REQUEST FOR PROPOSAL FROM INVESTORS TO FORM A JOINT VENTURE COMPANY WITH GOVERNMENT OF SRI LANKA TO ESTABLISH AND OPERATE COLD CHAIN AND COLD STORAGE FACILITIES AT DAMBULLA AND KEPPETIPOLA, SRI LANKA
General Introduction

Ministry of Rural Economy (MRE) in Democratic Socialist Republic of Sri Lanka, with the intention of stabilizing the market prices of fruits and vegetables, especially potatoes and big onions wishes to establish cold chain storage facilities to keep the produce for a long period and to allow constant release of produce to the market throughout the year. Concurrently MRE wishes to facilitate the minimization of post-harvest losses and increase of the current production and productivity of agricultural produce.

Dambulla in the Central Province and Kappetipola in the Uva Province in Sri Lanka are two Dedicated Economic Centres established to assist farmers and traders in wholesale exchange of vegetables and fruits. These Economic Centres are fully owned by the Government of Sri Lanka (GOSL).

Dambulla Dedicated Economic Centre is a larger centre to receive produce from many areas of the country. It is an exchange centre for many vegetables and fruits. Big Onion is one of the main crops in this region.

Kappetipola Dedicated Economic Centre is mainly confined for exchange of produce grown in the central hills of the country. Potatoes, cabbage and beans are the specialized crops in the region.

Most of leafy vegetables are self-sufficient in Sri Lanka. However, the demanded commodities like Big Onions and Potatoes are still required to be imported to meet the consumption. These crops are harvested in two seasons during the year. Due to non-availability of proper storage facilities farmers have no choice other than selling the produce at low prices. This had discouraged farmers to expand the cultivation or take steps to increase the yield per hectare. The GOSL has to import these commodities to meet the consumer demand during the off-season, leading farmers to further discouragement.

Considering this situation, GOSL has decided to wage an agricultural combat to have self-sufficiency in food. In such situation the bumper harvest, have to be stored for use during off-season. The Ministry of Rural Economy (MRE), the Democratic Socialist Republic of Sri Lanka therefore has decided to establish two cold storage complexes close to these two economic centres to benefit both farmer and the consumer. The special use of two cold storage complexes is aimed at storing mainly Big Onions in Dambulla and Potatoes in Kappetipola. The successful operation of the two cold storage complexes depends on sufficient supply of Big Onions at Dambulla and of Potatoes in Kappetipola. This can be ensured only by increased production through expansion of cultivation and improving the yield per hectare together with application of good practice at cultivating, training farmers, caring, harvesting and post-harvest handling.

Therefore, the main aim at Requesting for Proposals is to identify an Investor who has competence & capability in investing and operating agricultural business either solely or in partnership with few other competent establishments to collaborate with GOSL to form a Public-Private Joint Venture Company (JVC). The JVC is expected to address all the issues at grassroots level from arranging seeds until releasing of value added good quality products to the consumer after cold storage.

The selected investor is expected to be aware of current issues with respect to seed supply, cultivation, production, transportation and, of establishing and operating a cold storage complex at appropriate terms with farmers, traders, transporters, retailers etc. It is the responsibility of Private Investor (PI) to provide investment, business and investment plan to qualify for selecting as a Joint Venture Partner to form a JVC with the GOSL.

In addition to investment, GOSL will provide lands and will be leased to JVC to construct the complexes and operate same. The private investing partner shall propose his share of investment, which is subject to negotiation.
The investor is free to give his proposal based on his experience and current status of agricultural business investment and management in Sri Lanka or overseas. However, this document also provides some guidelines for evaluation purposes of proposals with the expectations of commencement of operation of Cold Chain activities by the end of the year 2018.

Final model of operation of the whole process under the total scope can be decided by the JVC. However, for the purposes of estimating and evaluating the proposals, the following model is taken into consideration.

1. JVC trains the farmers on right procedure of cultivating, caring of plants & harvesting
2. JVC acts as the collecting and purchasing authority of produce from the farmer to ensure right produce is selected for cold storage
3. JVC acts as the transporting authority to ensure least damages to produce during handling and transportation to cold storage complex
4. JVC acts as the owner and operating authority of the cold storage process
5. JVC acts as the marketing authority of stored produce to retailers
6. JVC acts as the authority of carrying out risk management

The formation of Joint Venture Company, ownership of lands, implementation of the project and the operational period shall be governed by project agreements between the selected Investor and GOSL.

