical proposals securing at least 70 percent points are selected from the first stage.

In the second stage, the price proposal of all firms/ service providers, who will have attained minimum 70% score in the technical evaluation will be compared. Among the selected technical proposal, the lowest price quote is given 300 marks; the financial scores of remaining proposals is calculated by using the formula:

$$300 * \frac{\text{lowest price quote offered}}{\text{price quote proposed by the of the firm under consideration}}$$

Finally, selection will be made on the basis of the evaluation of combined value of the technical and financial proposals: technical proposal will have 70 percent weightage and financial proposal will have 30 percent weightage. The contract will be awarded to the contractor which will get highest combined scores.

#### 10. Award criteria, award of contract

The evaluation team of CMDP formed to evaluate the proposals to be submitted by aspirant service providers reserves the right to accept or reject any proposal, and to annul the solicitation process and reject all proposals at any time prior to award of contract, without thereby incurring any liability to the affected offeror or without any obligation to inform the affected offeror.