

INVITATION TO BID
FOR LOGISTICS CONSULTANCY SERVICE

Tender.No.NCSC-0002/21

1. **National Cement Share Company (NCSC)** intends to procure service, through open competitive tendering, for logistics consultancy service for the fiscal budget year 2020/2021
2. Bidding will be conducted through open competitive bidding procedure using a non-discretionary "pass/fail criterion (for pre-evaluation qualification) and through technical and Financial evaluation
3. Bidding is open to eligible bidders of both Ethiopian and foreign companies.
4. All bids must be accompanied by a bid security 10% (ten percent) of the offered amount presented in the form of either cash, cash payment order (CPO), bank draft or letter of credit. The bid security **MUST** be valid for 90 days prior to the bid floated date.
5. Late bids shall not be accepted.
6. A complete set of bidding (TOR) documents may be acquired by interested bidders during the bid floating period, from our website www.nationalcementsc.com/bids;
7. Interested bidders may obtain further information via the following addresses;

Cell: +251 946439394/+251935985083/+251 935405018

E-mail: beyan.mustefa@nationalcementsc.com, alemayehu.negussie@nationalcementsc.com,

[weldgebriel.reda@nationalcementsc.com](mailto:weldegebriel.reda@nationalcementsc.com)

8. Bids must be duly received by NCSC at the following address:

bid@nationalcementsc.com

Or

**National Cement Share Company
Ethio-China Friendship Road
Wellosefer, KT-12 Building 1st floor**

Tel: +251 11 4 42 19 28/ +251 25 2 11 00 70

Cell: +251 935 985 083/+251 946439394/+251986894464

Addis Ababa, Ethiopia

On or before June 16 /2021 at 10:30 AM .

9. Bid opening shall be on June 22, 2021 at 10:30 AM at NCSC's **DIRE DAWA HEAD OFFICE**.
Bids will be opened in the presence of the bidders' representatives who choose to attend the opening.
10. NCSC reserves the right to reject any or all bids, declare a failure of bidding, or not award the contract at any time prior to contract award, without thereby incurring any liability to the affected bidder or bidders.

Note: Bids submitted via email shall have a subject "TENDER FOR LOGITICS CONSULTANCY SERVICE" or shall refer The **Tender number**.



NATIONAL CEMENT SHARE COMPANY

TOR FOR LOGISTICS CONSULTANCY SERVICE

1. INTRODUCTION TO THE COMPANY

The Company

National Cement Share Company (NCSC) was established in 2006 through the acquisition of the state-owned Dire Dawa Lime and Cement Factory, that was originally built in 1936 as the first cement plant in Ethiopia. The plant is in Dire Dawa City, 515 km east of Addis Ababa with proximity to the Ethio-Djibouti Railway.

Immediately after acquisition, the production capacity was upgraded from the original cement capacity of 36,000 tons per annum (TPA) to 150,000 TPA. Economics, scale and environmental issues led to the decision to mothball the old plant and a greenfield cement plant with a cement capacity of 1.4 Million TPA was commissioned in March 2013. The new plant is a modern integrated Plant with Raw Grinding VRM, a Coal Grinding VRM, In-Line Calciner (ILC) Kiln, 2 Cement Ball Mills. The plant has 4 Rotary Packers each with two loading bays as well as bulk cement loading facility.

The company has an annual turnover of ETB 2.418 billion (2019). NCSC has however continued to incur high cost of freight and administrative expenses. NCSC incurred ETB 364 million on freight in 2019 out of which ETB 163 million was on in-house transportation.

The Ethiopian market has experienced an increase in production capacity and a shift in distribution from a delivered model as opposed to the traditional self-collect model; National Cement established a marketing and logistics department to increase its competitiveness with the aim of retaining and expanding its market share.

Currently, the Logistics department has a fleet of 148 trucks with additional 100 trucks expected in 2021. The department has 255 employees made up of 233 permanent employees and 22 contract employees.

NCSC has identified main markets in which it aims to secure, sustain, and grow its market share. However, the fleet has so far been unable to effectively meet the delivered model strategy in these markets and the fleet has experienced significant downtime due to wear and tear as well as loss of capacity due to accidents.