1. The project agreements shall be:

1.1 Agreement between the Successful Investor and the Government of Sri Lanka on the formation and the operation of Joint Venture Company.

1.2 Agreement between the Ministry of Rural Economy and the Joint Venture Company on the leasing of lands.

1.3 Agreement between the Joint Venture Company and the Ministry of Rural Economy on the implementation of the project.

2. Submission of Proposals

2.1 The interested investors shall submit their Proposal in accordance with the Request for Proposal (RFP) available at the Finance Division, Ministry of Rural Economy, No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka.

2.2 A complete set of RFP document can be purchased at a non-refundable price of Sri Lankan Rupees Twenty Five Thousand (Rs. 25,000.00)

2.3 Proposals shall be submitted by hand or by courier to the Office of the Secretary, Ministry of Rural Economy No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka, on or before 15:00 hours on 29th November 2017.

2.4 Each proposal must be accompanied by a Proposal Security of Sri Lankan Rupees Twenty Million (Rs. 20,000,000.00) in the form as stipulated in the RFP.

2.5 Each Investor shall provide his registered office address, email address and a fax number for receipt of RFP related information that may generate up to the time of closing of receipt of proposals.

2.6 The Cabinet Appointed Procurement Committee (CAPC) has the right to reject any or all RFP or cancel or withdraw the invitation to Investors without assigning any reason whatsoever and no Investor or intending Investor shall have any claim arising out of such action.
3. Government Support

3.1 Lands for cold storage facilities

The GOSL will provide lands based on lease method to the Joint Venture Company for building cold storage facilities. These are in Dambulla in Matale District, the Central Province which is about 180 km from Colombo and Keppetipola in Badulla District, the Uva Province which is about 176 km from Colombo. The extent of the Dambulla land is 0.38 hectares and the Keppetipola is 0.48 hectares.

3.2 Financial assistance provided by the employer

Investor shall prepare an Investment plan and shall include the amount intended to invest according to the Investment plan proposed to achieve early results of the expectations of the GOSL. Based on this proposal, the share percentages between the Investor and GOSL will be calculated and agreed upon. Any operational cost involved in the project will not be borne by the GOSL.

4. Disclaimer

Each Investor shall accept full responsibility for conducting any independent analysis on the viability of the facility and for gathering and presenting all necessary information.

Except as otherwise stated, the information provided in the RFP shall form no part of the project agreements or any other similar documents.

In submitting a proposal in response to the RFP, the Investor as the expert in relevant field, certifies that it understands, accepts and agrees to this disclaimer.
LOCATION MAP

Dambulla DEC

Keppetipola DEC
REQUEST FOR PROPOSAL FROM INVESTORS TO FORM A JOINT VENTURE COMPANY WITH GOSL TO ESTABLISH AND OPERATE COLD CHAIN AND COLD STORAGE FACILITIES AT DAMBULLA AND KEPPETIPOLA, SRI LANKA

DAMBULLA SITE

KEPPETIPOLA SITE
INVITATION FOR INVESTORS
GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA
MINISTRY OF RURAL ECONOMY
REQUEST FOR PROPOSALS FROM INVESTORS TO FORM A JOINT VENTURE COMPANY WITH THE GOVERNMENT OF SRI LANKA TO ESTABLISH AND OPERATE COLD CHAIN AND COLD STORAGE FACILITIES AT DAMBULLA AND KEPPETIPOLA, SRI LANKA

Project No. MRE/PRO/01

The Cabinet Appointed Procurement Committee (CAPC) on behalf of the Secretary, Ministry of Rural Economy (MRE) of the Democratic Socialist Republic of Sri Lanka calls for Proposals from Investors to form a joint venture company with the Government of Sri Lanka (GOSL) for the proposed Project to Establish and Operate Cold Chain and Cold Storage Facilities for vegetables and fruits at Dambulla in the Matale district and Keppetipola in the Badulla district, in Sri Lanka.

The interested Investors and/ or their partners shall have experience in farmer facilitation to improve the productivity and quality of local fruits and vegetables farmers. They must have experience in encouraging reduction of pre and post-harvest losses, establishing Cold Chain and Cold Storage facilities, operations and maintenance including marketing, aiming for steady supply and constant price for consumers throughout the year.

Local and International establishments with proven experience in similar activities are invited to submit their Proposals for Public Private Partnership.

Interested eligible applicants may obtain further information from Chief Accountant, (telephone +94 11 2556514, Fax +94 11 2556519) and inspect the RFP document at the Ground Floor, Finance Division, Ministry of Rural Economy, No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka or on the Ministry web site www.reco.gov.lk under Tender and Bids Menu.

