

The Registration of Interest is extended to Monday 26 April 2021, 5:00pm Fiji Time.

The Closing Date is extended to Friday, 30 April 2021, 5:00pm Fiji Time

## Request for quotation (RFQ) – goods or services

|                                      |   |
|--------------------------------------|---|
| RFQ Title:                           | RFQ-FJ210211 Assessment of export potential of premium kava products  |
| RFQ Issue Date:                      | Thursday 18 February 2021   |
| Terms of Reference / Specifications: | The Goods and/or Services to be delivered are detailed in the attached Schedule   |
| Project                              | Market Development Facility Phase II  |
| The Company                          | Palladium International Pty Ltd   |
| Registration of Interest             | Register your interest to submit an offer by sending your name, organization and contact details to the Contact Person by email on or before <u>Thursday, 11 March 2021, 5:00pm Fiji Time</u> . Indicate "RFQ-FJ210211 Assessment of export potential of premium kava products" in the subject line |
| Last date for Queries                | Send queries to the Contact Person by email on or before <u>Wednesday, Thursday, 11 March 2021, 5:00pm Fiji Time</u> . Indicate "RFQ-FJ210211 Assessment of export potential of premium kava products" in the subject line  |
| Closing Date and Time                | <b>Friday 19 March 2021 / 5:00PM Fiji Time</b>  |
| Contact Person                       | Andrew Reddy: <a href="mailto:andrew.reddy@thepalladiumgroup.com">andrew.reddy@thepalladiumgroup.com</a>  |
| Details for Submission               | Submit completed Response Form by email to the contact person on or before the closing date and time.   |

Thank you for your interest in the above procurement. As managing contractor for the Project, the Company invites you to submit a quote for the Goods or Services listed below. Your quote will be valid for the Validity Period.

Please forward your quote in accordance with the Details for Submission above by the Closing Date and Time.

I look forward to your response. If you have any queries, please do not hesitate to contact the Contact Person by e-mail on or before the Last date for Queries.

Yours sincerely,



Malcolm Bossley  
Country Director – MDF Fiji

## Terms and conditions

### 1. Quote Conditions

By submitting a quote, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

### 2. Quote Lodgement

The Company may grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFQ unless the Company determines to do so otherwise at its sole discretion.

### 3. Evaluation

The Company may review all quotes to confirm compliance with this RFQ and to determine the best quote in the circumstances.

### 4. Alterations

The Company may decline to consider a quote in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

### 5. The Company's Rights

The Company may, at its discretion, discontinue the RFQ; decline to accept any quote; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a Quote; satisfy its requirement separately from the RFQ process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate quotes as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

### 6. Amendments and Queries

The Company may amend, or clarify any aspect of the RFQ prior to the RFQ Closing Time by issuing an amendment to the RFQ in the same manner as the original RFQ was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties.

Any queries regarding this RFQ should be directed to the Contact Person identified on the cover page of this RFQ.

### 7. Clarification

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their quotes. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their quote.

### 8. Confidentiality

In their quote, potential suppliers must identify any aspects of their quote that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their quote.

The potential supplier acknowledges that in the course of this RFQ, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this RFQ and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFQ and after the completion of the process.

### 9. Alternatives

Potential suppliers may submit quotes for alternative methods of addressing the Company's requirement described in the RFQ where the option to do so was stated in the RFQ or agreed in writing with the Company prior to the RFQ Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

### 10. Reference Material

If the RFQ references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material and considering it in framing their quote. And provide it to the Company upon request.

### 11. Price Basis

Prices quoted must be provided as a fixed maximum price and show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

### 12. Financial information

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company reasonably requires in order to evaluate the potential supplier's financial stability.

### 13. Referees

The Company reserves the right to contact the potential supplier's referees, or any other person, directly and without notifying the potential supplier.

### 14. Conflict of interest

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person's judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

### 15. Inconsistencies

If there is inconsistency between any of the parts of the RFQ the following order of precedence shall apply:

- (a) these Terms and Conditions;
- (b) the first page of this RFQ; and
- (c) the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

### 16. Collusion and Unlawful Inducements

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their quote or the RFQ process.

Potential suppliers must disclose where quotes have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their quote from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFQ) which could give rise to a perception of bribery or corruption in relation to the RFQ or any other dealings between the parties.

### 17. Jurisdiction

This Agreement shall be subject to the laws of the Jurisdiction.

The Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this Agreement or the breach, termination, or invalidity thereof.

If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The appointing authority shall be the Secretary-General of the Permanent Court of Arbitration. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

The place of arbitration shall be the headquarters location of Company at the time the claim is filed and the language of the arbitration will be English. The relevant laws shall be the laws of the Jurisdiction.

