Request for Proposals

Global Cocoa Market Study and Dominican Supply Case Study

Issue Date: Thursday, February 4, 2021
Closing Date For Proposals: Monday, March 1, 2021
Closing Time: 5:00 PM EDT
Project Title: Exporting Quality
Offer Reference Number: RFP-DREQ-002-2021

1. Disclaimer

The information contained in this request for proposals (hereafter referred to as RFP) document is provided to the Offeror(s) by the International Executive Service Corps (IESC). IESC is the prime implementor of the Food for Progress Exporting Quality Program in the Dominican Republic funded by the US Department of Agriculture (USDA) Award No. FCC-5 17-2015-015-00. IESC seeks proposals from companies, academic institutions, or nonprofits (Offerors) to research and author an open access market study of global demand for cocoa and its derivatives. The market study will include a case study of the Dominican Republic’s cocoa market share.

For this RFP, the following terms apply:

- **Market study.** The Global Cocoa Market Study and Dominican Supply Case Study
- **Cocoa and cocoa derivatives.** Cocoa beans, cocoa liquor, cocoa butter, cocoa powder, cocoa nibs, and chocolate.
- **Cocoa Market Segments:** Industrial/bulk; Certified industrial/bulk; Premium commercial (fine, certified industrial); and Ultra-premium, fine flavor, craft, or specialty.
- **Stakeholders.** Smallholder-farmers and medium- and large-scale cocoa farming operations; input services; traders; logistic services; cooperatives; packinghouses; processors; chocolate makers and manufacturers; exporters; retailers; and industry researchers.

IESC plans to award one contract to the Offeror that is most qualified and represents best value to perform the activities necessary to produce a replicable market study that has been thoroughly validated by industry stakeholders of all sizes. IESC expects the successful Offeror could be an NGO, private company, or academic institution.

The purpose of this RFP document is to provide Offeror(s) with information to assist them in the preparation of their proposal/s for the services that IESC seeks to source. This RFP document does not claim to contain all the information each Offeror may require. Each Offeror should conduct their own assessment and should check the accuracy, reliability,
and completeness of the information in this RFP document, and where necessary obtain independent advice from appropriate sources.

IESC may cancel this RFP and is under no obligation to make an award as a result of this RFP, although IESC fully anticipates doing so. Activities are anticipated to begin in March 2021.

Note that the USDA Exporting Quality Program Director determines proposal notification, award, and start dates, and they are subject to change at USDA or IESC’s discretion. Any activities under a final agreement are subject to and shall be carried out in accordance with the regulations promulgated by the donor under 2 CFR 200, 7 CFR 1499, 2 CFR I, II, and IV and any other subsequently published rule or regulation governing the program.

IESC may, at its own discretion, but without being under any obligation to do so, update, amend, or supplement the information in this RFP document. If a winning proposal is not selected, IESC reserves the right to provide feedback to top-scoring Offerors (Section 11. Technical Evaluation Criteria) with a request for revision.

Interested Offerors are responsible for all costs associated with preparation and submission of proposals and will not be reimbursed by IESC.

Any contract resulting from this RFP will be a fixed price deliverables-based contract.

2. Background
IESC is a nonprofit organization dedicated to equitable, sustainable economic growth in developing countries. IESC believes that a robust private sector is the cornerstone of resilient economies and stable countries. For more than 55 years, IESC has focused on market-driven private enterprise development.

Implemented by IESC, the Exporting Quality program works with cocoa producers and chocolate makers in the Dominican Republic to improve the safety and quality of Dominican chocolate and expand global market opportunities. Program interventions to date include in-kind equipment donation to cocoa producers; training in food safety practices, best farm practices, and product sensory evaluations; and market linkages facilitation through international and domestic trade shows. These interventions increased safety, quality, and market opportunities for cocoa value chain actors and consumers.

More than 80 percent of cocoa worldwide is grown by smallholder-farmers whose income fluctuates along with international prices and exchange rates. Where they are not organized, these stakeholders depend on middlemen. This gives them little bargaining power and they become price takers rather than price makers. Where producers are organized, they might lack market trend insights which could help take full advantage of
market opportunities. These insights are part of the body of existing industry information held by just a few industry actors. Accessing this knowledge is difficult, leaving producers unequipped to make the best, informed decisions about their businesses.

Globally, cocoa-originating countries may be able to reduce income volatilities by promoting local, value-added cocoa products and increasing their share of processed cocoa exports. Stakeholders need country-level industry information to improve understanding of their specific market opportunities relative to global demand and competition for cocoa market segments and its derivatives.

For example, the butter and liquor markets may respond differently to each of these market segments. Another example is the enthusiasm and investment in the production of fine or flavor cocoa and chocolate without evidence of the real size of the market and its ability to absorb increased production. As a last example, certification and private sustainability programs have gone mainstream in the bulk industry. The focus on sustainability is generally a positive contribution. But it is unclear if sustainability efforts provide a markedly improved standard of living for farmers or if these efforts significantly respond to concerns such as child labor and environmental conservation. This market study seeks to gain greater understanding of that market interaction and real opportunity for value.

Within the Dominican Republic, cocoa producers and chocolate makers need updated and open access information about the current and future global marketplace of cocoa and its derivatives. Open access and improved market information, including demand projections and value generation potential, will serve as a useful long-term decision-making guide for these stakeholders when making long-term decisions based. This market study seeks to support Dominican stakeholders as they navigate market dynamics and provide them evidence of the value and profit margin generated through each marketing channel.

Simultaneously, Exporting Quality’s donor agency USDA recognizes widespread interest in the above-referenced global and country-specific market information to serve the agency’s program beneficiaries beyond the Dominican Republic. USDA urged Exporting Quality to ensure the methodology behind the market study is designed to be easily, continually replicated and scaled by stakeholders within other cocoa-producing countries.

