REQUEST FOR PROPOSAL GAP ANALYSIS FOR DAIRY VALUE CHAIN

Project/Activity Name:	GAP ANALYSIS FOR DAIRY VALUE CHAIN
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REQUEST FOR PROPOSAL - 20251008KE

GAP ANALYSIS FOR DAIRY VALUE CHAIN

RFP Release Date:	Thursday 9th October 2025
RFP Submission Deadline:	Wednesday 29th October 2025
Question/ Inquiry Submission Deadline:	Wednesday 22nd October 2025
Electronic submission to the attention of:	Procurement Kenya
Electronic submission:	procurement-ke@heifer.org
Contact information for inquiries about this RFP:	procurement-ke@heifer.org
Performance Period:	November 2025 to January 2026

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1. INTRODUCTION

Since 1944, Heifer International has worked with over 52 million people worldwide to end hunger and poverty in a sustainable manner. Working with rural communities in 19 countries across Africa, Asia, and the Americas, including the United States, Heifer International supports farmers and local food producers in strengthening local economies and building secure livelihoods that provide a living income.

In Kenya, where Heifer began operations in 1981, the organization has supported more than 682,000 families across dairy and poultry value chains, and most recently red meat value chain. Heifer Kenya's current seven-year Signature program, **Practice for Change (P4C)**, aims to accelerate 625,000 farming households toward a sustainable living income through market-based interventions in poultry, dairy, beef, and horticulture by the end of 2032. P4C seeks to achieve this through partnering with private sector, government, development agencies, and community organizations to create thriving, resilient farming households, with a focus on improved value chain competitiveness, stronger farmer organizations, increased incomes for women and youth, market efficiency, environmental sustainability, and food and nutrition security. Key thematic focus areas of P4C are access to innovative finance, technology and innovation, gender inclusion, youth empowerment, and climate resilience.

2. BACKGROUND OF THE STUDY

The dairy sector is among the backbones of Kenya's agricultural economy, contributing about 4% of national GDP and supporting over 1.8 million smallholder households. The sector plays a pivotal role in employment creation, food and nutrition security, and rural livelihoods. Despite Kenya being among Africa's leading milk producers, there remain tremendous opportunities to enhance productivity, efficiency, and inclusivity along the value chain.

Over time, the Government of Kenya, development partners, and private sector players have implemented interventions to increase milk production, safety, aggregation, processing, and marketing. Heifer International Kenya's projects, such as the East Africa Dairy Development (EADD) and Kenya Market-Led Dairy Supply Chain Project (KEMDAP), are foremost among them and have strengthened cooperatives, built farmer capacity, and introduced gender-responsive and digital innovations like *DigiCow, MobiMilk,* among others.

Whilst these efforts have ensured growth and innovation in the industry, challenges persist along production, aggregation, milk quality, market access, and enabling environment. To inform future investment and policy alignment, a Gap Analysis is required to assess the dairy value chain's status quo, identify systemic bottlenecks, and highlight opportunities for coordinated, sustainable, and inclusive sector growth.

3. JUSTIFICATION OF THE ASSIGNMENT

Interventions have addressed short-run productivity improvements or service delivery per se with no consideration of root causes of the market failures such as coordination failure, misaligned incentives, inadequate investment in quality and cold chain requirements, and weakly developed support markets (finance, extension, input distribution). A Gap Analysis from the perspective of Market Systems Development (MSD) is therefore called for to:

- Record current and past interventions along the dairy value chain, such as Heifer Kenya, other development organizations, government, and donor activities.

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- Record systemic weaknesses that persist unchecked in the face of these interventions e.g., costs of production, milk quality and safety issues, dominance of informal market channels, and weak farmer organization governance.
- Record exclusions, highlighting the low levels of participation of women, youth, and pastoralist households in formal dairy markets.
- Provide evidence-based recommendations to guide future investment and programming so interventions shift from symptom-solving to fixing root causes of underperformance.
- Facilitate coordination and alignment among stakeholders like government, private sector, farmer cooperatives, NGOs, and donors among others, on a shared systemic change agenda.

Of particular significance, this analysis will play a key role in the operationalization of Heifer International's Practice for Change (P4C) Signature Framework in Kenya. P4C targets system change by empowering smallholder farmers to participate in and benefit from sustainable and inclusive market systems. By identifying gaps within current dairy interventions and locations of systemic leverage points, this analysis will serve as evidence of action for coordinating forthcoming programming with P4C's pillars of scaling farmer-owned businesses, creating ecosystems, scaling climate-smart practices, and inclusive women's and youth engagement.

