

Pakistan Horticulture Development & Export Company

Pre-Feasibility Study for Cold Storages at Exit Ports

Terms of References (TORs)

Study at a glance:

PHDEC is seeking a Firm/Individual/team of consultants to develop a Pre-Feasibility Study for Cold Storages at Exit Ports in Pakistan. The Feasibility study would evaluate the current status and come up with practical recommendations for setting up cold storage facilities through new infrastructure, machinery, equipment and/or human resources, etc.

1. Study Title:

Pre-Feasibility Study for Cold Storages at Exit Ports

2. General Summary & Objective of the Assignment:

Pakistan Horticulture Development and Export Company (PHDEC) was created as a business support organization for the development of Horticulture sector of Pakistan. PHDEC have always gone the extra mile to facilitate horticulture growers and exporters in strengthening their supply base and to equip them to take advantage of the global market access opportunities. PHDEC has tried to add value to the already promising Horticulture sector of Pakistan and envision to make Pakistan the most competitive and efficient producer and supplier of high value horticulture products in the region. PHDEC also tries to provide support and assistance to all stakeholders in the Horticulture value chain of Pakistan.

PHDEC is seeking a Firm/Individual/team of consultants to develop a Pre-Feasibility Study for Cold Storages at Exit Ports in Pakistan. The Feasibility study would evaluate the current status and come up with practical recommendations for setting up cold storage facilities through new infrastructure, machinery, equipment and/or human resources, etc.

3. Background:

Pakistan is a country blessed with the variety of weathers and landscape ranging from 16,000 ft. above sea level topography in the Himalaya region to plain Punjab and Sindh, offering fertile land producing finest quality wheat, rice, maize, sugarcane, cotton and variety of fruits & vegetables. When it comes to preserve and market fruits of Pakistan here is a major drawback in processing and transporting capacity both by the grower, private and government sectors. Although, few development organizations are working to install fruit processing units in North and Balochistan but still there is a huge gap in post-harvesting cold chain management of Pakistan. The situation is even worst in Punjab and Sindh having huge export potential of these crops, needing urgent attention. Lack of coordinated efforts at all levels has resulted in sporadic growth of smaller cold chain storage and substandard temperature-controlled transport vehicles. When it comes to meet the international standards there are only few players who are following the SOPs of cold chain management.

The main produces of Pakistan requiring cold chain are dairy, red meat, poultry, fisheries and fruits & vegetables. According to different studies, the 50% output of such produce gets spoiled due to non-availability of cold chain processing and handling. However, the encouraging sign is that with the growing awareness this has started to get the wind as several smaller cold chain logistics providers have entered the market serving dairy, meat, frozen foods on local level but there is still huge gap to meet the international standards promising exponential growth export of fresh and processed food.

4. Objectives of the Study:

The key objective of the assignment is to conduct a Pre-Feasibility Study for setting up cold store facilities at Exit Ports in Pakistan. The Feasibility study would evaluate the current status and come up with practical recommendations for setting up cold storage facilities through new infrastructure, machinery, equipment and/or human resources, etc. The feasibility should consider the following key sub-objectives and for each of them PHDEC has defined the minimum activities the consultants are expected to complete:

i. Introduction of the Horticulture Sector of Pakistan

- a) Overview of horticulture sector in Pakistan (current status and future potential)
- b) Overview of cold storage at exit ports in Pakistan (current status and future potential)

ii. Need Assessment of Cold Storage Facilities at Exit Ports in Pakistan

- a) Project Overview
- b) The overall export of fruits and vegetables including quantity and value from exit ports of Pakistan.
- c) Status of existing cold storage facilities at exit ports in the country (if any)
- d) Current practices of use of cold storage for fresh fruits and vegetables at exit ports
- e) Repercussions arising from the non-availability of dedicated cold storage facilities for fresh fruits and vegetables at exit ports.
- f) The administrative, technical, and workability issues in the current use of cold storage at exit ports

iii. A detailed pre-feasibility to ensure project sustenance in the long run along with key players/business segments that would be interested to invest.

- a) Clearly suggest the practicable “management model” to establish and effectively & efficiently operate the project. Also propose the requisite organizational structure for running day-to-day affairs of the project. A Public Private Partnership Business model may also be considered. The management model may also include the extent of involvement of Provincial and Federal Governments/PHDEC in the management of the project.
- b) Conduct risk analysis identifying the type and magnitude of possible risks and suggest measures to overcome/mitigate those risks.

iv. A detailed financial plan encompassing;

- a) Detailed project costs,
- b) Investment plan,
- c) Return on Investment (ROI)
- d) Revenue and expense breakdown,
- e) Projected financial statements,
- f) Valuation and sensitivity analysis, ratio analysis etc.

v. Recommendations summarizing the overall project along with its financial and operational viability.

In order to carry out the assignment as per scope stated above, the Consultant would be responsible to carry out all the required surveys, data collection, meetings/conferences and all other activities at the Consultant’s expense.