The complete set of documents for Request For Proposals in English should be obtained during normal working days (Monday – Friday) from the Chief Accountant, Finance Division, Ministry of Rural Economy, Ground Floor, No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka, by paying a non-refundable fee in Sri Lankan Rupees Twenty Five Thousand (Rs. 25,000.00) in cash.

Each proposal must be accompanied by a Proposal Security of Sri Lankan Rupees Twenty Million (Rs. 20,000,000.00) in the format as stipulated in the document.

Duly completed documents shall be submitted on or before 15:00 hours in Sri Lankan time on 29/11/2017 to The Chairman, Cabinet Appointed Procurement Committee, C/o The Secretary, Ministry of Rural Economy, No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka. Proposals will be opened immediately after the closing time of 15:00 hours.

Documents for RFP should be submitted with two sets of copies marked “Original” and “Duplicate” with the title “REQUEST FOR PROPOSALS FROM INVESTORS TO FORM A JOINT VENTURE COMPANY WITH GOSL TO ESTABLISH AND OPERATE COLD CHAIN AND COLD STORAGE FACILITIES AT DAMBULLA AND KEPPETIPOLA, SRI LANKA”.

The Chairman
Cabinet Appointed Procurement Committee
Ministry of Rural Economy
No. 492, R. A. De. Mel Mawatha
Colombo 03
Sri Lanka.
Section I – Instructions to Investors (ITI)

A. General

1. Scope of Proposal

1.1. The Employer, as defined in the RFP, hereinafter "the Employer" wishes to receive RFP from Investors to invest and implement of the Establish and Operate Agri Business through Cold Chain and Cold Storage Facilities at Dambulla & Keppetipola as specified in the General Introduction, Investment Data Sheet, and as described in the Employer's Requirement (Section VI), hereinafter referred to as "the Works/Project."

2. Source of Funds

2.1. Works will be financed by the sources given in Investment Data Sheet.

3. Eligible Investors

3.1. Investor may be a Company formed in one or several Companies in Partnerships.

3.2. All Investors shall confirm in Section VII, Form of Investment, a statement that the Investor (including all members of his partnership) is not associated directly or indirectly in the preparation of the RFP document.

3.3. A foreign Investor may submit a Proposal directly or through their local counter partner after obtaining hard copy of RFP documents and all Securities & Guarantees shall be obtained from a bank in Sri Lanka registered under Central Bank of Sri Lanka.

4. Qualifications of the Investors

All Investors shall include the following information and documents with respect to experience of scope of work covering Agri Business, Establish and Operate of Cold Chain and Cold Storage & other related activities.

4.1. All Investors shall include the following information and documents with their RFP:

(a) Certified copies of original documents defining the constitution or legal status, place of registration, and principle place of business; written power of attorney of the signatory to the RFP to commit the Investor;

(b) All Investors shall include the following information and documents as a minimum with their RFP:

   (i). Reports on the financial standing of the Investor, such as profit and loss statements and auditor's reports for the past five years;

   (ii). Evidence of adequacy of working capital for this Project (access to line(s) of credit and availability of other financial resources);

   (iii). Total monetary value of similar work performed;

   (iv). Experience in works of a similar nature and size, and details of work under way or contractually committed;
(v). Information regarding any litigation, current or during the last five years, in which the Investor or any partners of a partnership are involved, the parties concerned, and disputed amount (to be submitted separately, if any);

(vi). Business Proposal and,

(vii). Investment Plan

4.2. Proposals submitted in partnership shall comply with the following requirements:

(a) The Proposal shall include all the information listed in Sub Clause 4.1 above for each partner;

(b) All partners shall be jointly and severally liable for the execution of the Project with the terms & conditions laid as per the RFP;

(c) One of the partners shall be nominated as being the Partner in Charge (PIC), authorized to incur liabilities, and receive instructions for and on behalf of any and all partners of the partnership;

(d) The execution of the entire Project, including payment, shall be done exclusively with the PIC and

(e) A copy of the legally bound agreement entered into by the partners shall be submitted with the Proposal.

4.3. To qualify for a successful Investor, RFP shall meet the qualifying criteria.

5. One RFP per Investor

5.1. Each Investor shall submit only one Proposal either by himself, or in partnership. An Investor who submits or participates in more than one Proposal will be disqualified.

6. Cost of RFP

6.1. The Investor shall bear all costs associated with the preparation and submission of its Proposal, and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the RFP process.