## Schedule - Terms of Reference

### 1. Summary

Under our High Value Agriculture portfolio, MDF Fiji works with partners to strengthen the marketing of value-added products. MDF Fiji works with innovative SMEs who are intending to enter high value markets with the value-added, premium products. Generally, MDF Fiji's support takes the form of market assessments of destination markets. Information generated from these comprehensive assessments then enables SMEs to engage in well informed investment decisions, leading towards potential market entry. MDF Fiji is currently partnering with Lami Kava to help them understand the potential market for their products in Australia.

### 2. Background

In late 2020, MDF partnered with Lami Kava to support them to introduce premium kava products in the Australian market. Lami Kava is a fully locally owned and operated entity which was established in 1982. Lami Kava sources kava from kava farmers around the country, processing this into powdered kava at their central processing facility (under strict food processing standards) and wholesaling to local and export markets (such as USA, New Zealand, Tuvalu, Kiribati, Republic of Marshall Islands and Federated States of Micronesia).

Lami Kava is known as a supplier of good quality kava and for maintaining quality standards. Today, beyond wholesaling, the company has also grown to establish its own retail outlets in Suva. Lami Kava is an inclusive employer, and around half its staff are women. The company buys kava from approximately 40–50 commercial farmers who are paid instantly, and as a business, Lami Kava has been recording sound revenue and profits over the past 5 years.

Lami Kava is interested in entering the Australian market with its products when it re-opens to kava imports in 2021. In addition to the large diaspora market of Fijians and other Pacific islanders in Australia who consume kava, Lami Kava understands that there is an opportunity to also reach the non-islander community with its premium kava products, as has been possible in the US via kava bars in many states.

To facilitate this growth into the Australian market, MDF and Lami Kava are seeking submissions from suitable service providers (organisations and individuals) to assess the export potential of premium kava products, and guide Lami Kava on how to enter, position and market its product in the appropriate market segment in Australia.

This is a short-term assignment expected to be completed within 3 months and is expected to commence in March 2021.

### 3. Objective of the assignment

The key objectives for this assignment are:

- to provide market and category data and analytics for kava and similar/competing products in Australia;
- to determine the appropriate consumer market segment, understand consumer usage and attitudes, and use this understanding to develop a marketing strategy for the Partner's premium kava products;
- to provide clear pathway options to market through wholesale, online and/or retail distribution partners to reach the target consumer segments, together with associated sales revenue forecasts for a 3-year period.

#### 4. Scope of services

The Service Provider will undertake all activities necessary to fulfil the objectives and key deliverables of the assignment, including but not limited to the following:

| Activities  | Estimated level of inputs (Days) |
|---|----------------------------------|
| <p><b>a) Research Plan</b></p> <ol style="list-style-type: none"> <li>I. Develop a comprehensive research plan outlining methods, tools and procedures and estimated timeframes required to address all elements of the market assessment (highlighted below);</li> <li>II. Research Plan to be developed and presented to MDF and Partner for approval prior to commencement of the assessment.</li> </ol>   | 2                                |
| <p><b>b) Market &amp; Category Research including Channel</b></p> <ol style="list-style-type: none"> <li>I. Undertake market research to determine the appropriate market segment in the Australian beverage market for the Partner's premium kava products (including costs, key market locations, total market size, product margins for wholesaler, distributors and retailers in each of identified market segments and potential volumes and growth opportunities, general trading terms and conditions); This will include all applicable taxes associated with the export of kava products into Australia.</li> <li>II. Using historical market trends for kava (pre-ban period), develop market supply-demand trends for when the ban is lifted and define the competitive landscape and potential price points for the Partner's products.</li> <li>III. Use trends and data of kava exports to similar markets such as USA and NZ to evaluate potential opportunities that are transferrable to Australia.</li> </ol> | 7                                |
| <p><b>c) Stakeholder Dialogue</b></p> <ol style="list-style-type: none"> <li>I. Hold one-on-one discussions with key industry players and potential distributors to understand their capacities and develop business profiles (i.e. brand/product portfolios', distribution networks and technical capacity)</li> <li>II. Identify the most feasible market channels appropriate for the Partner's premium kava products to use to enter the Australian market.</li> <li>III. Facilitate introductions between Partner and recommended potential Australian distributors of the Partner's premium kava products.</li> </ol>   | 5                                |
| <p><b>d) Consumer Research</b></p> <ol style="list-style-type: none"> <li>I. Using the market research, identify and analyse consumer responsiveness, preferences (price, packaging, purchase points etc), attitudes, behaviours and willingness to purchase kava products, with particular focus on the Partner's kava products.</li> <li>II. Develop pricing scenarios based on consumer responses, plus information from market, category and channel research.</li> <li>III. Based on consumer responses, issue recommendations on product development and positioning.</li> </ol>  | 4                                |
| <p><b>e) Promotional Channels &amp; Marketing Platforms</b></p> <ol style="list-style-type: none"> <li>I. Identify and recommend promotional channels and marketing platforms for the premium kava products into the selected Australian market segments. Work with the partner to develop their 'Go to Market' strategies/plans.</li> </ol>  | 2                                |
| <p><b>f) Pathway to Sales</b></p> <ol style="list-style-type: none"> <li>I. Develop a pathway to increase sales, i.e. develop the 3-5 year projections for the Partner, via the recommended product distribution channels, and marketing and promotion platforms, based on market research and appropriate pricing;</li> </ol>  | 3                                |
| <p><b>g) Import Requirements</b></p> <ol style="list-style-type: none"> <li>I. Identify all biosecurity and legislative requirements (and associated constraints)</li> </ol>  | 1                                |