NCSC is constantly trying to become more competitive in the central markets by increasing the effectiveness and efficiency of the company's fleet operation. However, the Company struggles to meet its objectives due to its long distance from these markets.



2. OBJECTIVES

NCSC's objective is to have to have efficient and effective Fleet Operations and therefore wishes to undertake an in-depth study with the following specific objectives:

- i. To assess the current fleet operation, identify gaps and make recommendations to improve the fleets effectiveness and efficiency.
- ii. Assist in the identification, selection and implementation of effective and efficient Fleet Operations models, management processes, procedures, and systems to improve the competitiveness of the Company.

3. SCOPE OF WORK

The scope of the consultancy service shall include the following:

- a) An in-depth assessment of NCSC's logistics assets including but not limited to manpower, maintenance facilities, tools, equipment, fleet size and status of each truck compared to leading practices
- b) Undertake a comprehensive assessment of the existing fleet operations including but not limited to: Operations management, Fuel management, Tire management, Preventive maintenance, Breakdown management, Spare parts (Parts and inventory) management, Finance management, Fleet operations control system, IT systems, Human resource management, Performance management, Health, safety and security, Capacity Building, Reward management, Insurance management system, Claims and warranty, Data management, Planning, approval, and budgeting, Reporting System
- c) Undertake assessment of the fleet's past years performance trends of the company covering but not limited to TAT, serviceability, utilization, fuel & tire consumption, fleet cost per km per ton/truck of products transported, manpower costs by type and break-even analysis of the various routes
- d) Assess NCSC's current and future logistics needs
- e) Assess the operating environment with respect to legal and institutional arrangements and technical capacity
- f) Assess profitability of various routes
- g) Identify quick wins
- h) Make recommendations for effective and efficient utilization of the company's fleets.
- i) Provide technical support in planning proposed recommendations/activities with detailed action plan developing KPIs with targets, responsibilities, and timeline



4. EXPECTED DELIVERABLES

The consultancy is expected to commence within 15 days after the bid award. The delivery period shall be determined up on contract signing.

Among the specific deliverables are:

- a. Provide an assessment report detailing the existing fleet operations elements.
- b. Provide a gap analysis report for the current fleet operation of the company.
- c. Provide a report with specific recommendations to fill gaps identified and improve effectiveness and efficiency of the company's feet operation.
- d. Propose alternative models to increase the fleet's effectiveness and efficiency
- e. Submit a comprehensive action plan to transforming NCSC's fleet operations through the selection of appropriate models and implementation of proposed recommendations.
- f. Provide recommendations for suitable service providers required for the successful implementation of the recommendations including Operation and Maintenance.
- g. Develop Three Years strategic plan, Operational plan, Vision, Mission, Values of the transport company.
- h. Develop Organogram, Manning, and Job description & job specifications.
- i. Provide Fleet Operation Manual, Auto-Garage (truck Maintenance) manual, Marketing Manual, and necessary guidelines & formats.
- j. Propose as to where the head office should locate & branch(s) if it is required with alternatives & justifications.
- k. Enable the whole system, including dispatch, warehouse, maintenance, marketing , through modern transport software (IT).

5. REPORTING AND SUPERVISORY ARRANGMENT

The consultant shall work closely with the coordinator assigned by NCSC and are expected to report regularly on the progress of the engagement to same.

6. COMPETENCY AND EXPERTISE REQUIRED

The consultant is required to have prior expertise in logistics business related assessment and studies with minimum of five years of experience as consulting business.



7. PROPOSAL SUBMISSION

You are invited to submit a technical proposal & a financial proposal as separate documents:

Part 1: Technical Proposal

- a) Qualification and experience of the individual or firm.
- b) Approach and methodology to undertake the Work underpinned by a demonstration of ability to complete the Work within the set time frame and value for money.

Part 2: Financial Proposal: A detailed financial budget (in Birr/USD) linked to the work plan.