7. Site Visit

7.1. The Investors are advised to visit and examine the Sites of Works and its surroundings and obtain all information that may be necessary for preparing the Proposal and entering into a JVC for said Works. The costs of visiting the Sites shall be at the Investor's own expense.

7.2. The Employer may conduct a Site visit concurrently with the pre-proposal meeting referred to in Clause 17.
B. RFP Documents

8. Content of RFP Documents

8.1. The RFP documents are those stated below, and should be read in conjunction with any addenda issued in accordance with Clause 10:

- General Introduction
- Invitation for Investors
  - Section I – Instructions to Investors
  - Section II – Investment Data Sheet
  - Section III – General Conditions
  - Section IV – Agri Product Information
  - Section V – Standard Forms
  - Section VI – Employer’s Requirement
  - Section VII(a) – Form of Investment
  - Section VII(b) – Form of Investment Plan
  - Section VIII – Schedules Related to General Information
  - Section IX – Comments and Suggestions on Employer’s Requirement
  - Section X(a) – Schedules related to Business Proposal
  - Section X(b) – Schedules related to Experience Of The Investor
  - Section X(c) – Schedules related to Investment Plan
  - Section X(d) – Schedules related to Financial Capability
- Check List For Investors

9. Clarification of RFP Documents

9.1. A prospective Investor requiring any clarification of the RFP documents may notify the Employer in writing or by facsimile at the Employer's address indicated in Investment Data Sheet. The Employer will respond to any request for clarification, which he receives earlier than 7 days prior to the deadline for submission of Proposals. Copies of the Employer's response will be forwarded to all purchasers of the RFP documents, including a description of the inquiry but without identifying its source.

10. Amendment of RFP Documents

10.1. At any time prior to the deadline for submission of Proposals, the Employer may amend the RFP documents by issuing addenda.

10.2. Any addendum thus issued shall be part of the RFP documents pursuant to Sub-Clause 8.1, and shall be communicated in writing or by facsimile to all purchasers of the RFP documents. Prospective Investors shall promptly acknowledge receipt of each addendum to the Employer.

10.3. To give prospective Investors reasonable time in which to take an addendum into account in preparing their Proposals, the Employer shall extend as necessary the deadline for submission of Proposals, in accordance with Clause 20.
C. Preparation of Proposals

11. Language of Proposal

11.1. The Proposal and all correspondence and documents related to the Proposal exchanged by the Investor and the Employer shall be written in English language. Supporting documents and printed literature furnished by the Investor may be in another language provided they are accompanied by an accurate translation of the relevant passages in English language, in which case, for purposes of interpretation of the Proposal, the English translation shall prevail.

12. Documents Comprising the Proposal

12.1. The Proposal submitted by the Investor shall comprise all the documents described under Clause 19 and any other information requested in the Employer’s Requirement.

13. Amount of Investment

13.1. Unless stated otherwise in the RFP documents, the Investment shall be for the whole works as described in Sub-Clause 1.1, based on the lump sum amount.

13.2. All duties, taxes, and other levies payable by the Investor under the Project, or for any other cause, as of the date 28 days prior to the deadline for submission of Proposals, shall be included in the Amount of Investment.

13.3. Unless otherwise provided in the Investment Data Sheet, the lump sum amount quoted by the Investor shall not be subjected to adjustment during the performance of the Project.

14. Currencies of Investment and Payment

14.1. The amount of Investment shall be quoted by the Investor entirely in Sri Lankan Rupees/ US Dollars unless otherwise provided in Investment Data Sheet.

15. Proposal Validity

15.1. Proposals shall remain valid for the period stipulated in the Investment Data Sheet.

15.2. In exceptional circumstances, prior to expiry of the original Proposal validity period, the Employer may request from the Investors to extend the period of validity for a specified additional period. The request and the responses thereto shall be made in writing or by facsimile. An Investor may refuse the request without forfeiting its Proposal security. An Investor agreeing to the request will not be required or permitted to modify its Proposal, but will be required to extend the validity of its Proposal security for the period of the extension, and in compliance with Clause 16 in all respects.

16. Proposal Security

16.1. The Investor shall furnish, as part of its Proposal, a Proposal Security equivalent to the amount stipulated in the Investment Data Sheet.

16.2. The Proposal Security shall, at the Investor’s option, be in the form of a certified cheque, letter of credit or a guarantee from a reputed bank approved by the Central Bank of Sri Lanka.

