

Notice Inviting Tenders (NIT) for study to assess the feasibility of  
establishing a Coconut Park (Kera Park)  
in Thrissur District, Kerala

KINFRA/Coconut Development Board (CDB) proposes to implement a project entitled '**Coconut Park (Kera Park)**' in Thrissur District to provide a platform for value addition to bring farmers, processors and retailers together and link agricultural production to the market so as to ensure maximization of value addition, minimize wastages and improve farmers' income.

Coconut is one of the traditional agricultural crops of Kerala and the State happens to be the leading coconut producer in the country. For sometime, coconut cultivation has been facing a lot of issues and problems due the lack of consistency in prices and unstable markets. The consumption of coconut still depends mainly on domestic/local use as well as processing by traditional methods.

Due to unremunerative prices, there is considerable hesitancy on the part of farmers to replace old coconut trees having low yields with high yielding varieties for increased productivity. Thus the coconut cultivation and processing industry depending on coconut cultivation continue to remain stagnant contributing to its share in the myriad problems of the agriculture sector in the State.

Coconut tree offers a wide spectrum of commercial opportunities with every part of the tree from root up to leaves being of commercial importance in some way or other. Several avenues for value addition using the different parts of coconut tree have been identified. The value addition possibilities from coconut are yet to be commercially tapped.

CDB and other Government Agencies have taken a number of initiatives for promoting the Coconut sector. An intense drive for promoting coconut cultivation and increasing its productivity are being undertaken through the formation of farmer clusters. Susthira Kodakara Development Project (SKDP) is a one such project involving about 27 clusters of farmers engaged in coconut cultivation covering an area of 1350 hectares at Kodakara in Thrissur District supported by the CDB.

It is essential to exploit the value addition opportunities for coconut in order to sustain the coconut cultivation. The development of a Food Park exclusively for coconut would facilitate in a major way entrepreneurial initiatives for processing of coconuts into value added products and opening up of new markets.

The proposed Coconut Park project would be a well-defined processing and value addition zone containing state-of-the-art processing facilities with support infrastructure and well established supply chain. The primary objective of the proposed project is to facilitate establishment of integrated value chain, with processing at the core and supported by requisite forward and backward linkages. The project provides for creating infrastructure for farm level procurement in identified clusters, processing of products, comprising both of edible and non-edible sectors, centralized infrastructure to take care of processing activities, which require cutting edge technologies, testing facilities besides the basic infrastructure for water supply, power, environmental production systems, communication etc. The supply chain will establish facilities for aggregation of the produce at village level (clusters) which will be linked to the retail outlets/processing units through appropriate marketing infrastructure inside the Coconut Park.

For operationalising such an arrangement, appropriate institutional development at grass roots level, preferably involving small and marginal farmers organized as clusters, needs to be more professionally and systematically oriented in order to make them stakeholders of the Coconut Park, and the project lays considerable emphasis on this aspect. The project proposes to be entrepreneur driven to be implemented on a PPP basis. The project envisages technical and managerial assistance to the potential stakeholders, through a professional Project Management Agency (PMA) who would assist KINFRA/ CDB as well as the industry from concept to commissioning.

In order to arrive at detailed components of the proposed scheme/project, KINFRA and CDB now intend to take up a feasibility study. The study would provide insights into various institutional, technical, commercial, financial and engineering details of the proposed interventions. The findings/recommendations of the feasibility study, is expected to provide KINFRA/ CDB with the requisite details to finalize the project and proceed with the implementation.

Now, therefore, KINFRA invites bids from agencies, which, if need be, could assume the role of Project Management Agency (PMA) in future, to undertake the feasibility studies. A note on the perceived role of the PMA is given at Annexure I .

### **Scope of Work**

The scope of the proposed feasibility study would include the following:

1. Estimate the extend of land required to set up Coconut Park, that would link and integrate the capacity of processing infrastructure that is expected to come up in the Park with the quantity of raw coconuts produced by farmer clusters.
2. Assessment of the processing infrastructure including those for edible and non-edible products that would be required to ensure full and complete use of raw coconuts as well as other parts of coconut tree to implement the concept of zero wastage from coconut produce. Assess the raw material required in tonnage/numbers and proposed processing infrastructure in tonnage so as to develop farmers on one side and processors on the other side to ensure a complete linkage.

