

# REPUBLIC OF KENYA



## COUNTY GOVERNMENT OF SIAYA

**CALL FOR EXPRESSION OF INTEREST DOCUMENT**

**FOR**

**MANAGEMENT AND OPERATION OF SIRIWO RICE  
MILLING PLANT IN SIAYA COUNTY**

**EOI NO: CGS/SCM/AGRIC/EOI/2023-2024/02**

**(Open National Tender)**

**CHIEF OFFICER  
AGRICULTURE, FOOD SECURITY, LIVESTOCK AND  
BLUE ECONOMY  
P.O. BOX 803-40600  
SIAYA**

**COUNTRY SECRETARY  
COUNTY GOVERNMENT OF SIAYA  
P.O. BOX 803-40600  
SIAYA**

*June., 2024*

# EOI NOTICE

## **CALL FOR EXPRESSION OF INTEREST NO. CGS/SCM/AGRIC/EOI/2023-2024/02 FOR MANAGEMENT AND OPERATION OF SIRIWO RICE MILLING PLANT IN SIAYA COUNTY**

The County Government of Siaya (CGS) through the Department of Agriculture, Food Security, Livestock and Blue Economy invites Expressions of Interests (EOI) from eligible reputable strategic investors for Management and Operation of Siriwo Rice Milling Plant located within Siaya County as-is. The businesses will be financed and operated by the interested entities.

Interested candidates may obtain complete requirements for the EOI from the CGS website ([www.siaya.go.ke](http://www.siaya.go.ke)) or from the Public Procurement Information portal [www.tenders.go.ke](http://www.tenders.go.ke). The premises can be viewed between 05.06.2024 to 18.06.2024 from 8.30 a.m. to 4.30 pm

Expressions of Interest (EOI) applications are to be enclosed in plain sealed envelopes, clearly marked with the **Expression of Interest (EOI) Identification Number and Name**, should be addressed to:

**County Secretary  
County Government of Siaya  
P.O. Box 803-40600  
Siaya**

**and be deposited in the Tender Box located at the main entrance of Alego Usonga Sub-County offices, along Hospital Road, within Siaya Town or posted, so as to be received on or before 19<sup>th</sup> June, 2024 at 1200hrs (East Africa Time)**

Expressions of Interest applications will be opened soon thereafter at Alego Usonga Sub County Offices, in the presence of tenderers and/or their representatives who may wish to attend.

**Director, Supply Chain Management  
For: COUNTY SECRETARY**

**05.06.2024**

## 1.0 Background

Rice is the third most important staple crop in Kenya after maize and wheat, the County Government of Siaya has prioritized rice value chain development to spur commercialization and employment within the County and beyond. This necessitated construction and installation of Siriwo Rice Mill in Alego Usonga, among members of Usonga Rice Cooperative Society and the larger Lower Nzoia Irrigation Scheme, the average household rice production in the scheme can be explained and estimated in terms of harvests per year depending on farmers' capacity to carry out land preparation and plant two crops per year and farm size (acres planted). On average farmers produce about 2.4 tons and high of 3.5 tons per (3,500 Kgs) per harvest hence that translates to some 7 tons per year if the farmer does two crops annually. The potential production is estimated at 4.5 – 5 tons per harvest or 10 tons per year with good agronomic practices (SRI technologies).

Usonga Rice Producers Cooperative Society catchment runs from blocks 8-11 and current estimated production is about 30 bags per acre or 2.4 tons. The cooperative estimates to reach 1,000 acres with increased expansion as water becomes available (translating into 4,800 tons per year). The current estimated rice production in Kgs /tons per season for the scheme – with 50% intensification is estimated at over 12,000 Tons (12,000,000kg) per year. Rice production blocks -currently under production are three: - blocks 8, 13 and 14 with an estimated 2,000 acres. At 4,000 acres with 90% (1.9 times) intensification, the production could hit 21,000 tons by 2024/25. Each block -or feed has some 20-70 acres. The projected production with increased number of blocks under rice production with increased availability of water with two crops a year, will be 12, 000 acres in a year under rice production, equivalent to 12,000 by 5 tons per acre average on the lower side giving 60,000 tons of rice per year. This implies more than sufficient quantities of rice to run the mill with streamlined rice purchase mechanism (supply chain management) and availability of working capital.

Rice milling in Siaya has not been fully exploited due to the low capacity of the milling plant and the location of the plant, currently the nearest operational rice milling plants available to rice farmers in Usonga and the large Lower Nzoia /Bunyala Irrigation Scheme are the domestic milling plants, which may not be used for commercialization. Access to these milling plants however, hasn't been possible to Lower Nzoia farmers due to a number of factors including the poor state of the roads in the area, distance, transport costs etc. The Siriwo Rice Milling Plant will better serve rice farmers in Usonga and the larger Lower Nzoia / Bunyala Irrigation Scheme by helping them to curb losses due to transportation costs and thus increase overall incomes from rice farming.