The format of the Proposal security should be in accordance with the specimen form of Proposal Security included in the RFP document or another form acceptable to the Employer. Proposal Security shall be valid for the period given in the Investment Data Sheet.
16.3. Any Proposal not accompanied by an acceptable Proposal Security shall be rejected by the Employer as non-responsive. The Proposal Security shall be submitted so as to commit fully to cover the scope of all the partners.

16.4. The Proposal Securities of unsuccessful Investors will be returned as promptly as possible, but not later than 28 days after the expiration of the period of Proposal validity, unless otherwise requested for an extension by the Employer.

16.5. The Proposal Security of the successful Investor will be returned when the Investor has signed the agreement and furnished the required Performance Security.

16.6. The Proposal Security may be forfeited:

(a) If the Investor withdraws its Proposal, except as provided in Sub-Clause 22.2;

(b) In the case of a successful Investor, if he fails within the specified time limit to:

(i) Sign the agreement; or

(ii) Furnish the required Performance Security.

17. Pre-Proposal Meeting

17.1. Investor's designated representative(s) is invited to attend a Pre-Proposal meeting, which, if convened, will take place at the venue and time specified in the Investment Data Sheet.

The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

The Investors are requested, as far as possible, to submit any questions in writing or by facsimile, to reach the Employer not later than one week before the meeting. It may not be practicable at the meeting to answer questions received late. All questions raised at the pre-proposal meeting or under Clause 9.0 will be responded to in writing by the Employer.

18. Format and Signing of Proposal

18.1. The Investor shall prepare one original of the documents compromising the Proposal as described in Clause 19 of these Instructions to Investors. In addition, the Investor shall submit a copy of the Proposal, as described in clause 19. In the event of discrepancy between them, the original shall prevail. The Proposal shall be sealed in accordance with clause 19.

18.2. The original and the copy of the Proposal shall be signed by a person or persons duly authorized to sign on behalf of the Investor. All pages of the Proposal where entries or amendments have been made shall be initialed by the person or persons signing the Proposal.

18.3. The Proposal shall contain no alterations, omissions, or additions, unless such corrections are initialed by the person or persons signing the Proposal.
D. Submission of Proposals

19. Sealing and Marking of Proposals

19.1. The Investor shall submit the Proposal under Two separate Sealed envelopes (Original + Duplicate) containing:

(a) General Information;

(b) Investment Plan;

(c) Power of Attorney for the signatory to the Proposal;

(d) Duly filled and signed Form of Proposal;

(e) Proposal security;

(f) Duly filled Forms & Schedules in Section VII – Section X(d);

(g) Other information listed in Investment Data Sheet and in the check list for Investors and

(h) Any other information, Investor may wish to include

19.2. Envelope/ cover shall:

(a) be addressed to the Employer at the address provided in the Investment Data Sheet;

(b) bear the name and identification number of the Project as defined in Investment Data Sheet and

(c) name and address of the Investor

19.3. If the outer cover is not sealed and marked as above, the Employer will assume no responsibility for the misplacement or premature opening of the Proposal.

20. Deadline for Submission

20.1. RFPs must be received by the Employer at the address specified in Invitation to Investors no later than the time and date Stipulated in the Investment Data Sheet.

20.2. The Employer may, in exceptional circumstances and at its discretion, extend the deadline for submission of Proposal by issuing an addendum in accordance with Clause 10, in which case all rights and obligations of the Employer and the Investors previously subject to the original deadline will thereafter be subject to the revised deadline as extended.

21. Late RFPs

21.1. Any Proposal received by the Employer after the deadline for submission of Proposals prescribed in Clause 20 will be returned unopened to the Investor.

22. Modification, Substitution, and Withdrawal of Proposals

22.1. The Investor may modify, substitute, or withdraw its RFP after RFP submission, provided that written notice of the modification or withdrawal is received by the Employer prior to the deadline for submission of Proposals.

22.2. The Investor's modification, substitution or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause 18 and
19, with the envelope additionally marked "Modification to General Information" and/or "Investment Plan" “substitute" or "withdrawal” as appropriate.

22.3 No Proposal may be modified by the Investor after the deadline for submission of RFPs.

22.4 Withdrawal of a Proposal during the interval between the deadline for submission of Proposals and expiration of the period of proposal validity may result in the forfeiture of the Proposal security pursuant to Sub-Clause 16.

E. Proposal Opening and Evaluation

23. Proposal Opening

23.1. The Employer will open the envelope in the presence of Investors' designated representatives who choose to attend, at the time, date, and location stipulated in the Invitation to Investors. The Investors' representatives who are present shall confirm their attendance by signing the attendance sheet.

