



17 December 2020

Consultancy for the Development of a Feasibility and Technical Study for a Garment Factory in Addu City – Request for Proposal

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A. INTRODUCTION

Business Center Corporation (BCC) is a state-owned enterprise (SOE) incorporated in 2017 to coordinate and oversee the management of regional business development service centers (BCs) established, by the Ministry of Economic Development, under the SME Act (6/2013).

The purpose of the Business Centers (BCs) is to contribute to the establishment of an enabling business environment to support inclusive economic growth by providing and building capacity for sustainable, demand-driven business development services and to facilitate market access which will serve the growth needs of the micro, small and medium-sized enterprise (MSME) sector in the Maldives.

B. PROJECT BACKGROUND (SEEDS)

The Sustainable Economic Empowerment and Development for SMEs (SEEDS) project, with financial support of the Government of Japan, aims to provide economic rehabilitation in order to mitigate the negative impacts of the COVID-19 crisis in the Maldives. The project has the objective of increasing agriculture production and promoting food security through an approach of building entrepreneurship amongst farmers and creating a new generation of agri-businesses that are innovative, productive and practices environment-friendly agriculture. The project will also provide technical support and capacity to the Government of Maldives to conduct support services for MSMEs to adapt to the “new normal”.

The project will be implemented through partnership with the United Nations Development Programme (UNDP) in Maldives, the Ministry of Economic Development, Ministry of Fisheries, Marine Resources and Agriculture (MoFMRA), Agro National Corporation (AgroNat), Maldives Fund Management Corporation (MFMC), the Business Center Corporation (BCC) and Housing Development Corporation (HDC).

C. SCOPE OF WORK

Ready-made garment manufacturing is a lucrative industry with huge potential to generate substantial export earnings for developing countries such as the Maldives. Its contribution to the local production and employment opportunities in countries where ready-made manufacturing bases are well established such as Bangladesh, Cambodia and Sri Lanka are significant. Evidence from developing countries such as Fiji and Cambodia show that an export-oriented garment industry plays a substantial role in poverty reduction. While it lifts poverty considerably, it also empowers women to graduate from being engaged in the low-wage economic activities to international, modern and decent paying economic activities in a short period of time.

Business Centre Corporation (BCC) plans to establish a garment manufacturing factory in the most Southern Atoll of the country, Addu, with the capability to produce school uniforms,



sportswear, office wear, casual clothing and branded clothing for both the local and export market. The objectives of the project are three-fold:

- To support the Government of Maldives in securing long-term sustainable development and in economic diversification.
- Import substitution and export promotion
- Creating employment opportunities

BCC seeks a qualified party to conduct a feasibility study for this project. The consultant is expected to carry out the following research and studies, and produce a report with the following.

1. Needs assessment
 - a. Conduct focus group discussions with beneficiaries (Given the situation of COVID19 pandemic, discussions can be conducted virtually)
2. Current Industry Structure
 - a. Market size
 - b. Growth potential
 - c. Condition and current trends
3. Product Selection
 - a. Selection methods
 - b. Product screening
 - i. Current domestic production and their (producer) sizes
 - ii. Investment capital required
 - iii. Know-how and skills required
 - iv. Export potential – current products (if any, then any intermediaries or brokers identified)
 - v. Benchmarking data for selected products
 - vi. Value Chain Analysis for selected products
 - vii. Product technical specifications
 - c. Feasibility study in producing PPE clothing materials in the garment factory
4. Marketing
 - a. Target market(s) – both local and international
 - b. Competition in the target market(s)
 - c. Maldives' position in the international market
 - d. Buying behavior of consumers
5. Summary of required production inputs including prices, recommendations on sourcing, volume and other features as the consultant deems necessary.
6. Human Resource Requirements and analysis of the willingness of the locals in Addu city to be employed in the factory
7. Machinery Details
 - a. Machinery List
 - b. Sourcing of machinery and equipment
 - c. Assessment diversified range of origins and quality (in procurement)
8. Land and Building
 - a. Required land area



- b. Requirement of the land
 - c. Recommended form (rental or acquisition)
 - d. Suitable locations
 - e. Sketch and layout of the factory
 - f. Utility requirements
9. Financial Projections
- a. Initial outlay
 - b. Recommended financing model
 - c. Costing and pricing analysis
 - d. Financial Analysis for five years
 - i. Income Statement
 - ii. Cash flow Statement
 - iii. Statement of Financial Position
10. Estimated timeframe for project completion
11. Cost Benefit Analysis
- a. Financial Cost Benefit Analysis (Should include cost benefit analysis of first hand vs. second hand machinery)
 - b. Economic Cost Benefit Analysis
12. Project success factors
13. SWOT Matrix
14. Recommended international certifications / standards
15. Laws and Regulations
- a. Export and import and laws (domestic and international)
 - b. Country specific restrictions and exemptions (comparisons)
 - c. International export promotion schemes / preferential treatments for garment