Through a preliminary Request for Information, Exporting Quality sought input from throughout the cocoa value chain worldwide during the planning stages of this RFP. Exporting Quality will continue to seek input from a core group of stakeholders (Section 5.2 Activities, 2a. Establish Core Stakeholder and Outreach List) as the market study
develops. It is foundational to the long-term success and utility of this study that stakeholders of all sizes build true ownership throughout the research process.

3. Period of Performance
The anticipated period of performance will be on or about March 18, 2021 through September 30, 2021. The Offeror must not propose any work beyond September 30, 2021.

4. Scope Statement
Design a replicable methodology, perform research, and author an open access Global Cocoa and Cocoa Derivatives Market Study, which primarily identifies the value that each market segment represents for each actor working within their respective value chains. This market study will include a case study chapter specific to Dominican cocoa supply chains, price structure analysis among stakeholders, logistics, and domestic markets that can serve as a template for other cocoa-producing countries to replicate.

The estimated value of the anticipated contract is US$175,000 to $225,000. All quotations must be valid for at least sixty (60) days.

5. Statement Of Work
5.1 Schedule of Authorities
The contractor will report to the Exporting Quality Program Director with technical feedback from the Market Linkages Facilitator.

5.2 Activities
The contractor is expected to undertake the following tasks:

1. **Design work plan.** Provide a list of activities to be carried out, timelines, team member(s), resources, and expected outcomes.

2. **Organize research.** Prepare the following elements in advance of collecting primary data:
   
   2a. **Establish Core Stakeholder and Outreach List.** Identify and engage with a core group of stakeholders who are working on or have worked with programs with similar objectives.

   The contractor will consider inputs from the core stakeholders and IESC on the detailed design of priority objectives and research questions. Throughout research, the contractor will validate findings with core stakeholders and IESC.

   The purpose of the core stakeholder list is to maintain participatory consultation with key industry actors. IESC will validate the types of engagement with the core stakeholders proposed by the contractor. IESC can facilitate access to some core
stakeholders, however the contractor should have a credible network and reputation within the industry.

2b. **Perform Desk Research and Produce Report.** Identify data sources, review literature (Attachment A: Suggested Literature), research available data and assess its reliability and usefulness.

The contractor is encouraged to consider a global cocoa market study from a traditional market research firm\(^1\). IESC expects the contractor would build upon that data with specific data included in this scope and at the country level. IESC may authorize the purchase of a research study or studies under the following circumstances: if the Offeror demonstrates its relevance to the assignment; if the information can be cited; and if cited information can be made available to the public. The cost of these studies must be considered in the cost proposal.

The contractor is encouraged to seek information and lessons learned from researchers that have done similar research to improve research and avoid redundancy.

2c. **Identify Knowledge Gaps.** After the desk study is complete, categorize and prioritize the identified information gaps.

2d. **Design Key Industry Parameters.** Set and clearly define the parameters under which the contractor will research and author the market study. Provide definitions and limitations for each parameter to mitigate the lack of industry definitions and standards for each market segment and its inputs.

2e. **Review existing methodologies.** The contractors will review methodologies that have been used in similar research studies. Examples include but are not limited to those similar research studies found in in Attachment A: Suggested Literature. The contractor is encouraged to review additional methodologies in similar industries (i.e. coffee, avocado).

The contractor will seek to design a methodology that is comprehensive, time sensitive, and cost efficient. The methodology must include quantitative data collection and sourcing. It cannot rely heavily or solely on qualitative interviews. The methodology for this market study must allow for future parties to replicate the analysis using the same or similar methodology.

2f. **Design the country chapter template.** Design a template for analysis of a cocoa-producing country’s supply relative to global demand for cocoa and its derivatives. The template is intended to be a guide only. The contractor will use the template to build the Dominican case study (Section 4c. Develop the

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\(^1\) E.g. ICCO Quarterly Bulletin of Cocoa Statistics, Mintel Chocolate Confectionery Market Research, National Confectioners Association Market reports, cocoa futures reports, or other sources.
Dominican Republic Supply Case Study). The template will provide critical components to the Dominican Republic that can adapt to the unique circumstances of other cocoa-producing countries. The research methodology used to analyze market structures must be well documented, provide full statistical evaluation, and must allow replication by any other cocoa-producing country.

2g. **Design Samples and Prepare Data Collection Tools.**

- Identify the techniques the contractor will use and their corresponding objectives.
- Define sample sizes, target populations and statistical confidence levels.
- Identify key informants.
- Design data collection tools

Primary data must be used throughout Section 4’s Dominican Republic Supply Case Study. The contractor should perform most analysis using data collected through primary quantitative methods such as primary point of sale records, market prices (i.e. inputs, logistics), and other verifiable data. Analysis should also include quantitative analysis using data collected through observation, surveys, questionnaires, or interviews. As interviews take place, they must be with a variety of stakeholders (i.e. CEOs, technicians, managers, researchers) within an organization to ensure a broad range of perspectives.

3. **Collect primary data.**

- Prepare, collect, process, validate and analyze data.
- Ensure the methodic collection and processing of data for citation within the public access market study.

Data must be stored in a systematic way to later publish for further use while also ensuring data privacy through standard research privacy practices, e.g. assuring interviewees of their anonymity in the final, published data. Complex data sheets require abstracts, and the contractor will deliver these to IESC in an editable format. The contractor is expected to present a summary analysis of key research findings they expect to use in the market study.

4. **Develop the market study Including Dominican Republic Case Study.** Develop a comprehensive market study in electronic copy for distribution online in English to meet the objectives of this study. The contractor must:

   4a. **Develop the Market Study Outline.** The outline must include headers, sub headers, and sub-sub headers and proposed annexes.