24. Process to be Confidential

24.1. Information relating to the examination, clarification, evaluation and comparison of Proposals and recommendations for the award of the Project shall not be disclosed to Investors or any other persons not officially concerned with such process until the award to the successful Investor has been announced. Any effort by an Investor to influence the Employer's processing of Proposals or award decisions may result in the rejection of the Investor's Proposal.

25. Clarification of Proposals

25.1. To assist in the examination, evaluation, and comparison of Proposals, the Employer may, at its discretion, ask any Investor for clarification of its Proposal. The request for clarification and the response shall be in writing or by facsimile.

26. Examination of Proposals and Determination of Responsiveness

26.1. Prior to the detailed evaluation of Proposals, the Employer will evaluate the information submitted to determine whether each Proposal (a) meets eligibility requirement; (b) has been properly signed; (c) is accompanied by the required securities; (d) is substantially responsive to the requirement of the RFP document.

26.2. If a Proposal is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.
27. Evaluation of RFPs

27.1 Evaluation of RFP will be done on the following basis;

**Business Proposal**
- Investor’s report on project viability
- Proposals for increasing production and productivity
- Proposal for pre-storage product handling
- Proposal for cold storage complex
- Proposal for marketing of produce

**Experience Of The Investor**
- Investing in Similar Nature Projects during last 5 years
- Investing in Similar Agri Business Completed Projects during last 5 years
- Operating experience on completed projects

**Investment Plan**
- Investment for increasing production and productivity
- Investment for pre-storage product handling
- Investment for cold storage complex
- Investment for marketing

**Financial Capability**
- Annual Turnover
- Working Capital
- Credit Limit
Section II – Investment Data Sheet

Employer’s name and address
Name: The Secretary, Ministry of Rural Economy
Address: No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka

Scope of Works
The Work Consists of formation of Joint Venture Company with GOSL to Establish and Operate of Cold Chain and Cold Storage Facilities at Dambulla in Matale district and Keppetipola in Badulla district, Sri Lanka [MRE/PRO/01]

Source of funds

Foreign Investors with local Agents
If the foreign Investor uses a local agent(s), the Foreign Investor shall provide the following information with the RFP. Failing to furnish such information shall result the rejection of the RFP by the Employer.

i. The name and address of the local agent(s)

ii. The year of registration of the business of the local agents(s)

iii. A certified copy of the audited accounts of the local agent(s) for any one of the two financial years immediately preceding the date of submission of RFP audited by an independent external auditor in accordance with Sri Lanka auditing standards together with the auditor’s report confirming that the accounts were prepared in accordance with the Sri Lanka accounting standard; and

iv. All details of commissions or gratuities, if any, paid or to be paid to the local agent(s) connected with or relating to the RFP up to execution if the Investor is awarded the project, including any success fees payable.

Qualification Information
The following information shall be provided:
Duly filled Forms & Schedules in Section VII – Section X(d)

Average annual volume of work performed in last five years
Average annual volume of work performed in last five years shall be at least Sri Lankan Rupees Two Hundred Fifty Million (Rs. 250,000,000.00).

Liquid assets and/or credit facilities required
The minimum amount of liquid assets and/or credit facilities net of other contractual commitments and exclusive of any advance payments which may be made under the project shall be not less than Sri Lankan Rupees Two Hundred Fifty Million (Rs. 250,000,000.00)

Currency of RFP
Sri Lankan Rupees/ US Dollars (Indicate USD value in LKR)

Validity period of RFP
The RFP shall valid up to 90 Calendar Days
RFP
Amount of Proposal Security  The amount of Proposal Security shall be Sri Lankan Rupees Twenty Million (Rs. 20,000,000.00)

Validity of Proposal Security  The Proposal Security shall be valid up to 28 days from proposal validity date of 26th February 2018

Pre-Proposal meeting  Will be held on 02nd November 2017 at 10:00 hours at the Ministry of Rural Economy, No. 492, R. A. De Mel Mawatha, Colombo 03, Sri Lanka.

Sealing and marking of RFP  The Following information also shall be included in the envelope:

   i. General Information;
   ii. Investment Plan;
   iii. Power of Attorney for the signatory to the Proposal;
   iv. Duly filled and signed Form of Proposal;
   v. Proposal security;
   vi. Duly filled Forms & Schedules in Section VII – Section X(d);
   vii. Other information listed in Investment Data Sheet; and
   viii. Any other information, Investor may wish to include

The Employer’s address for the purpose of RFP submission is;

The Chairman, Cabinet Appointed Procurement Committee, C/o The Secretary, No. 492, R. A. De. Mel Mawatha, Colombo 03, Sri Lanka.