|   |           |
|---|-----------|
| for kava products imported into Australia (i.e. product testing, packaging, labeling etc.) and applicable to all of Partner's kava products. This includes packaging and labelling requirements for general Fast Moving Consumer Goods (FMCG) products and those specific for different states.   |           |
| <b>h) Reports – Market Assessment Report &amp; Marketing and Sales Strategy</b><br>I. Design and present draft market assessment report, incorporating the findings of the above research activities. Finalise market assessment report.<br>II. Design and present the draft marketing and sales strategy. Document and present final marketing and sales strategy. | 6         |
| <b>TOTAL ESTIMATED DAYS REQUIRED</b>  | <b>30</b> |

## 5. Reporting obligations

Along with the invoice for the services provided, the Beverage Consultant will provide periodic, documented information as outlined in the 'Scope of work'. Specific deliverables will be as follows:

- Draft and final Research Plan.
- Draft Market Assessment Report, including market research conducted, key insights, market analytics, and key recommendations with a clear pathway to increase sales projections via key distribution channels in the appropriate market segment in Australia. This will include face-to-face presentation delivered to MDF and the Partner.
- Draft Marketing & Sales Strategy including the project plan (including but not limited to new product packaging, pricing, launch, timelines and locations etc). This will also include face-to-face presentation delivered to MDF and the Partner.
- Final Market Assessment Report and Marketing and Sales Strategy for Lami Kava which incorporates the Partner and MDF's feedback.

## 6. Experience and qualifications

The successful service provider's proposed personnel/team must have the following combined experience and qualifications:

- degree-level qualifications in the areas of international business, economics, marketing or related field. A well-recognized qualification in marketing will be an added advantage.
- At least 10 years' experience in a consulting and/or senior commercial positioning, specializing in international marketing, consumer research and marketing within FMCG or beverage industry.
- Excellent report writing skills and verbal communication skills with the ability to exchange information and interpret data, with the Partner and key industry players professionally and efficiently.
- A thorough understanding and knowledge of the beverage industry and distribution channels/models in the Australian market.
- Strong international experience in agricultural export, marketing and/or trade development.
- Strong attention to detail and a strong analytical mind.
- Previous experience in undertaking market studies related to the introduction of new products in the market is compulsory.

## 7. Evaluation Criteria

### **Technical Criteria**

MDF will assess each submission based on compliance with this RFQ, ability to meet the requirements and overall value for money. The technical response will be evaluated using the following criteria:

- A. Demonstrated experience conducting market research and market data analysis similar or relevant to MDF's requirement (30%).
- B. Qualifications and experience of proposed personnel to deliver MDF's requirements (30%)
- C. Quality of the proposed comprehensive Research Plan (40%).

Interested Service Providers will need to provide a proposed Research Plan for the assessment and will be reviewed on each of the major milestones identified in the 'scope of work' above.

The technical score will account for 80% of the total score.

### ***Financial Criteria***

Following consideration of the technical response, MDF will undertake a price comparison of all suitable offers. The resulting financial score will account for 20% of the total score.

### **8. Duration and contracting details**

As part of the contracting process, selected Beverage Consultant or Beverage Consulting Firm will be requested to fill in MDF's Due Diligence Form which will be explained by MDF allocated Business Adviser.

If your quote is successful, you will be required to enter into the Company's standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company's policies, including (without limitation) its Business Partner Code of Conduct and any relevant Project Manual. Potential suppliers must also comply with the Company's Business Partner Code of Conduct in the submission of any quotes pursuant to this RFQ.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium's Due Diligence process.