   At a minimum the global market study outline must include the following:
   Executive summary; justification, description of objectives; methodology; market analysis for cocoa and its derivatives; and include actionable recommendations (Section 5.2 Activities, Section 4b).
At a minimum, the Dominican Republic supply case study outline must include the following:

- Analysis of the position of Dominican supply relative to global demand for cocoa beans and derivatives.
- Price structure research analysis.
- Determined value provided to Dominican farmers by each marketing channel
- Actionable recommendations (Section 5.2 Activities, Section 4c).
- A comprehensive bibliography, survey forms and templates, and comprehensive datasets as annexes.

The outline shall take into consideration the need for the report to use high quality interactive graphics and descriptive images.

4b. Develop the Global Market Study. This section of the market study must use primary data and provide widely applicable and up-to-date information about global demand projections and market opportunities for cocoa and its derivatives. This global demand information will serve as a reference for any producing country that wants to use the country chapter template to advance their own country-level industry information, determining the value and profit margin generated through each marketing channel. The final study must include market trends and requirements, market dynamics, and actionable recommendations.

ii. Analyze Market Trends and Requirements for each cocoa market segment; cocoa and derivative product; and extended products in niche markets, e.g. cocoa tea, cocoa juice, and animal feed. This section must include the following at minimum:

- Provide global and regional industry background and historic overview with key terms, industry standards, and common definitions.
- Analyze global and regional market trends.
  - Analyze global demand size in volume and value, 15 to 20 years’ historic growth, 5-year potential for growth per different industries\(^2\) for each product and market segments. Disaggregate data by region and by principal consuming countries\(^3\). Identify demand differences by region.
  - Analyze global supply size in volume and value, 15 to 20 years’ historic growth, and 5-year potential for growth by principal cocoa producing and/or processing countries.
  - Analyze the markets that are available for surplus offloading within each market segment in the producing countries’ alternative local

\(^2\) Confectionery, food and beverages, cosmetics, pharmaceutical, etc.
\(^3\) North America, Europe, Asia Pacific, Africa, Central America, and South America.
market compared to export markets.
  o Analyze immediate regional markets for cocoa producing countries and synergies between neighboring markets.
  o Analyze global and regional demand and supply curves.
• Analyze global and regional market requirements.
  o Analyze global and regional market buyers, distribution channels, demand cycles, purchasing procedures, contract and negotiation power dynamics.
  o Analyze requirements in terms of quality, origin, flavor, consistency, certifications, sustainability, labelling and packaging, storytelling, ingredients, price, traceability, and direct sourcing.
• Analyze global and regional market opportunities.
  o Analyze pre-pandemic global and regional market opportunities.
  o Analyze the COVID-19 impact at origin and in consuming countries with emphasis on current realities and future pandemic mitigation efforts.
  o Analyze market innovation and opportunities triggered by the pandemic that may influence future trends.

iii. Analyze Global Dynamics for cocoa and each derivative product. This section must include the following at minimum:
• Analyze the global supply chain and power dynamics.
  o Analyze the supply chain and map the different players in the global market for each product and market segment.
  o Determine approximate numbers and size of sourcing countries, producers, importers, processors, manufacturers, and retailers by geography and volume produced and sold.
  o Analyze market concentration among stakeholders.
  o Analyze installed capacity to produce derivatives within producing countries and identify existing and potential production opportunities.
  o Analyze the competitive advantage of the main cocoa producing and processing countries.
• Analyze price formation and trends.
  o Analyze global price formation for each product considering 1) market power and pricing, 2) aspects of derived demand, e.g., the extent to which demand for one product affects the price of another, 3) the extent to which actors’ concentration impacts price formation, 4) how in-country value addition effects global supply, demand, and prices.
  o Analyze global price trends drawing on 15 to 20 years’ historic data.

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4 E.g. the Mexican domestic market absorption of surplus cocoa from their own domestic production and Guatemala’s
and draw 5-year projections per different market segments such as commodity/bulk, premium, specialty, above-referenced certifications, etc. Disaggregate data by the above-referenced regions (Footnote 3) and principal consuming countries.

- Analyze prices at the market entry level in principal consuming countries for each product.
- Analyze price elasticity of demand and supply for each product.
- Analyze market drivers and restraints – so-called “push and pull factors” – that drive or impede market expansion for each product\(^5\).
  - Analyze growth trends and investments related to market push and pull factors.
- Perform a SWOT (strengths, weaknesses, opportunities, and threats) analysis with emphasized analysis on the key challenges the industry must overcome and opportunities that it can build upon.
- Analyze competition through Porter’s Five Forces Model\(^6\).
- Analyze how cocoa can become a more socially, commercially, and environmentally sustainable industry:
  - Analyze the actual price and purchasing policies used by companies in different countries. Offeror may choose 3-4 countries by continent.
  - Based on results of previous analysis, propose 4-5 price and purchasing policy alternatives to improve the social and environmental issues in cocoa.

iv. Conclusions and Actionable Recommendations. Building upon the market study, recommend which global marketing channels offer the best opportunities for growth and sustainability.

4c. Develop the Dominican Republic Supply Case Study. Analyze the position of the Dominican Republic supply relative to global demand for cocoa and each derivative product. Analyze price structure using primary research and draw actionable recommendations.

The case study must provide evidence-based information for use by stakeholders about the benefits of supplying different markets. It must provide evidence-based information to domestic and international cocoa actors who use Dominican cocoa beans about their impact on farm-gate prices in the Dominican Republic and other farmer benefits that may support industry sustainability claims.

\(^5\) Consumer education, buying trends, trade barriers, market requirements, new market access regulations, and sustainability issues like ageing farmers, child labor, climate change, aging trees, deforestation, health of producers, etc.