Project Name: Form a Joint Venture Company with GOSL to Establish and Operate of Cold Chain and Cold Storage Facilities at Dambulla and Keppetipola, Sri Lanka.

Project No: MRE/PRO/01

Deadline for submission of RFP  The deadline for submission of RFP shall be 29th November 2017 at 15:00 hours

Arbitration proposed by Employer  Arbitration law applicable in Sri Lanka will prevail.
Section III – General Conditions

1.0 The Investor company should be a local company registered in Sri Lanka or foreign company as specified in Instructions to Investors.

2.0 The selected Investor should sign the Joint Venture agreement with GOSL within the stipulated time as specified in the Investment Data Sheet.

3.0 The applicable law for the project is prevailing laws of GOSL.

4.0 On request of the Employer, the Investor shall present a presentation.

5.0 After forming the JVC, the JVC cannot mortgage any property of JVC including machineries.

6.0 Successful Investor shall bring the initial financial investment within sixty (60) days of signing the Joint Venture agreement.

7.0 JVC shall establish and operate the Cold Chain and Cold Storage Facilities with all necessary facilities and equipment.
Section IV – Agri Product Information

*It is Investor’s responsibility to study the market for sustainable Business Proposal and Investment Plan. The investor shall not use these data for any variation or claim.*

A1. Big Onion

Big Onion is an essential condiment crop cultivated in Sri Lanka and it is considered as a major vegetable and a high value cash crop introduced in the early 1980s, especially in dry zone and intermediate zone in Sri Lanka. In the year 2011, extents of cultivation for big onion and red onion were 3451 and 6145 respectively, with average yields of 13.24 and 11.77 MT/ha. Big onion has been popular among farmers due to two reasons; i.e. high profitability and high return in a four months period. Hence, the total area under big onion has increased to 6,988 ha in 2007 from 258 ha in 1984, which indicates a 27-fold increase within three decades. Big onion cultivation is highly concentrated in two districts namely, Matale and Anuradhapura, contributing nearly 90% to the national production. However, the production still does not meet the nation's requirement where importation of onion still happens. Other problem encountered with onion among Sri Lankan farmers is not practicing proper pre harvesting, harvesting and post-harvest operations such as harvesting at correct stage of maturity, cleaning, grading, sorting and storage, which lead to producing, marketing and consuming of poor quality produce due to the occurrence of high qualitative and quantitative losses.

A2. Potatoes

The potato tuber is a shortened, enlarged, underground stem. Eighty percent of the potato tuber is water, with the remainder being carbohydrate, protein, ash, and fat. Potatoes are living organisms that respire, using oxygen and giving off carbon dioxide, moisture, and heat. Also the potato (*Solanum tuberosum* L) is considered as a cool-season tuber crop.

The crop is now extensively grown in four regions in Sri Lanka as highlands of Nuwara Eliya, midlands of Badulla, and lowlands of Jaffna and Puttalam.

Average yield is 16 T/ha, however yield can reach its optimum of 40 T/ha with the use of new technologies and proper management practices under optimum environmental conditions. Poor post harvest handling and storage conditions stand out in potato production in Sri Lanka. In this context the long term storage, off season consumption, and releasing high quality tubers for marketing, table consumption and seed potato production should be extensively considered.

Further information can be obtained from following websites,

- [www.customs.gov.lk](http://www.customs.gov.lk)
- [www.harti.gov.lk](http://www.harti.gov.lk)
- [www.doa.gov.lk](http://www.doa.gov.lk)
- [www.ipht.lk](http://www.ipht.lk)
Section V – Standard Forms

FORM OF PROPOSAL SECURITY

Whereas, .......................................................... [name of Investor] (hereinafter called and referred to as "the Investor") has submitted its Proposal dated .................... [date] for the Form a Joint Venture Company with GOSL to Establish and Operate of Cold Chain and Cold Storage Facilities at Dambulla and Keppetipola, Sri Lanka (hereinafter called and referred to as "the Proposal").