D. MINIMUM REQUIREMENTS

1. EDUCATION

The project team must consist of at least two members – this is to ensure that the project plan is executed within the timeframe. The leader of the team must hold at least a bachelor's degree in the following or in a related field (regardless of whether option 1 or option 2 is chosen for experience).

- Economics
- Commerce
- Business

2. EXPERIENCE

In order to allow the maximum number of parties to apply for this consultancy, applications from both registered entities and non-registered qualified individuals will be accepted. However, in both cases, there must be a dedicated team consisting of minimum two members to carry out the consultancy.



I. Registered Entities (firms)

Firms have the following two options to evidence their work experience.

Option 1 – Firm Experience: The firm must demonstrate minimum of Three years of cumulative work experience in economic research, commerce or in a related field and should provide document evidence of similar work conducted.

Option 2 – Team Leader Experience: The team leader of the project from the firm may demonstrate up to Three years of cumulative work experience in economic research, commerce or in a related field.

In this case, the team leader must have worked in the firm for at least one year by the deadline of the bid submission.

II. Non-registered individuals or team

The team leader must demonstrate minimum of Three years of cumulative work experience in economic research, commerce or in a related field.

The scoring method for experience is explained in Section H – Scoring Criteria.

E. DELIVERABLES

Inception Report
Needs Assessment
Conduct focus group discussions with beneficiaries
Current Industry Structure
Product Selection (Incorporate the feasibility of producing PPE clothing in the garment factory)
Marketing
Raw Materials
Human Resource Requirements
Machinery Details
Land and Building
Financial Projections
Cost Benefit Analysis
Estimated timeframe for project completion
Project success factors
SWOT Matrix
Recommended international certifications / standards
Laws and Regulations
Economic Returns



Final Report

F. EXPLORATORY VISIT TO ADDU CITY

Arrangements will be made for the consultant to travel from Male' City to Addu City at a mutually agreed time for a period of three days. **The cost of the trip should be stated in the price quoted indicating the breakdown for the scope of work and travel.**

G. CONTRACT DURATION:

- The duration of the assignment is 60 calendar days. This **does not** include the buffer period(s) for discussions held with BCC. The consultant is expected to produce a detailed timeline and inception report for the feasibility report within 5 days of signing the agreement.

H. SELECTION CRITERIA:

Price	40%
Qualification(s)	20%
Experience	40%

Price: The lowest price will be set as the benchmark against which the remaining bid applications will be scored.

Qualification(s): Full marks will be awarded for the qualification if the team leader holds a bachelor's degree or equivalent in a related field.

Experience: Marks will be awarded if the applicant can prove the successful completion of similar projects and/or has necessary experience to undertake the consultancy through reference letters and/or work portfolio. If the applicant has not had undertaken a contract work in the past, then their job experience will also be considered. However, the job must involve undertaking similar research, report writing and/or data collection. The corporation may request additional documentation should it become necessary as part of evaluation.

I. DOCUMENTS REQUIRED:

- Bid Submission Form in *Appendix 1* – **must be password protected**
- Evidence of previous work – Mandatory
- Reference letter(s) – Mandatory (where necessary)
- Employment letter(s) – optional



- CVs of the project team – minimum two required
- Identification document(s) for the project team – for all team members

Refer down below and the checklist in Appendix 2 for more information.

I. Registered Entities (firms)

Option 1 – Firm Experience

Under this option, the firm must elect either (1) **duration** or (2) **reference letters** as evidence for work experience.

a. Duration (Method 1)

If the firm selects duration, then the firm must provide a self-declaration in form of a letter stating the below. The letter may be addressed to the procurement of this corporation.

- Commencement date:** The firm may state the date they started work. We require this date because firm registration date and actual work start date might be different in some cases [no points awarded for this part but without this, the letter will not be accepted].
- Scale of the work:** the firm may explain whether they provide consultancy services for individuals, entities or government organizations [05 points].
- Scope of the work:** The firm may explain the type of work (e.g. economic research, data collection, surveying, tax consultancy, auditing etc...) they are engaged in with examples [05 points].
- Statement:** The firm may explain how their past and current scale of work and scope of work, and any projects they have been engaged in would help them complete this consultancy successfully. They may explain certain expertise, skills and strength of the firm when elaborating [05 points].