IESC can facilitate access to Dominican farmer groups for survey purposes. However, the contractor should have a credible network and reputation within the country. The research methodology used to analyze price structure and profit margins must be well documented and must allow replication for any other cocoa producing country that wishes to perform similar analysis.

i. Analyze the position of the Dominican Republic supply relative to global, regional, and local trends identified in Section 4.b(i).
   - Provide Dominican industry background and historic overview.
   - Analyze and put into perspectives the evolution and current position of the Dominican Republic supply relative to global, regional and local demand for market segments in volume and value, 15 to 20 year’s historic growth, 5-year potential for growth.

ii. Analyze market opportunities for the Dominican Republic based on global and regional market opportunities identified in Section 4b.(i).
   - Identify untapped market opportunities for the Dominican Republic.
   - Identify current and potential investments required at each level of the value chain to take advantage of market opportunities.

iii. Analyze the cocoa value chain in the Dominican Republic and the benefits provided by each current and potential marketing channels.
   - Map stakeholders along the value chain. Develop typologies to group the different stakeholders at every level of the value chain. Determine the numbers, size and concentration of each stakeholder group and typology.
   - Analyze selling and purchasing procedures and requirements, contract negotiation power dynamics among Dominican stakeholders, and between Dominican stakeholders and international buyers.
   - Analyze producer stakeholders’ commercial decision-making process.
   - Analyze value provided by each marketing channels:
     - Work backwards from prices at market entry level in principal consuming countries for each product identified in Section 4b.ii. and analyze price structure and profit margins throughout the value chain for stakeholders in cocoa and derivative products made in the Dominican Republic and their respective market channels. Collect primary data and draw results from a statistically significant sample size. Expected elements are production cost, cooperative and non-

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7 For production, export, processing, an example farmer typology includes groups defined by agroforestry and intercropping production systems, age, access to credit, connectivity, association membership, water access, attended market and related investments made, etc. A processor typology should have groups based on factory size, installed capacity, energy costs, personnel, among others.
cooperative selling costs, transport costs, cost of inputs, taxes, and export cost.
- Analyze other types of benefits that producers might receive when producing in agroforestry systems for instance.
- Analyze which product offers greater inclusivity and sustainability to smallholder producers.
- Analyze value provided by the different marketing channels to farmers and identify if farmers see a substantial difference in revenues. Include analysis of whether profit margins justify the inputs and labor required to comply with the requirements of each market segment identified in Section 4b.i.

iv. Offer recommendations based on the results from primary research to address key challenges that prevent actors from ownership over a more sustainable approach to cocoa sourcing.

5. Presentation of the Market Study and Recommendations. Submit draft, written report, to be presented via video conference with stakeholders for the purpose of collecting feedback. Develop an online version of the report. Refine the draft with core stakeholder feedback. Submit the final electronic version of the report to IESC for publication.

5.3 Deliverables
The selected Offeror will provide and be paid based on the successful completion of the following deliverables.

The selected Offeror is expected to participate in a minimum of once-monthly virtual meetings with the IESC team with the purpose to review progress, resolve any challenges, and ensure clarity related to next steps. More frequent meetings or brief written updates might be required.

1. Design Work Plan
   i. Develop a list of activities to be carried out with a description of expected outcomes. Date: 1 week after award of contract
   ii. Develop a draft GANTT chart timeline of activities. Date: 1 week after award of contract
   iii. Prepare the list of team members that will work on the assignment with a description of their respective roles. Date: 1 week after award of contract
   iv. Prepare a list of the expected resources needed to carry out the assignment, including a draft bibliography. Date: 1 week after award of contract

2. Organize Research
a. Establish Core Stakeholder and Outreach List:
   i. Submit list of core stakeholders with whom the contractor will conduct unstructured interviews to define priority objectives and key research questions. Date: 1 week after award of contract
   ii. Submit schedule of key milestones throughout study development that will be validated with stakeholder inputs. Date: 1 week after award of contract
   iii. Submit draft list of priority objectives and key research questions based on core stakeholder group inputs for the IESC team review and discussion in a virtual debrief meeting. Date: 2 weeks after award of contract
   iv. Meet with core stakeholders. Date: During 3rd week after award of contract
   v. Provide final version of detailed priority objectives and key research questions. Date: 3 days after receiving IESC team feedback
b. Perform desk research and report, including:
   i. A summary of data collected through preliminary secondary research; a description of proposed primary data collection research techniques, their target objectives, and their expected outputs; a final GANTT chart timeline of activities; and a final, complete bibliography. Date: 4 weeks after award of contract
c. Identify Knowledge Gaps:
   i. Provide a summary report of knowledge gaps and the corresponding data that needs to be collected through primary research. Date: 4 weeks after award of contract
d. Design Key Industry Parameters:
   i. Provide a list of key industry parameters that will be used in the study with their respective definitions and limitations.
   ii. Include a list of general definitions that will be used throughout the study. Date: 4 weeks after award of contract
e. Review existing methodologies:
   i. Submit a list and summarize to IESC of similar methodologies for review and discussions by core stakeholders and IESC team. Date: 3 weeks after award of contract
   ii. Submit methodology that will be used to carry out the study to IESC incorporating comments from core stakeholders and IESC team. Date: 1 week after receiving IESC team feedback
f. Design country chapter template:
   i. Submit draft of country chapter template to IESC for review and comment. Date: 4 weeks after award of contract
   ii. Submit final country chapter template within market study outline. Due 20 weeks after award of contract
g. Design Samples and Prepare Data Collection Tools:
   i. Submit list of key questions that will guide the range of proposed research methods, e.g. interviews, core stakeholder meetings, expert boards. **Date: 1 week after award of contract**
   ii. Submit a report on the proposed investigation methodology, including a description of all the techniques to be used and the relevant objectives that each technique will help achieve, list sample size and target population. **Date: 7 weeks after award of contract.**
   iii. Provide a list of key informants, provide templates of each data collection tool. **Date: 7 weeks after award of contract.**