KNOW ALL PEOPLE by these presents that WE ..........................................................[name of organization] having our registered office at ..................................................(hereinafter called and referred to as "the Guarantor"), are bound unto The Secretary, Ministry of Rural Economy (hereinafter called and referred to as "the Employer") No. 492, R. A. De. Mel Mawatha, Colombo 03, Sri Lanka in the sum of Sri Lankan Rupees ......................... for which payment, well and truly to be made to the said Employer for Forming a Joint Venture Company with GOSL to Establish and Operate of Cold Chain and Cold Storage Facilities at Dambulla and Keppetipola, Sri Lanka. The Guarantor binds itself, its successors, and assignees by these presents.

SEALED with the Common Seal of the said Guarantor this ........... of ............. 20..

THE CONDITIONS of this obligation are:

1. If the Investor withdraws its Proposal during the period of proposal validity specified in the RFP documents; or

2. If the Investor refuses to accept the correction of errors in its Proposal; or

3. If the Investor, having been notified of the acceptance of its Proposal by the Employer, during the period of proposal validity, fails or refuses to:

   (a) Execute the Form of Agreement; or
   
   (b) Furnish the Performance Security, in accordance with the Instruction to Investors

We undertake to pay the Employer up to the above amount upon receipt of its first written demand, without the Employer having to substantiate its demand, provided that in its demand the Employer will note that the amount claimed by it is due to it, owing to the occurrence of one or more of the above conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including twenty-eight (28) days after the period of proposal validity, and any demand in respect thereof should be received by us no later than the above date.

DATE------------------------- SIGNATURE OF THE GUARANTOR -----------------------

WITNESS ------------------------ SEAL

------------------------------------------

(Signature, Name, and Address)
(The Investor should insert the amount of the guarantee in words and figures.)
Section VI – Employer's Requirement

VI.1 SCOPE OF WORK UNDER THE PROJECT

The main objective of the project is to envisage stabilization of the market price and minimization of post-harvest losses of fruits and vegetables, especially potatoes and big onions by facilitating with cold chain storage facilities to keep the produce for a long period and allow constant release of produce to the market throughout the year. Along with achieving the main objective of this project, it is necessary to increase the current production and productivity of agricultural produce.

The total scope of work shall cover from the stage of pre-seeding until the release of the product to consumer market. It is important to give much attention to ground preparation for seeds, pre-harvest, harvest and post-harvest activities in producing high quality produce for cold storages.

The private investor is therefore required to consider following facts in establishing, maintaining and operating proposed cold chain storage facilities in Dambulla and Keppetipola after formation of the JVC.

a) Ensure supply of the product with the understanding of the system of local production, importation, taxes, farmer and market behavior before designing and construction of cold storages.

b) Introduction of proper agronomic practices from selecting planting materials to harvesting of the crop and adherence to quality standards.

c) Motivation of farmers through guaranteed price and providing market information, extension service and trainings, etc.

d) Introduction of Good Agricultural Practices (GAP) and take immediate actions to obtain the GAP certificate

e) Introduction of proper time of harvesting, methods of harvesting and method of removing field heat.

f) Site Development.

g) Design, Build, Establish and Operate cold storage buildings with equipment and machineries.

h) Ancillary buildings and other items to smooth operation of the system.

i) External works such as boundary walls, gates, external MEP services, waste water treatment plant, landscaping.

j) Transformer & Generator facilities.

k) Conducting trainer training programmes.

l) Invest for training/ attitude changes of farmers, traders, people handling the produce in transportation, collecting centres and cold storages, whole sellers, retailers and consumers.

m) Incentives, machineries, transport and other facilities to farmers to improve their status should be arranged with a promise to buy their product through out for a demanding price.
n) Improved varieties which can be used for cold storages should be provided.

o) Decision making on technical aspects and fund utilization through investments.

p) Take actions to achieve maximum capacity as soon as possible through increasing the production and productivity.

q) Cold Storage for Onion & Potato to be worked out for optimum storage capacities not less than 3000 MT for Onion and 5000 MT for Potato, considering the production.

VI.2 LANDS FOR COLD STORAGE FACILITIES

The Employer will provide lands on lease basis for cold storage facilities in Dambulla in Matale District, Central Province in Sri Lanka which is about 180 km from Colombo and Keppetipola in Badulla District, Uva Province which is about 176 km from Colombo. The extent of the Dambulla land is 0.38 hectares and the Keppetipola is 0.48 hectares.

VI.3 TRAINING OF WORKERS & FARMERS

The Investor shall train the attitude of farmers, traders, people handling the produce in transportation, collecting centres (if any proposed) and cold storages, whole sellers, retailers and consumers to develop cold chain facilities and improve the status.