Evaluation Criteria

The proposal will be evaluated as follows:

Technical Proposal	70%
1) An understanding of the Work requirements	15%
2) Methodology and work-plan that will deliver the Work on time and have the best value with the set time frame	20%
3) Relevant services undertaken by the bidder in the past engagements.	20%
4) Detailed reference list indicating the scope and magnitude of similar Work with letters of reference from past clients	5%
5) Additional value add	10%
Financial Proposal (All amounts to be shown in Birr/USD)	30%

The proposals are expected to be creative, comprehensive, and contain a detailed description of the processes by which the Consultant will perform the services described in this TOR.

The Consultant is free to make recommendations of additional scope or services that may be beneficial to help NCSC meet or exceed its goals.

Where appropriate, the Consultant shall provide an estimate of what resources including, facilities, equipment, personnel, communication technologies and other resources that may be required for implementing any proposed plan.

Proposals submitted via email shall have a Subject "TENDER FOR LOGISTICS CONSULTANCY SERVICE" or refer the tender number.



Annex-1

PART ONE

INSTRUCTION TO BIDDERS

1. Bid offer must be sent to our email address: bid@nationalcementsc.com protected by multiple passwords of management members or may submit to Addis Ababa office before the closing date:

National Cement Share Company

Ethio-China Friendship Road Wellosefer

KT-12 Building 1st floor

Cell: +251 946439394/+251935985083/+251 935405018

E-mail: beyan.mustefa@nationalcementsc.com, alemayehu.negussie@nationalcementsc.com,

weldegebriel.redda@nationalcementsc.com

Addis Ababa, Ethiopia

Bidders may contact us directly through the above email and telephone for further information, if any.

2. Bids shall be submitted by the consultant (Bidder) within 20 days after the first announcement of the tender during office hours (7:30 AM-5:30 PM) every Monday to Friday and (7:30 AM-12:00 AM) every Saturday. Opening of the bids shall be on the 26th day after the first announcement of the tender at 10:30 AM in the presence of bidders or their representative who choose to attend at National Cement Share Company in Dire Dawa office.



PART TWO

GENERAL CONDITIONS

1. APPOINTMENT OF AGENT

Bids submitted by persons other than the consultant shall be accompanied by a certified letter from the consultant stating that the bidder is authorized agent of the said service provider.

2. CONSULTANT'S NAME AND SIGNING OF DOCUMENTS

- 2.1. The bid shall bear the legal name of the consultant and shall be signed by an officer of the service provider.
- 2.2. The bid shall have the bidders name and signature to be shown on each sheet on which he makes an entry. Any changes shall be initialed by the person signing the bid.

3. PRICE AND TERMS OF PAYMENT

- 3.1. The bidder shall indicate the total price in his/her pro-forma invoice. The price shall be inclusive of all costs and taxes.
- 3.2. The price quoted shall be firm for at least 60 days from the date of the bid opening.
- 3.3. The bidder shall submit his quotation in ETB (Ethiopian Birr) or USD.
- 3.4. The price offer should be submitted separately from the technical offer.

4. AWARD OF CONTRACT

- 4.1. The bid award shall be made to the responsible bidder who complies with requirements in the bid documents and technical specifications and whose bid is most advantageous to the NCSC, price and other factors including but not limited to the following points will be considered for evaluation.
 - a. Technical Evaluation
 - b. Efficiency and Reliability
 - c. Price Evaluation
- 4.2. Prior to the expiration of the period of bid validity, the NCSC will notify the successful bidder in writing, by fax or mail that the bid has been accepted.
- 4.3. Conditions which were not stipulated in the offer shall not be accepted by NCSC.



PART THREE
BID SCHEDULE

To: National Cement Share Company (NCSC)

Dire Dawa

Dear Sirs,

Having examined the Bid document for the provision of the service stated under your Invitation to bid No _____ We, the undersigned hereby submit the following offer for the services listed below in accordance with the terms of the bid document issued by NCSC.

S. No	Description of services to be provided	Total Price	
		Birr	USD

1. The above prices must be firm for 60 days from date of bid opening
2. State clearly the delivery date: _____

We undertake, if the bid is accepted, to have all services provided within _____ calendar days from the date of contract signing.

Signature of the bidder: _____

Date: _____