3. Identify clusters of coconut farmers in Thrissur district including those farmers coming under SKDP who would be able to supply adequate quantity of required raw coconuts so as to sustain processing-related activities on a commercially viable scale.
4. Assessment of raw material surplus/processable produce from the identified clusters. Evaluate the current pattern of coconut use and project the likely trend of future coconut usage. Projected processing capacities should be in line with future trends.
5. Also provide projections for marketable quantities for identified products with sufficient details that would be of use to potential investors.
6. Identifying locations for implementation of Coconut Park in the district. Apart from green field projects, existing infrastructure gaps/requirements, identification of the nature/magnitude of insufficiencies/gaps at each stage of value chain based on secondary data, the scope of the work also include a few sample studies and detailed discussions with various stakeholders-food industry, processors, infrastructure providers, leading farmers/farmer bodies, financial institutions, Central/State Government Agencies, Industry Associations etc.
7. Develop a suitable model for the Coconut Park that will ensure adequate separation of the 'edible processing zone' from the 'non-edible processing zone' together with a provision for a 'zone with open market space or yard' to be used for procurement as well as marketing of raw produce by the farmer clusters as well as for primary processing. The model should target at making the open yard (market) as the major coconut whole sale trading or marketing center of the entire region.
8. Assess the existing infrastructure including marketing infrastructure, gaps/requirements. Identification of the nature/magnitude of insufficiencies/gaps at each stage of value chain.
9. Suggesting models for infrastructure creation for value addition/preservation both at the farmer level (which farmers can themselves undertake as common production/processing facilities) as well as at a higher level of value creation targeting organized sector or entrepreneurs.
10. Study the structure of the existing supply chain and identify gaps with focus on institutional arrangements and also issues related to possibility of procurement on continued and consistent basis for the Coconut Park, with remedial measures to overcome the identified gaps and issues.
11. Identify activities that can be taken up as common processing activities by farmer clusters.
12. Explore the possibilities of developing organic cultivation for Coconuts that would be supported with matching processing facilities.

13. Work out of project economics/finance models for the proposed Coconut Park based on field study and detailed consultation with various stakeholders. Providing concrete suggestions regarding:
  - a) Finance pattern
  - b) Level of Government assistance.
  - c) Nature & composition of implementing agencies
  - d) Implementation & subsequent operation of the project
  - e) Any special policy measure for development of the Food Parks/tax benefits based on thorough study along with sound reasoning.
  
14. Evolve a suitable model for establishment of implementing agencies for the proposed Coconut Park. The model should address institutional mechanism that needs to be set up at grass root level for proper representation of all the farmer clusters; to develop systems and procedures to be followed by farmer clusters; and to ensure and monitor that farmer clusters effectively contribute to the needs of the Coconut Park. Potential areas of primary processing as common production facilities that can be managed on behalf of the farmer clusters also needs to be explored. The proposed model should also separately address the institutional mechanism that would set up the Coconut Park and manage it, including interactions with farmer clusters on one side and entrepreneurs on other side.
  
15. Suggestions, based on thorough reasoning, on other possible interventions in terms of policy measures, operational support and other incentives.
  
16. The findings of the study are required to be clearly backed with sufficient data and supporting evidence. The conclusions and recommendations are required to be supported with adequate justifications.

### **Time frame for the study**

The feasibility study shall be completed within a period of two months from the date of award of work and payment of advance. The schedule of payment of fee and the milestone of the study are indicated below:

<b>SI No</b>	<b>Milestone</b>	<b>% of fee payable</b>	<b>Time</b>
1	On issue of work order by KINFRA	30%	
2	Submission of draft report/findings	40%	6 weeks from the date of receipt of advance
3	Submission of final report	30%	8 weeks from the date of advance.

### **Eligibility of the Agency**

As mentioned above, KINFRA/ CDB is likely to use the professional agency to act as PMA for implementation of the proposed scheme. Considering the nature of the elements

of the proposed scheme as well as the likely role of PMA in such implementation, the agencies intending to bid for the pre-feasibility studies shall fulfill the following eligibility conditions:

- a) Shall be an institution, which has experience in development and execution of projects on PPP basis (should have executed a cluster infrastructure programme worth Rs.50 cr.)
- b) Shall be an institution, which has proven financial services capabilities, particularly in financing cluster programmes.
- c) Should have focus on cluster development of required skill sets under project development, supply chain management, finance, execution, capacity building etc.
- d) Should have assisted Ministry of GOI or State Government in designing and implementation of cluster oriented program as Project Management Agency.