3. **Collect Primary Data:**
   i. Provide a calendar of each planned step of the primary data collection process. **Date: 13 weeks after award of contract**
   ii. Process data digitally and provide all data collected under an editable format (Excel) and systematic way to publish them and allow further uses. Provide abstracts and a summary of key findings. **Date: 20 weeks after award of contract.**

4. **Develop the Market Study, Including Dominican Republic Case Study**
   a. Per the format in Section 5.2 Activities, section 4a., submit a market study outline including at minimum the following:
      i. Executive summary; justification; description of objectives; methodology; market analysis for cocoa and derivatives; and actionable recommendations (Section 5.2 Activities, section 4b.)
      ii. Dominican supply case study chapter template (Section 5.2 Activities section 4c.)
      iii. Annexes including bibliography, survey forms and templates, comprehensive datasets.
      iv. Consideration of need to include high-quality images and interactive graphics in the study’s final digital version. **Date for 1. – iv.: 20 weeks after award of contract.**

5. **Final draft and Presentation of the Market Study and Recommendations**
   a. Per the expectations set forth in Section 5.2 Activities, Section 4b. – 4c.:
      i. Submit draft electronic copy of the study and summary of the findings to the IESC team for review. Summary of the findings will be forwarded to stakeholders’ core group. **Date: 24 weeks after award of contract**
      ii. Meet with the IESC Team to review and discuss the draft study. **Date: by end of 24th week after contract**
      iii. Video conference with core group of stakeholders for the purpose of collecting feedback. **Date 25 weeks after award of contract**
iv. Provide refined final draft with stakeholder feedback and online version of the report, for IESC team comment. *Date 27 weeks after award of contract*

v. Submit final electronic copy of the study in English to the IESC team for publication. *Date 1 week after the IESC team provides feedback on final draft*

The following deliverables, derived from the above-referenced tasks, are presented in sum below and do not represent additional products.

**TABLE 1: DELIVERABLES**

<table>
<thead>
<tr>
<th>Deliverable Name</th>
<th>Date</th>
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<tbody>
<tr>
<td><strong>1. Design Work plan</strong></td>
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<tr>
<td>• One (1) list of activities with description of expected outcomes</td>
<td>1 week after award of contract</td>
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<td>• One (1) draft GANTT chart timeline of activities</td>
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<td>• One (1) list of team members with description of roles</td>
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<td>• One (1) list of expected resources, including draft bibliography</td>
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<tr>
<td><strong>2a. Organize Research – Establish Stakeholder and Outreach List</strong></td>
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<td>• One (1) core stakeholder list shared with the IESC team in advance of meetings/interviews</td>
<td>1 week after award of contract</td>
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<td>• One (1) schedule of study development milestones for periodic validation from core stakeholders</td>
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<tr>
<td>One (1) detailed report of priority objectives and key research questions based on core stakeholder inputs submitted and presented to IESC team for comment</td>
<td>2 weeks after award of contract</td>
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<tr>
<td>One (1) final version of detailed objectives and key research questions which incorporate IESC team feedback</td>
<td>3 days after IESC team provides feedback on draft</td>
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<td><strong>2b. Organize Research - Perform Desk Research and Report</strong></td>
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<td>One (1) desk research report, including the following:</td>
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<td>1. Summary of data collected to date through primary research (i.e. literature review)</td>
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<td>2. Description of research techniques, their target objectives, and their expected outputs</td>
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<td>3. Final GANTT chart timeline of activities</td>
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<td>4. Complete bibliography</td>
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<td><strong>2c. Organize Research - Identify Knowledge Gaps</strong></td>
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<td>Task</td>
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<td>One (1) summary report of knowledge gaps identified from desk research, industry actors, and Exporting Quality program staff, in order of priority</td>
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<td><strong>2d. Organize Research – Design Key Industry Parameters</strong></td>
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<td>One (1) list of key industry parameters, including their definitions and limitations and a general list of definitions that will be used throughout the market study</td>
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<td><strong>2e. Organize Research – Review Existing Methodologies</strong></td>
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<td>One (1) list and summary of methodologies submitted to IESC for core stakeholders and IESC team review and discussion</td>
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<td>One (1) report on proposed investigation methodology, including the following:</td>
<td>7 weeks after award of contract</td>
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<tr>
<td>1. Description of techniques and their relevant objectives</td>
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<td>2. Description of target population and sample size</td>
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<td>3. List of key informants and description of each</td>
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<td>4. Templates of data collection tools used for this study</td>
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<tr>
<td><strong>3. Collect Primary Data</strong></td>
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</tr>
<tr>
<td>One (1) calendar timeline documenting the contractor’s proposed steps for undertaking primary research</td>
<td>13 weeks after award of contract</td>
</tr>
<tr>
<td>One (1) report including the following:</td>
<td>20 weeks after award of contract</td>
</tr>
<tr>
<td>1. Editable format of all data collected (Excel)</td>
<td></td>
</tr>
<tr>
<td>2. Abstracts of complex data sheets</td>
<td></td>
</tr>
<tr>
<td>3. Summary analysis of key findings</td>
<td></td>
</tr>
<tr>
<td><strong>4. Develop Market Study Outline and Dominican Supply Case Study</strong></td>
<td></td>
</tr>
<tr>
<td>One (1) outline including the following:</td>
<td>20 weeks after award of contract</td>
</tr>
<tr>
<td>1. Headers, sub-headers, and sub-sub headers</td>
<td></td>
</tr>
<tr>
<td>2. Summary for each section according to 4a – 4b.</td>
<td></td>
</tr>
<tr>
<td>3. Dominican supply case study chapter template according to section 4c,</td>
<td></td>
</tr>
</tbody>
</table>
4. Proposed annexes according to 4a – 4b.
5. Minimum five (5) proposed high-quality photographs and graphics, of which at least two (2) are interactive graphics.