The total score will be adjusted on a pro rata basis to the total duration the firm experience. This score will be calculated using the below formula.

$$\text{Score for Experience} = \frac{\text{Points obtained}}{15} \times 40$$

b. Reference Letters (Method 2)

If the firm chooses this option, then each reference letter will receive a **maximum** of Ten points. Therefore, a reference letter may receive 5 or less than 5 points each



for scope of work and scale of work. The following matrix will be used in awarding points to reference letters.

Scope of work	5 (max)
Scale of work	5 (max)
Referee contact details provided	must provide

Reference letters that do not provide referee contact details will **not** be accepted.

The maximum score for experience under this option is also 40 points. Firms will **not be** allowed the option to use both duration and reference letters as the work duration for the project(s) for which reference letters are also provided may be included in the duration (under duration method) for which the firm may have already claimed points. Hence it raises the possibility of double counting.

Option 2 – Team Leader Experience

Under this option, the firm must select either (1) **duration** or (2) **reference letters** or (3) **both** as evidence of work experience of the team leader. However, the firm **can only** opt for this option if the team leader has been working in the firm for **at least** 12 months. The firm will need to submit a letter confirming the employment period of the team leader with the firm, should the firm chooses option 2.

a. Duration – Job Experience (Method 3)

Under this method, the team leader must provide documents to prove their employment (past and/or current). They may provide **any** of the following documents to evidence this in the following order.

- i. Employer Reference Letter: The team leader may provide a reference letter from the employer stating the title, duration and the nature of the work (preferable) of the employee.
- ii. Job Contract and/or Terms of Reference (TOR): If for any reason, the team leader is unable to get a reference from their employer, the leader may provide their employment contract with the TOR attached (preferable), and also attach one of the following documents along with a self-declaration letter. The letter must include all the details that is required for the self-declaration letter under ‘Option 1 – Firm Experience’.
 - a. Pension Contribution Statement for the duration of the employment and/or;
 - b. Most recent salary slip and/or;
 - c. Recent bank statement showing salary received from the employer(s).



The above documents are required for the following reasons.

- a. To allow as many qualified teams to apply for this consultancy as much as possible.
- b. To not put qualified teams at a disadvantage for unfortunate reasons such as the above.
- c. To allow the corporation a method to conduct proper due diligence for the applications with limited document evidence due to various reasons.

The total score will be adjusted on a pro rata basis to the duration of the leader's job experience using the formula provided under 'Option 1 – Firm Experience'

b. Reference Letters (Method 4)

If the leader chooses this option, only points for experience letters will be counted. The maximum points allowed for experience will be 40. The same scoring matrix that is used for firm experience letters will be used under this method. Please refer the matrix that is provided for reference letter method under 'Option 1 – Firm Experience'.

c. Both - Duration and Reference Letters (Method 5)

If the leader chooses this option, then the total points scored for (a) duration – job experience and (b) reference letters will be added together and capped at 40.

However, under this option, the leader will receive a maximum of 20 points for duration and 20 points for reference.

E.g. The team leader submits an acceptable one reference letter and evidence of two years work experience. Then the leader will receive a maximum of 20 points for the two-year experience instead of 26.66 (2 years / 3 years x 40 max), and five points for the reference letter.

II. Non-registered individuals or teams

The document evidence requirement for non-registered individuals or teams are detailed down below.

a. Duration – Job Experience (Method 6)

Under this method, the team leader must provide documents to prove their employment (past and/or current). They may provide any of the following documents to evidence this in the following order.



			For guidance on password protection please visit https://tinyurl.com/y6xf8tg6
4	Bid Submission (2/2)	24 th December 2020 1516 hrs – 1530 hrs	Send the password to procurement@bcc.mv
5	Confirmation	24 th December 2020 1531 hrs – 1545 hrs	Prices quoted by all bidders will be shared with all bidders.
6	Notification	25 th December 2020 2200 hrs – 2300 hrs	Score sheet will be sent to all applicants notifying the party selected. Appeals and/or complaints shall be sent to procurement@bcc.mv
7	Appeal	26 th December 2020 1430 hrs	Deadline for appeals and/or complaints.

K. PAYMENT

The selected consultant will be paid subject to any deductions upon the successful completion of the report.

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