Currently in the Lower Nzoia community (Bunyala and Usonga), approximately less than 10% of local rice production not consumed locally (about 5 % of total rice production is consumed locally) is sold through the formal or informal markets in the scheme to institutions including schools and to local traders in Siaya etc. Over 95% of the rice produced in the scheme is sold through the formal market to millers from Uganda and other milling plants within the Country like Mwea (who use Lower Nzoia Pishori rice for blending).

At the rice milling (processing) node of the rice value chain, the typical capacity of rice milling plants in Kenya is 2.5 tons per hour or 20,000 Kgs/20Tons of rice per day. The proposed Siriwo Rice Milling Plant by comparison will have a capacity of 2.5 tons per hour or 20,000 Kgs / 20 tons per day as well. Based on the rice mill projections, the Siriwo Rice Milling Plant is expected to consistently mill (process) more than its stated capacity.

Therefore, the County Government of Siaya wishes to entrust the operation and management of the milling plant to a willing, competent and experienced strategic investor. The private investor will operate the rice mill as a business under a legally executed lease agreement and will collaborate with the Department of Agriculture, Food Security, Livestock and Blue Economy (Entity that procured the Rice Mill) and Usonga Rice Producers Cooperative Society (Entity hosting the Rice Plant)

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

- 1) Enter into a Memorandum of Understanding with the County Government of Siaya on the terms of engagement
- 2) Operate and Manage the Rice Mill as a private business venture
- 3) Pay the agreed monies/fees promptly to the County Government of Siaya for the use of the facility.
- 4) Willingly support the local community in rice marketing and providing employment opportunities for local community especially for the labor requirement.
- 5) Maintain and safeguard the county investment for the period the investor will be at the facility in accordance with the MOU.
- 6) Hand over the rice mill to the County government in proper working condition at the expiry of the engagement period.
- 7) Capacity building of local Rice Farmers Producer Organizations to facilitate production, entrepreneurship and organizational skills for better management.

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

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

## **2.0 Clarifications**

Interested parties may request clarifications on this EOI up to five (5) days before the EOI submission date. The EOI and any updates/clarifications shall be posted on the CGS website <http://www.siaya.go.ke> and the Public Procurement Information portal [www.tenders.go.ke](http://www.tenders.go.ke)

Any request for clarification must be delivered, mailed or emailed to:

**The Chief Officer**  
**Department of Agriculture, Food Security, Livestock & Blue Economy**  
**County Government of Siaya**  
**P. O. Box 803-40600, Siaya**

**Email Address: [coagriculture@siaya.go.ke](mailto:coagriculture@siaya.go.ke)**

### **3.0 Eligibility and qualification of bidders**

The CGS invites interested, competent and experienced strategic investors who are familiar with the industry to express their interest in providing the services by submitting information on their commercial and technical capability. In the case of a consortium, the lead agency may express their interest on behalf of the consortium.

The attention of interested Investors is drawn to the following provisions that will be highlighted in the Request for Proposals to be issued to shortlisted firms.

- i) The Investor will be expected to have no conflict of interest with other assignments or its own corporate interests and acting without any consideration for future work.
- ii) The Investor has no personal or business relationship with the Procuring Entity's senior management or professional staff.
- iii) A firm or an individual in the firm has not been sanctioned by the Public Procurement Regulatory Authority or are under a suspension or a debarment imposed by any other entity of the Government of Kenya, or any international organization.
- iv) Government-owned enterprises or institutions of Kenya Government, officials and civil servants and employees of public institutions not eligible.

Strategic Investors may associate with other firms to enhance their qualifications, but must indicate clearly whether the association is in the form of a joint venture and/or a sub consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

### **3.1 Mandatory Documents**

The EOI must be accompanied by certified copies of the following documents in the English language:

- (1) Proof of Registration with Registrar of Companies. Companies Incorporated under the Company's Act must in addition submit Copy of recent Certificate of Confirmation of Directors and Shareholding (CR12) issued within the last 12 months from the date of application submission deadline. *(This may be verified with the Registrar of Companies);*
- (2) Copy of Valid Tax Compliance Certificate issued by the Kenya Revenue Authority *(May be verified on the KRA TCC Checker)*
- (3) A detailed company profile
- (4) Capability statement highlighting similar assignments (management and operation of milling facilities, preferably rice milling facility) undertaken and/or ongoing
- (5) Three referees to ascertain the investor has undertaken similar business investment successfully
- (6) Audited Financial Statements for the immediate past two (2) years

### 3.2 Expected Response

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

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

### 3.3 Criteria for Shortlisting

S/No.	Item	Score
1.	The investor must have an ongoing successful business in the related field.	20
2.	The business should have been operational for at least 10 years.	20
3.	The business should be financially sound/have financial capability	20
4.	The investor should have the capacity and proof to fund a new business venture.	15
5.	The investor should provide proof of existence of a distribution channel and marketing ability.	15
6.	The investor should have related investment in the Rice Sector	10
	<b>TOTAL</b>	<b>100</b>

Applicants scoring at least Seventy per centum (70%) will be deemed responsive.

Shortlisting will be conducted using procedures stipulated in the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Asset Disposal Regulations, 2020.

Shortlisted candidates will be selected on the basis of the expression of interest submitted and invited to prepare a detailed Request for Proposals.

*~End~*