### 5. Final draft and Presentation of Market Study and Recommendations

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>One (1) draft study in electronic copy following the approved outline including all information required by Section 5.2 Activities, sections 4b. – 4c.</td>
<td>24 weeks after award of contract</td>
</tr>
<tr>
<td>One (1) virtual meeting with IESC team to present a summary the draft study and its findings for purpose of collecting feedback.</td>
<td>By end of 24th week after award of contract</td>
</tr>
<tr>
<td>One (1) virtual meeting with core stakeholders for the purpose of collecting feedback on draft study.</td>
<td>25 weeks after award of contract</td>
</tr>
<tr>
<td>One (1) refined final electronic copy draft including IESC team and core stakeholder feedback.</td>
<td>By end of 27th week after award of contract</td>
</tr>
<tr>
<td>One (1) final electronic copy of the study in English ready for publication</td>
<td>1 week after receiving IESC team feedback</td>
</tr>
</tbody>
</table>

### 6. Contract Type

The contract is anticipated to be fixed price, to be paid based on the successful completion of deliverables.

### 7. Instructions to Offerors

#### 7.1. Submission

1) Offers received after the closing date may not be considered.
2) Offers must be in U.S. Dollars.
3) Technical and cost proposals must be submitted as two separate documents. Cost information must not be included in the technical proposal.
4) Offerors must submit their proposals by the closing date and time as listed on page one to Lily Alcock, Senior Program Associate, lalcock@iesc.org.

#### 7.2. Clarification and Amendments

Offerors may request clarifications via email to Lily Alcock, lalcock@iesc.org not later than 5:00 p.m., Washington DC Eastern Daylight Time (EDT) time, on Monday, February 15, 2021. IESC will provide answers to these questions and requests for clarification asked by all Offerors simultaneously via email and posted on the IESC website with the RFP before the close of business on/or before Thursday, February 18, 2021. IESC may not answer questions before the proposal submission deadline outside of the allotted response period for clarifications. No questions will be answered over the phone or in person.
7.3. Cover Page and Markings
In addition to the required proposal documents listed in sections 10 and 11 below, please include a cover page with your submission for the technical and the cost proposals (separate cover pages). The cover page should be on company letterhead and should contain the following information:

1) Project or Title (from the front page of this RFP document)
2) Offer Reference Number (from the front page of this RFP document)
3) Company Name
4) Company Address
5) Name of Company’s authorized representative
6) Contact person if different that Company’s representative
7) Telephone #, Cellular/Mobile Phone #, Email address
8) Duration of Validity of proposal (at least 60 days)
9) Payment terms
10) DUNS # (Applies to companies, not to individuals)
11) Total Proposed Price (include price on cover page of cost proposal only)
12) Signature, date, and time

7.4. Table of Contents
Offeror must provide a Table of Contents and organize its proposal as such the following:

**Technical Proposal**
1) Company Background (one [1]-page limit)
2) Technical and Management Approach (ten [10]-page limit)
3) Past Performance (three [3]-page limit)
4) Personnel Experience and Capacities (two [2]-page limit)
5) Attachments, e.g. Samples of work, references, and personnel CVs

**Cost Proposal**
1) Executive Summary (two [2]-page limit)
2) Budget (Attachment B: Budget Template)
3) Budget Narrative (ten [10]-page limit)

8. Eligibility Requirements
Offeror may be required to present a business license and must have experience in researching and writing global market or research studies, including understanding of cocoa industry networks, data, and distribution channels. Offerors may need to obtain a DUNS number and an eligibility notice prior to receiving any award. Award will be contingent upon USDA’s final approval.
In the case that an individual is leading a team of researchers, the lead individual must be incorporated for the team to be eligible for award.

9. Basis for Award
IESC anticipates that award will be based on best-value principles. Accordingly, award will be made to the technically acceptable Offeror whose proposal provides the greatest overall value to IESC and the USDA Exporting Quality program, price, and other factors considered. The winning proposal must conform to all solicitation requirements.

To determine best value, proposals will be evaluated on the criteria below. The number of points assigned, totaling 100 points, indicates the relative importance of each individual criterion. Offerors should note that these criteria serve to (a) identify the significant factors that Offerors should address in their proposals; and (b) set the standard against which all proposals will be evaluated.

10. Eligibility Requirements
Please read carefully, the following are instructions for preparing proposals. Proposals must be organized into sections corresponding to the sections presented in 11. Technical Evaluation Criteria and numbered accordingly. Offerors must not exceed page limits; doing so will result in disqualification or redaction of pages that exceed the page limit. Should IESC opt to redact, any pages exceeding the page limitation for each section of the proposal will not be read or evaluated. Only include the requested information and avoid submitting extra content.

Proposals must be written in English with each page numbered consecutively. Cover pages, dividers, and tables of contents are not subject to the page limits stated in the RFP.

11. Technical Evaluation Criteria
Proposals will be evaluated according to the following criteria. Points will also reflect the overall presentation of the proposal, which should be clear, complete, well organized, and well written. Most importantly, proposals should address all the requirements listed in this RFP. Proposals shall be written in English with each page numbered consecutively. Cover pages, dividers, and tables of contents are not subject to the page limit.

11.1. Technical and management approach: 10 page limit; possible points 50
Proposals will be scored on their effectiveness to meet the requirements of the program, as outlined in Section 5.2 Activities. The technical and management approach is scored based on the following:

- Demonstrated knowledge of and network within cocoa and derivative value chain stakeholders.
- Demonstrated understanding of the cocoa industry’s characteristics, including:
The practices and challenges of production, distribution, and commercialization channels;
- How the above affects all-sized cocoa industry stakeholders;
- The realities of these components in both global and regional markets.