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## **Role of Project Management Agency in Development of Coconut Park (Kera Park) in Thrissur District, Kerala.**

The Project Management Agency (PMA) is an independent professional agency with multi disciplinary skill set and is positioned for developing the projects under the scheme and hand holding them through the entire life cycle (from “concept to commissioning”)

The primary role of PMA is to assist the KINFRA/CDB, in effective implementation of the scheme. In other words, PMA will be providing need based technical support to ensure that the projects are identified and implemented in keeping with the guidelines of the scheme. Such technical support by KINFRA/CDB, through a specialized agency, will enable the convergence of the interest of the industry, Government and other stakeholders.

### **THE ROLES AND RESPONSIBILITIES OF PMA**

#### **1. Pre-feasibility Studies**

PMA would conduct the studies to assess the feasibility of the proposed Coconut Park at a suitable location.

#### **2. Project identification**

Based on the feasibility study, the potential projects in terms of users/stake holders/partners/linkages and the broad business plan of the proposed projects would be identified.

#### **3. Preparation of Detailed Project Reports**

Once the potential projects are identified, Detailed Project Reports (DPRs) will be prepared for each of the projects. Such DPR would provide technical, financial, commercial, and institutional and O&M details of each of the projects elements. The DPR would also be appraised/evaluated by the PMA with respect to its financial viability, commercial sustainability and socio economic impacts.

#### **4. Structuring the SPVs**

Since each of the identified projects need to be owned, executed and managed by the concerned stakeholders, PMA shall assist such stakeholders in developing/structuring appropriate institutional mechanism/framework in the form of project specific SPVs. This would include assistance for incorporation of the SPVs, execution of shareholder agreements and other project related agreements. PMA will also advise the SPVs in meeting the legal and secretarial compliances in accordance with company law and other relevant acts.

## **5. Financial closure**

Once the projects are approved, PMA shall assist the project specific SPVs in achieving financial closure.

## **6. Assistance to SPVs in Project Execution and Supply Chain Management .**

Once the financial closure is achieved, the concerned SPVs would take up the execution/implementation of the approved projects by way of engaging need based consultants/service providers for various components of the projects.

PMA would provide advisory inputs to the SPVs in execution of the project. Such assistance to SPVs would include: procurement of project specific consultancy services, identification and establishment of effective supply chain, need based engineering activities, technology sourcing, market linkages etc.

## **7. Facilitation of release and utilization of GOI grant**

PMA shall assist the SPV in obtaining grant support and also oversee proper utilization of such released funds. A suitable framework in the form of a dedicated project account maintained by SPVs with designated banks for the Government grant will also be developed for this purpose.

## **8. Coordination with Central/State Government and Institutions**

PMA would coordinate, on behalf of KINFRA, Coconut Development Board and SPVs, with the concerned Ministries in the Central Govt and State Governments for the purpose of grant, land, infrastructure, supply chain etc. PMA would also liaison with expert Institutions/Agencies that are relevant to the projects.

## **9. O&M of the projects**

Post execution, the PMA would assist the SPVs in development and implementation of suitable O&M plan for the projects.

## **10. Monitoring and reporting**

PMA would assist KINFRA and Coconut Development Board in effective monitoring of the scheme by way of providing periodical progress reports on various aspects of each of the approved projects. Suitable MIS would be developed for this purpose.

## **Instructions to Bidders**

### **Selection Procedure**

The bid evaluation process will be based on two stage system viz. evaluation of Technical Proposal and Financial Proposal, sequentially. The Technical Proposals shall be examined to determine whether the proposals received are responsive in terms of the requirements stipulated.

### **1. Technical Proposal**

1.1 Bidders meeting the eligibility criteria are required to submit details of experience in similar works, details of resource persons/experts with durations proposed to be deployed for the assignment together with their qualification and experience, approach & methodology proposed to be followed for carrying out the said assignment etc. Bidders may be called upon to make a presentation of their proposals, at their own cost, if required. The technical evaluation will be carried out applying the criteria and points rating as listed in the table below:

<b>SN</b>	<b>Parameter</b>	<b>Maximum Total Technical Score</b>
1	Bidder's experience as a Lead Consultant / Project Management Agency in infrastructure project development under Public Private Partnership projects in India	45
2	Conceptual Clarity and Understanding of the project and its objectives.	10
3	Proposed Approach and Methodology for the undertaking the project.	15
4	Team Composition and Experience of Key Professionals (CVs) including domain experts.	30
	<b>Total Technical Score</b>	<b>100</b>

The maximum achievable total Technical Score for any bidder would be 100. A minimum of 75 marks is necessary for qualifying in the Technical Proposal.

The financial proposals of firms scoring less than 75 marks out of 100 marks for their Technical Proposal, would be returned, unopened.

## 2. Experience

- 2.1 Bidders should indicate the number of completed projects, including the name of the Client for whom the assignment has been carried out.
- 2.2 Bidder's experience in respect of this criterion should be supported by documentary evidence in the form of certificate from the client, clearly stipulating the services rendered by the Consultant.

## 3. Conceptual Clarity and Understanding

Bidders are required to furnish a detailed write-up on their Conceptual Clarity and Understanding of the project and its objectives.

## 4. Approaches and Methodology

4.1 Bidders are required to furnish the following:

- Proposed Approach;
- Proposed Methodology; and
- Work Plan to undertake the assignment.

Each item of para 2,3 and 4 above would be evaluated and appropriate score assigned to every bidder as under:

SN	Finding of Evaluation	% of points
1	Not submitted (Failure)	0 %
2	Submission is below the requirement (inadequate / poor)	30 %
3	Submission meets the requirement (adequate / fair)	75 %
4	Submission exceeds the requirement (Good)	90 %
5	Submission far exceeds requirement (Excellent)	100 %

## 5 Team Composition an Experience of Key Professionals / Experts.

- 5.1 Bidders would need to provide details of the experts proposed to be deployed together with the time / duration for the proposed assignment.
- 5.2 The Curriculum Vitae (CV) of each expert proposed to be deployed for the assignment may be given along with the duration proposed for this assignment.
- 5.3 The Committee would evaluate each member proposed to be deployed based on their qualifications, experience etc., and assign score for every bidder based on its evaluation as under:

(i) Team Leader and PPP Expert	:	7
(ii) Domain Expert	:	5
(iii) Financial Analyst / Expert	:	5
(iv) Legal Expert	:	5
(v) Planning Expert	:	5
(vi) Market Analyst / Expert	:	3
Total		30 points.

5.4 Weightages for evaluation of the above shall be as under :

(i) For Educational Qualification	:	25 %
(ii) Experience	:	75 %

## **6 Total Technical Score.**

6.1 The total Technical Score of any bidder would be an arithmetic sum of scores obtained by the bidder for each of the parameter indicated above viz. experience, conceptual clarity and approach & methodology and team composition & experience.

## **7 Financial Proposal**

The proposed project involves two stages name (i) preparation of feasibility report and (ii) undertaking the function of Project Management Agency for developing the project from 'concept to commissioning'.

7.1 The selected Project Management Agency shall be paid fees, which will consist of two components namely, (i) Professional fee for undertaking the feasibility study (ii) Percentage of the estimated project cost that will constitute the Project Management Agency fee.

7.2 In the Financial proposal, the bidders are required to quote (i) their lumpsum professional fee inclusive of all taxes, duties and other out-of-pocket expenses for undertaking the assignment and (ii) percentage of estimated project cost as the Project Management Agency fee (inclusive of all taxes)

7.3 The lump sum fees shall quoted in Indian Rupee only

7.4 Financial proposals will be opened for bidders who have obtained a minimum score of 75 % in evaluation of Technical Proposal.

## 8 Evaluation and Award Criteria

8.1 The final evaluation of proposals shall be on the principle of Quality Cum Cost Based Selection (QCBS) based on the final weighted score. A weightage of 80 % will be assigned to the marks/points scored in the Technical Proposal and a weightage of 20 % will be assigned to the marks/points scored in the Financial Proposal. 'T' is the total marks scored in Technical Proposal, and 'F' is the marks scored for the Financial Proposal. The bidder, who quotes the lowest amount (sum of amount quoted as professional fee and Project Management fee), will be awarded a financial score of 100 marks and other bidders will be given financial scores that are inversely proportional to their quoted amounts.