5. Deliverables & Time Frame

Task 1: Kick-off Meeting

Within one week of the award of the Assignment, the Consultant will hold a kick-off meeting with PHDEC to discuss and finalize the detailed plan of activities proposed by him. The meeting will mainly cover the following;

1. Review of the proposed methodology and requirements to complete the assignment
2. Review of timetable of activities / milestones going forward
3. Review of the Consultant's team organization and functions of the team members
4. Discussion and finalization of a communication strategy whereby the stakeholders will be regularly involved and consulted throughout the assignment
5. Any specific issue requiring immediate attention of PHDEC

Deliverables:

- a. Detailed methodology and time schedule for the assignment
- b. Developing a communication strategy

Time frame: 7 days from signing of the Agreement

Task 2: Review of Relevant Information / Secondary Data on existing Cold Storage Facilities

At this stage, the Consultant to become familiar with the previous work that has been done on the subject. The consultant would review functioning/operations of the cold storages in the country. It will also focus on the cold storages installed at exit ports in public sector (owned by federal or provincial governments) and look into their legal status, management model, organizational structure, available facilities, technical/operational performance, social, environmental and financial aspects, especially issues faced/being faced and remedies thereof.

Deliverables:

- a. Review of existing data / information on installed cold storages at the exit ports in the country & relevant critical factors.

Task 3: Needs Assessment Analysis

The Consultant will examine the need or otherwise of the proposed project based on the information collected and interactions with the stakeholders including the federal government, Civil Aviation Authority, Customs, ANF and exporters.

Deliverables:

- a. Summarizing the findings from Task 2
- b. A report on needs assessment analysis carried out by the Consultant.

Time frame: 30 days from signing of the Agreement

Task 4: Review / Preparation & Submission of Pre-Feasibility Study

The Consultant will be required to prepare the pre-feasibility study based on data collected, consultative meetings with the stakeholders and analysis of all the factors affecting the project's operation/viability. This will include needs assessment analysis (justification of the

project), input requirements, master plan, cost estimates, management model, financial model and critical / risk factors and suggested remedies, in the light of given “Terms of Reference”.

Deliverables:

- a. A draft Pre-Feasibility Report
- b. Presentation to PHDEC on the report.
- c. Final Pre-Feasibility Report in the light of suggestions/comments of PHDEC - five (5) hard copies of the report along-with its soft copy (in form of CD/USB)
- d. All the primary and secondary sources of data that the Consultant has used for the preparation of report.

Time frame: Draft Report: 45 days from signing of the Agreement
Final Report: 60 days from signing of the Agreement

6. Time Frame for Delivery of Services

<u>Activity</u>	<u>Time Frame</u>
Interim report on operations of existing Cold Storages at exit ports in the country and needs assessment analysis carried out by the Consultant	Within 30 days after signing of the Agreement
Submission of 1 st draft report	Within 45 days after signing of the Agreement
Final Report	Within 60 days after signing of the Agreement

7. Management & Team Composition:

The study will be outsourced to a **Consulting Firm/individual consultant or team of consultants** who will work closely with PHDEC. PHDEC will select Consulting Firm/individual consultants through competitive selection process and would ask them work in the team.

8. Eligibility Criteria:

The consultant should have;

- 1. Good understanding of horticulture sector of Pakistan and Global practices
- 2. Demonstrable experience in financial feasibilities and related financial analysis
- 3. Demonstrable experience in horticulture value chain analysis and related value chain actors specifically experience in conducting study for cold storages.
- 4. Have undertaken value chain studies, base line studies and impact assessments for various horticulture crops and related value-added products
- 5. Good command over costs and able to provide cost benefit analysis
- 6. Fair knowledge on value chains, processing and value-added products
- 7. Demonstrable working experience with development sector, corporate business houses, international welfare and governmental organizations
- 8. Have good geographical knowledge and accomplished various assignments in multiple provinces of Pakistan
- 9. Active taxpayers' status

9. Evaluation Criteria

1. Specific experience of the Consultants relevant to the assignment [10]
2. Adequacy of the proposed methodology and work plan
 - i. Technical approach and methodology [10]
 - ii. Work plan [10]
 - iii. Team and staffing [10]
3. Past experience of working in multiple provinces [10]
4. Experience in conducting value chain studies, base line studies and impact assessments [10]
5. Experience in Feasibility Studies [10]
6. Knowledge of Value Chain Actors involved in horticulture value chain [10]
7. Experience in Cost benefit analysis and related financial analysis [10]
8. Knowledge of F&V value chain, processing and related value-added products [10]

Total points for criterion: [100]

Note: Specific experience must be supported by solid evidence in hard or soft form

Application Procedures & Selection:

1. Covering letter justifying your suitability for the assignment and the position you are applying for.
2. Profile along with the Curricula Vitae (CV) for all members of the team applying for consideration;
3. List of relevant assignments.