- Demonstrated understanding of ISCQF and ICCO international standards and initiatives.
- Clear approach to undertaking the study requirements, including:
  - Deep understanding of the research questions;
  - Initial proposed methodologies are sound and replicable;
  - Strong capacity to analyze data and address gaps in data;
  - Effective integration of inputs.
- A detailed approach to research with an emphasis on validating:
  - Primary research desk study and analysis, including a description of when, how, and who on the Offeror’s team will undertake work components;
  - Research in the Dominican Republic, including a description of when, how, and who on the Offeror’s team will undertake the work components with an emphasis on validation.
- Description of online production plan, including infographics and photography, with ability to produce in English.

11.2. Offeror’s past performance and references: 3 page limit. Does not include samples of previous work and references, which are submitted as attachments: 5 page limit; possible points 30

Past performance is scored based on the following:
- Offeror’s record in implementing similar activities to those outlined in the tasks and activities, with emphasis on market analyses of cocoa and its derivatives.
- Experience conducting farmer-centric and/or socio-economic research investigations in cocoa, coffee, tea, and/or other specialized industries and specialty food products.
- Offeror’s record demonstrates how prior experience, including problem solving, supports their overall proposed approach.

Offerors should provide as an attachment, not to exceed five (5) pages, and not part of the three (3) page limit for past performance the following:
- A minimum of three (3) references for past and present programs, to include the contact information of three prior or current employers or clients for which the Offeror has completed a similar task. References must include contact information and a brief summary of the relevant work undertaken.
- Samples of previous work.
11.3. Offeror’s personnel experience and capacities: 2 page limit. Does not include resumes or CVs, which are submitted as attachments; possible points 20

The Offeror must include a description (biographical sketch acceptable) of the individuals, or for companies a minimum of three personnel who would directly work on the activities in the contract. Offerors must submit resumes or CVs as attachments for individuals submitted in this section and do not count within the page limitations of this section but should be limited to 3 pages per CV. Additional roles must be identified and described as part of the application, but no CVs are required. Required CVs must be in English. The Offeror must have fluent English and Spanish writing and speaking capacity within the team. The level of effort to complete the tasks outlined in the Section 5.2 Activities shall be determined by the Offeror.

Personnel experience and capacities is scored on the following:

- Extent to which the Offeror’s or its personnel have experience conducting socio-economic research investigations on cocoa and its derivatives;
- Team leader’s ability to effectively manage small teams to produce outcomes;
- Each proposed individual’s ability to work remotely with stakeholders; and,
- Appropriate skills possessed by core team, project management background, expertise, and adequate time to dedicate to the completion of tasks.

- Presentation of non-exhaustive skill sets shown below in a sample arrangement:

<table>
<thead>
<tr>
<th>Title</th>
<th>Role</th>
<th>Primary Skills</th>
<th>Secondary Skills</th>
</tr>
</thead>
</table>
| Team Leader            | Responsible for the overall approach and ensuring the completed study design, approach, final written product, and presentations against strict deadlines. | • Strong small-team development and management experience  
• Cocoa industry expertise  
• Experience in the design and execution of socio-economic research in value differentiation between cocoa and derivative market segments  
• Active promoter of research and education about cocoa and derivative products |                                                                                  |
| Industry Specialist    | Identifies and engages core stakeholders group. Provides team with insights to ensure the market study adds value to existing industry knowledge and addresses key research questions. Leads team in price structure analysis and analysis of collective | • Education and research background agrobusiness  
• Strong relationships with and ability to engage cocoa industry stakeholders of all sizes  
• Thorough understanding of industry growth potential and challenges  
• Experience in the design and execution of socio-economic research in value differentiation between cocoa and derivative market segments  
• Economist or MBA with experience in market assessments |                                                                                  |
impact for improving approaches to sustainable cocoa sourcing.

**Marketing Specialist**

Provides international cocoa and derivative market information. Identifies promotional strategies, trends, and market innovations driven by consumer preferences and industry efforts.

- Experience with cocoa and derivative products and market differentiations
- Extensive experience in food and consumer packaged goods.
- Experience carrying out value chain analysis, specifically calculating value generated at each level of the value chain.

**Production/Logistics Analyst**

Develops and analyzes production-level data and inputs for the study.

- Educated as an agricultural specialist and/or extensive experience with producer-level cocoa operations
- Knowledge of cocoa bean production, processing, and price point differentiation
- Knowledge of destination markets, certification requirements, flavor profiles, and other critical production data
- Experience in transportation logistics and cost analysis of same

**Facilitator/Coordinator**

Supports team through capturing data and arranging stakeholder meetings

- Experience in coordinating business operations

**In-Country Team* based in the Dominican Republic**

<table>
<thead>
<tr>
<th>Title</th>
<th>Role</th>
<th>Primary Skills</th>
<th>Secondary Skills</th>
</tr>
</thead>
</table>
| Country Lead       | Leverages information from technicians at the producer-level | • Cocoa industry expertise  
|                    |                                                | • Agriculture and/or social science education background, Masters preferred, with 3 to 5 years’ experience in agriculture research | Preferably bilingual |
| Market Specialist  | Provides complementary markets perspective to the country lead’s producer network and knowledge. | • Thorough understanding of local market consumption, marketing and branding, local market channels, and market segments. | Cocoa industry experience |
Enumerators | Collects data according to methods established by the study. | • Experience in methodic collection of data in the Dominican Republic | Cocoa industry experience
---|---|---|---
Research Assistant(s) | Identify and summarize primary and secondary cocoa market data | • Experience in methodic collection and analysis of data in the Dominican Republic | Cocoa industry experience

*Responsible for managing the collection and development of data in the Dominican Republic.