The formula for this will be,  $F = 100 \times (\text{Amount of Professional Fee Quoted by the Lowest Bidder} / \text{Amount Professional Fee Quoted by the Bidder under evaluation})$ .

The final weighed score will be :  $0.80 \times T + 0.20 \times F$

The assignment shall be awarded to the bidder scoring the highest final weighted score.

8.2 Managing Director, KINFRA, however, reserves the right to reject either fully or partially any or all the bids received, without assigning any reasons and any liability to KINFRA.

## 9 Confidentiality

9.1 The deliverables, reports and other works of the Project Management Agency for this assignment including all studies and other materials, contributions shall be the property of the Managing Director, KINFRA. The Project Management Agency will not have any right on such materials including data. The Project Management Agency shall keep all work and services carried out for this assignment entirely confidential and not use, publish or make known, without the written approval of the Managing Director, KINFRA. However, the foregoing obligations of confidentiality and secrecy and non-use shall not apply to any information that was in Project Management Agency's possession prior to commencement of work or which is or shall become available to the public in the form of printed information.

## 10 Application Procedure

10.1 Bidders shall submit their proposal with a covering letter enclosing the following labeled appendices:

Appendix-A (Envelope 1)	Technical Proposal, Certificate of Authority to sign proposals (Original and two copies) and EMD
Appendix-B (Envelope 2)	Financial Proposal (Original only, in a separate sealed envelope)

## **11 Submission of Proposal**

11.1 The Technical and Financial Proposals must be submitted simultaneously but in separate sealed envelopes so as to reach in the designated office not later than 15:00 hrs. IST on 26<sup>th</sup> April 2008. Both inner sealed envelopes (1&2) shall indicate the name and address of the bidder. The first inner envelope shall contain the bidder's technical proposal duly identified as Technical Proposal and marked "Original" and "Copy". The second inner envelope shall include the Financial Proposal duly identified as such. Proposals with the Financial Proposal not received in separate sealed envelope will not be considered. If the envelopes are not sealed and marked as instructed, KINFRA will assume no responsibility for misplacement or premature opening of the Proposals submitted.

**11.2 EMD: The bidders are required to submit EMD of Rs 25,000 along with the bid.**

11.3 Technical Proposal duly identified as such must be submitted in one Original, clearly marked as such, with two (2) additional copies. The Technical proposal (both Original and Copy) must be sealed in a specially marked envelope/package, marked "Technical Proposal – For Appointment of Project Management Agency for development of Kera Park in Thrissur, Kerala".

11.4 Financial Proposal must be submitted in one separately sealed envelope, marked "Financial Proposal – For Appointment of Project Management Agency for development of Kera Park in Thrissur, Kerala".

11.5 The Technical Proposal & Certificate of Authority to sign proposals and Financial Proposal sealed along with the Covering Letter should be put in a specially marked envelope/package (Outer Envelope), marked "Appointment of Project Management Agency for development of Kera Park in Thrissur, Kerala" and should be addressed as follows for mailing:

**Managing Director  
Kerala Industrial Infrastructure Development Corporation  
(KINFRA)  
KINFRA House, 31/2312  
Sasthamangalam  
Thiruvananthapuram – 695 010  
Kerala.**

## **12. Deadline for Submission of Proposals**

The Managing Director, KINFRA must receive the proposals not later than 15:00 hrs (IST) on 26<sup>th</sup> April 2008. No response for extension of the deadline shall be entertained. If the date of submission of the Proposals is declared a public holiday, the proposal may be delivered upto 15:00 hrs on next working day.

The “Certificate of Authority to sign proposals” attached must be executed by a representative of the bidder, who is duly authorized to execute contracts and bind the Bidder. Signature on the Certificate represents that the bidder has read this document, understands it and agrees to be bound by its terms and conditions.

The bids (Outer Envelope along with Technical Proposal) will be opened on 16:00 hrs in the presence of the bidders, who wish to be present, at KINFRA House, 31/2312, Sasthamangalam, Thiruvananthapuram, by a Committee constituted for this purpose.