4. OBJECTIVES OF ASSIGNMENT

The overall objective is to examine the gaps in current dairy value chain interventions in Kenya and provide actionable recommendations for systemic, inclusive, and sustainable change utilizing a market systems approach.

Specific objectives:

i. Chart and analyse dominant dairy sector programs, policies, and private sector initiatives in Kenya – their approaches, successes, and lessons learnt/challenges.
ii. Determine specific systemic gaps in production, aggregation, processing, marketing, and enabling environment.
iii. Assess the functionality of support services (finance, extension, veterinary, input distribution, digital platforms).
iv. Assess the incentives, relationships, and coordination between market actors and the facilitators that support them at both county and national levels.
v. Identify current initiatives for women and youth in the sector, the persistent gaps/challenges, and unexploited opportunities for their inclusion.
vi. Develop actionable, prioritized recommendations that the Heifer Signature Program could focus on to address the persistent constraints and strengthen the market system, including opportunities to crowd in private sector investment.

Coverage Areas

The analysis will target the regional catchments that have the counties of; Uasin-Gishu, Nandi, Elgeyo Marakwet, Trans-Nzoia, Embu, Meru, Tharaka-Nithi, Kiambu, Nyeri, Kirinyaga, and Nyandarua.

5. EXPECTED DELIVERABLES

The consultant/consulting team will be expected to produce the following deliverables:

Inception Report / Workplan: The inception report will be submitted by the consultant within the first week of contract signing. The report will outline the approach to be used, including data collection tools, sampling strategy, and analysis methodology. It will also provide a workplan that captures the activities with timelines and responsibilities to ensure the consultant, Heifer Kenya, and the key stakeholders agree with the scope and methodology of the analysis.

Draft Gap Analysis Report: The preliminary report will offer strategic analysis of systemic gaps and opportunities, defining priority actions and leverage points to guide targeted interventions and resource allocation. A presentation will be made to the Heifer Kenya team in a meeting, to discuss initial findings as part of this deliverable.

Final Gap Analysis Report: The final product will be a lean and approved gap analysis report incorporating that will have addressed all the comments brought forward in the review of the draft gap analysis report. It will have an actionable action roadmap with concise priority interventions, and recommendations on how to develop Kenya's dairy market system. The recommendations will need to be explicitly aligned/linked findings to Heifer's Practice for Change (P4C) Signature Framework's.

6. QUALIFICATIONS OF THE CONSULTANT/FIRM

The assignment should be undertaken by a team (or firm) with strong expertise in agriculture, market systems development, and economic research. The ideal team of consultants should meet the following qualifications:

i. Lead Consultant with master's in agriculture related courses, Development Studies, or related discipline.
ii. At least one member with a minimum of 7 years of experience in market systems development, value chain development, or agribusiness consultancy (with dairy being a preference).
iii. Demonstrated experience conducting systemic market analysis and facilitation approaches.
iv. Good understanding of Kenya's livestock and dairy policy environment.
v. Experience in working or collaborating with farmer organizations, private sector actors, and government actors.
vi. Experience in programs integrating gender and youth into agricultural development.
vii. Incorporated ability to construct insightful knowledge from multifaceted data into practical recommendations.
viii. Excellent facilitation, communication, and report writing skills.

7. EVALUATION CRITERIA

The selection committee will evaluate all proposals based on the following criteria. Consulting firms are encouraged to provide detailed and specific responses in alignment with the criteria.

Proposal Evaluation Focus	**Percentage (%)**
Specific experience of the Consultancy firm: The firm demonstrates a strong understanding of the scope of work and Market Systems Development principles, including experience and demonstrated similar assignments for development initiatives on market assessment, gap analysis, value chain analysis.	25
Consultant/team profile(s) and Expertise: The proposed consultant or team has knowledge and proven technical expertise, and extensive experience in similar assignments and related studies, with each team member having a minimum of five years' experience in the areas outlined as their role in the scope of work. The quality of the facilitator and support team members, if any, are evidenced through their proven track record and their CVs	25

Methodology and approach*:* The proposed team or consultant provides unambiguous and uniform methodology that reflects smooth flow of techniques, approach, supported by an achievable work schedule and sound project management measures to mitigate risks. The methodology reflects flexibility and creativity to deliver quality outcome within the timeframe provided	40
Budget: Financial proposals will be ranked on cost competitiveness. The lowest priced proposal will receive the highest financial score, and other proposals will be graded proportionately.	10
Total	**100**