With an extensive local network, the Exporting Quality program may facilitate sourcing subcontractors in the Dominican Republic as required by the Offeror. The Offeror must include a plan to develop this In-Country Team within their proposal. Exporting Quality anticipates non-exclusivity for in-country subcontract.

12. **Cost Proposal Evaluation: Must consist of an executive summary (2 page limit); budget using the IESC budget template (Attachment B: Budget Template); and a budget narrative (10 page limit).**

The Offeror must submit a cost proposal separate from the technical proposal. The proposal must address all deliverables stated in Section 5.3 Deliverables, Table 1: Deliverables Table. The cost proposal must provide detailed budgets and deadlines for completion of each of the deliverables for later use in developing a fixed price deliverables-based contract.

The executive summary must include a brief summary description of the organization, core capabilities, and financial capability statement in which the Offeror describes its financial capability to perform the contract requirements.

Cost elements related to the deliverables must be described and included in a spreadsheet for review of reasonableness by IESC. The Offeror must submit a budget in accordance with Attachment B: Budget Template. Please note that Attachment B: Budget Template requires the Offeror to price each of the five deliverables as total fixed price deliverables as well as provide detailed breakout of those proposed costs, inclusive of labor, fringe, supplies, other direct costs, subcontracts (if any), indirect costs (if any), fee/profit (if any), and total cost. Offerors must also complete the “Deliverables Payment Schedule” within Attachment B: Budget Template.

The Offeror must submit explanatory budget narratives as an annex. It should include all elements of the cost proposal and be no more than 10 pages. In the narrative, costs should be broken out by individual cost element, for example labor, supplies, travel, subcontracts (if any), indirect costs (if any), fee (if any), and total cost. The Offeror must include unit costs in its detailed description for each cost proposed. The required detailed
budget narrative justifications will be used by IESC to determine cost and price reasonableness as required by federal regulation.

For any proposed indirect cost, if the Offeror has a Negotiated Indirect Cost Rate Agreement (NICRA), indirect costs must be based on the incorporated NICRA rates and a copy of the current NICRA must be submitted with the cost proposal as an annex. Should an Offeror not have a NICRA, any indirect cost proposed must be 1) calculated at the 10% de minimus rate per 2 CFR 200.414(f); or 2) substantiated by recent audited financials (included as an annex). The Offeror must also demonstrate its calculations for its indirect rates, tracing costs to its audited financials, under the above option 2 for indirect costs. Should an offeror propose any subcontractors to perform any portion of the work, such subcontract costs must be proposed separately (Attachment B: Budget Template), demonstrating clear delineation between prime and subcontractor costs. Offerors must include a detailed fixed-price budget and corresponding budget narratives as described above for any subcontract proposed. The above indirect cost instructions apply to any proposed Subcontractors as well.

All proposed costs must be in accordance with the U.S. Government Cost Principles under 2 CFR 200 Subpart E (nonprofit organizations and universities) or the Federal Acquisition Regulations (FAR) Part 31 (for commercial organizations).

13. Deviations
IESC reserves the right to waive any deviations by offerors from the requirements of this solicitation that in IESC's opinion are considered not to be material defects requiring rejection or disqualification; or where such a waiver will promote increased competition.

14. Discrepancies
Please read the instructions carefully before submitting your proposal. Any discrepancy in following the instructions or contract provisions may disqualify your proposal without recourse or an appeal for reconsideration at any stage.

15. Conflict of Interest Declaration
The following steps outline IESC’s contract selection process and should be understood by all Offerors to ensure the transparency of awards and avoid conflict of interest.

1) Request for Proposals (RFPs) are posted on IESC’s website. The offer is open to all qualified offerors;
2) Clarifications will be emailed to all offerors submitting questions, as well as posted on IESC’s website, simultaneously;
3) Once the proposals are received, an evaluation committee scores them;
4) Cost proposals are evaluated for reasonableness, accuracy, completeness, and compliance with the budget template (Attachment B);
5) The best value proposal is selected based on a combination of the technical score and the cost;
6) No activity can be started until both IESC and the awardee have signed a formal contract; and,
7) IESC policy against fraud and code of business ethics exists throughout the life of the subcontract and beyond. Even if the contract is closed, if any party is found guilty of fraud, IESC will make a full report to the USDA Office of Inspector General, which may choose to investigate and prosecute guilty parties to the fullest extent of the law.

Any contract awarded will be required to comply with all administrative standards and provisions required by the IESC’s USDA. IESC reserves the right to cancel any planned proposal based on any adjustments to the period of performance of the IESC agreement with USDA.

-END-
Attachment A: Suggested Literature

7. The FCCI periodically compiles a list of cocoa and chocolate organizations around the world. https://chocolateinstitute.org/resources/map/
9. Market push and pull factors within non-cocoa industries, Specialty Food Industry Association. https://www.specialtyfood.com/?gclid=Cj0KCQiAzsz-BRCCARIsANotFgNP7SbOsM-IDXfZIIuxHs6kGtF12y0n_s1z2xT4DH2kakHItE4gW0aAhFQEALw_wcB
10. International Chocolate Awards, an example organization to learn about growth avenues and trends. https://www.internationalchocolateawards.com/
12. “Market Concentration and Price Formation in the Global Cocoa Value Chain” research conducted by SEO Amsterdam Economics /KIT.
20. Lundy, Mark; Amrein, Alexandra; Hurtado, Jhon Jairo; Becx, Gertjan; Zamierowski, Nancy; Rodriguez, Fernando; Mosquera, Erika Eliana. 2014. LINK methodology: a participatory guide to business models that link smallholders to markets. Version 2.0. Cali, Colombia: International Center for Tropical Agriculture.
Attachment B: Budget Template

Please visit https://iesc.org/current-procurements/ to download a copy of Attachment B: Budget Template.