8. APPLICATION REQUIREMENTS

Legally registered local firms/individuals are eligible to apply. Applicants must submit the following documents as part of their application:

i. Letter of expression of interest and demonstration of capability to conduct the assignment.
ii. The capacity and portfolio of the consultant/firm including their qualifications, experience, and expertise relevant to the assignment.
iii. The consultant shall provide at least three (3) references from clients for whom similar assignments have been undertaken. Each reference must include contact information for verification purposes.
iv. A clear and comprehensive work plan (draft), outlining the major activities and schedule.
v. **Financial proposal** – Individual/firm cost proposal in **KES** for this assignment based on the workplan. The cost should indicate the all-inclusive fixed total contract price, supported by a breakdown of all the cost. The submissions must include the following documents with their bid or proposal to Heifer International Kenya

- Certificate of Incorporation or Business Registration Certificate if relevant
- KRA online PIN Certificate.
- Valid Tax Compliance Certificate.
- Updated Curriculum Vitae (*For individuals*)

9. APPLICATION PROCEDURE

The proposal (duly signed) from the consultant should comprise the technical and financial proposals. Applications will be accepted in soft copy through email and mentioning the subject line; **"GAP ANALYSIS DAIRY VALUE CHAIN"** to procurement-ke@heifer.org on or before **Wednesday 29th October 2025.**

10. LATE SUBMISSIONS AND MODIFICATIONS

Proposals received after the submission deadline will not be considered. Applicants are responsible for ensuring their proposals are submitted according to the instructions stated herein. Heifer retains the right to terminate this RFP or modify the requirements upon notification to the applicants.

11. VALIDITY OF PROPOSALS

Proposals submitted shall remain open for acceptance for Thirty (30) days from the last date specified for receipt of the proposal. This includes, but is not limited to pricing, terms and conditions, service levels, and all other information. If your organization is selected, all information in this document and the negotiation process is contractually binding.

12. LIMITATIONS

This Request for Proposal does not represent a commitment to award a contract, to pay any costs incurred in the preparation of a response to this RFP, or to procure or to contract for services or supplies. Heifer reserves the right to fund any or none of the applications submitted and reserves the right to accept or reject in its entirety and absolute discretion any proposal received because of the RFP.

13. INTELLECTUAL PROPERTY

Section 1. Ownership Generally. Subject to Section 2 below, any intellectual property (including but not limited to copyrights, trademarks, service marks, and patents), intellectual property rights, deliverables, manuals, works, ideas, discoveries, inventions, products, writings, photographs, videos, drawings, lists, data, strategies, materials, processes, procedures, systems, programs, devices, operations, or information developed in whole or in part by or on behalf of Contractor or its employees or agents in connection with the Services and/or Goods (collectively, the "Work Product") shall be the exclusive property of HPI. Upon request, the Contractor shall sign all documents and take all actions necessary to confirm or perfect HPI's exclusive ownership of the Work Product.

Section 2. Prior-Owned Intellectual Property. Any intellectual property owned by a Party before the Effective Date ("Prior-Owned IP") shall remain that Party's sole and exclusive property. Regarding any of Contractor's Prior-Owned IP included in the Work Product, Contractor shall retain ownership, and hereby grants HPI a permanent, non-exclusive, royalty-free, worldwide, irrevocable right and license to use, copy, reproduce, publicly display, edit, revise, perform, and distribute said intellectual property, in any format or any medium, as part of the Work Product.

Section 3. Work Made for Hire. To the extent copyright laws apply to the Work Product, the Parties agree that (a) HPI specially ordered or commissioned the Work Product, (b) the Work Product is a "work made for hire" under United States copyright laws, and (c) HPI shall be deemed the author thereof and shall own all right, title, and interest therein. To the extent such rights, in whole or in part, do not vest in HPI as a "work made for hire", Contractor hereby irrevocably grants, assigns, and transfers to HPI, exclusively and in perpetuity, all of the Contractor's rights of any kind or nature, now known or hereafter devised, in, too, and in connection with the Work Product, and HPI shall solely and exclusively own any rights therein, and in the elements thereof, including but not limited to any allied, ancillary, subsidiary, incidental, and adaptation rights. The contractor hereby waives all rights known as "moral rights", and any similar rights, which Contractor may have in connection with the Work Product. The description of Services and/or Goods provided in this Agreement shall in no way limit the way HPI may use the Work Product.

14. DIVERSITY AND INCLUSION

Heifer International values diversity, equity, inclusion and belonging ("DEIB"), and believe that effectively accessing and managing diverse talent leads to improved outcomes. HPI takes a broad view of diversity, and inclusive of varied backgrounds including, but not limited to, age, experience, race, ethnicity, sexual orientation, gender, gender identity, disability status, national origin, and culture. HPI expect third-party providers to respect and reflect HPI's value of DEIB. HPI's ongoing monitoring of third-party service providers incorporates an assessment of vendors' commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces.