

Request for Proposals for Comprehensive Market Assessment, Economic Impact Analysis, and Strategies to Increase U.S. Cheese Exports to Thailand

Purpose of the Request for Proposals (RFP): The purpose of this Request for Proposals (RFP) is to establish a contract with a qualified consultant to perform a comprehensive market assessment, economic impact analysis, and develop strategies to increase U.S. cheese exports to Thailand.

Statement of Work

Background: While cheese imports to Thailand continue to grow, lower tariffs for U.S. competitors, such as Australia and New Zealand, threaten U.S. market share. In 2020 under the ASEAN-Australia-New Zealand free trade agreement, tariff rates for cheeses from Australia and New Zealand will reach 0% with no safeguards, while U.S. cheese exports will continue to have a 30% tariff applied.

As demonstrated by the table below, cheese imports into Thailand have grown quickly and significantly in recent years, including for U.S. cheese.

Cheese Imports into Thailand (tons)

Country	2015	2016	2017	2018	2019
Australia	2,986	3,790	3,182	4,262	5,070
New Zealand	4,535	5,081	4,156	5,535	4,368
United States	1,145	1,384	1,725	1,293	1,529
Belgium	480	932	1,303	1,192	1,123
Italy	544	471	612	688	748
France	483	607	663	661	716
Germany	726	702	754	848	705
United Kingdom	31	220	451	518	512
Austria	6	23	28	186	436
Netherlands	228	294	259	372	363
Other	873	1,126	1,766	1,540	1,406
Total	12,037	14,630	14,899	17,095	16,976

Source: Thai Customs Department

Thailand has a growing food service industry, with more and more Western style restaurants, as well as increasing use of cheese as an ingredient in baked goods, ready to eat foods, and snacks. According to the Nielsen Global Snacking Report, refrigerated snacks (including cheese snacks) jumped 6.4% in Asia-Pacific (including Thailand). Thailand's economic growth has led to an emerging middle class with growing demand for dairy products such as processed cheese. Expansion in the food service, food processing, and retail segments are being catalyzed by changes in food consumption habits and a dynamic tourism sector. Thailand has a strong food-manufacturing base and is one of the world's largest food product exporters, resulting in an increasing focus on improving the quality of food ingredients.

Thailand's food processing industry has developed rapidly and is one of the most developed in South East Asia with more than 10,000 food and beverage processing factories. According to KResearch, Thailand's food and beverage exports in 2019 increased by 3.5 percent to reach

U.S.\$ 26.6 billion. Food processing firms in Thailand are organized through the Federation of Thai Industry (FTI) and the Frozen Food Association (FFA). Through these organizations they frequently lobby the government on matters related to their interest. For example, FTI has successfully worked with the Thai Food and Drug Administration (FDA) on food labelling and food additive issues.

A reduction of the import tariff on U.S. cheese is needed to increase the use of U.S. cheese in Thailand. To successfully request Thailand to consider lowering the import tariff on any certain imported product, the keys to success are: (1) creating an economic argument showing that domestic Thai industries will benefit greatly from lower tariffs on inputs and (2) organizing the local industry to collectively lobby the government (Ministry of Finance and Ministry of Commerce for a tariff reduction. The key factors that these ministries weigh when evaluating tariff reduction proposals are: (1) the positive benefits for Thai industries, (2) the negative effects on Thai producers, and (3) the impact of any tariff reductions on government finances. This project is designed to demonstrate to the Thai government that a lower tariff will generate competitive advantage for Thai manufacturers by allowing them to compete more effectively with competitors in other countries. Increased exports will result in increased profits for Thai industries which should blunt any negative financial impacts that will result from lower tariffs and will eventually increase Thai government revenue from the incremental increases in sales tax and other relevant taxes.

Thai food processors and consumers have steadily increased their cheese purchases resulting in cheese imports doubling over the past 6 years. The recent tariff agreement with New Zealand shows that cheese is not a sensitive commodity for Thailand. In that agreement, New Zealand gained increased market access without expanding the market access they provided to Thailand. As Thailand does not have a strong dairy sector, there is no industry trade association that would oppose a tariff reduction for cheese. However, Thai food processors are seeking to expand exports to the ASEAN Economic Community and need cheaper inputs to increase their competitiveness. This is a target area of the government's "4.0" economic make-over plan meaning that this project will align with the government's objectives.

Project Description: The U.S. Department of Agriculture, Bangkok Office, seeks proposals from interested consultants to conduct a comprehensive market and economic impact analysis and develop strategies. The selected consultant will build an economic case for lower tariffs on U.S. cheese, and to present this information to U.S. Department of Agriculture, Bangkok Office, along with the stakeholders. The ultimate objective of this project is to reduce the import tariff for U.S. cheese from 30 percent to 0 percent by 2021.

The U.S. Department of Agriculture, Bangkok Office, will review, interview and select the consultant for the project, guide the project's process, and serve as the primary local point of contact for the project.

Project Objectives:

- 1) Conduct market assessment and economic impact analysis of a lowering import tariff rate of cheeses in Thailand. Create a cost and benefit analysis for the Thai food industry;

- 2) Identify market potential for U.S. cheese with respect to the food manufacturing and processing market segments;
- 3) Develop alternative effective strategies to convince the Thai government to lower import tariff to benefit and increase the competitiveness of the Thai food industry; and
- 4) Conduct three meetings with Department and all relevant stakeholders to present suggested strategies together with the results of the market assessment and economic impact analysis.

Detailed Project Description and Required Deliverables:

The selected consultant will provide research, analysis and recommendations sufficient to accomplish the “Project Objectives” as stated above. At a minimum, the scope of work shall include the following:

- The selected consultant will begin by identifying key industry trade stakeholders; this is a crucial step to identify the right and key stakeholders (key food manufacturers, industrial cheese users, importers) to work on the tariff reduction issue. The stakeholders will assist in providing information, insights, direction and counsel for the project. This group of stakeholders should consist of up to 10-15 representatives, including FAS Bangkok, California Milk Advisory Board (CMAB) and U.S. Dairy Export Council (USDEC) Thailand representatives, as well as representatives from the leading importers, foodservice, retailers, industrial users, and others with a strong interest in the issue;
- The consultant will conduct a market assessment and an economic analysis of the economic impact of the tariff reduction on the Thai economy and international supplying countries. The study will be undertaken by the consultant with support and input from FAS Bangkok, as well as CMAB, USDEC, key government officials, consumers, as well as leading importers, industrial and food service users, retailers, and other private sector representatives. The analysis should focus on the impact lower tariffs for U.S. cheese will have on Thai food processing firms and exports, especially highlighting the benefits and competitive advantages gained by Thai food industry;
- The consultant will conduct at least 30-40 interviews with individuals and/or small groups to gain additional insights. The market assessment and economic analysis will be used to cooperate with all key stakeholders, particularly those in the Thai government and private sector, in order to quantify the benefits and costs to Thailand of various tariffs levels;
- Organize meetings to collect more information and present a market assessment and an economic analysis of the economic impact of the tariff reduction on the Thai economy and international cheese supplying countries; and
- The consultant will present the information to stakeholders focusing on the benefits that Thailand will gain from the tariff reduction, and prepare a proposal for U.S. Department of Agriculture to be used as a basis for a further submission to the Thai government requesting a tariff reduction on U.S. cheese.

Proposal Format and Content

The proposal submittal must contain the following information:

1. **Cover Letter.** Provide name and address of the company(s) and project contact person with address, phone and email. Summarize your understanding of the project scope and services being required. Provide a statement indicating your ability to provide timely services for this project and to meet the requirements of the proposed schedule. Indicate your acceptance of the requirements of this RFP. The cover letter must be signed by a duly authorized official of the company.
2. **Project Team.**
 - a. Prepare an organizational chart showing the project team
 - b. Provide resumes or a listing of information for each person included in your proposed project team. State the educational background of each individual, years of experience, length of employment with your company, and previous project experience. For each person, list specific responsibilities on this project, experience on economic impact studies of similar size and type, specific qualifications applicable to this project, and any current work assignments which may affect availability for this project.
 - c. Any capacity and/or resources available that would enable you to back up and support the assigned staff.
 - d. Describe specific knowledge of food business and familiarity with Thai food processing industry and networks.
 - e. The examples of projects involving market analysis, strategy formulation, and related business development work.
 - f. For the project manager and other “key” team members proposed, provide at least three client references (contact person, phone, email and summary of project).
 - g. Experience in Thai government is highly desirable.
 - h. Describe commitment and procedures in delivering flawless service to your clients.
3. **Project Approach**
 - a. Provide a description of your project approach including – but not limited to – all items listed above, a work plan and estimated personnel hours, if available. Any changes that your team might recommend to the overall scope of work should be indicated and explained.
 - b. Any additional information that would uniquely qualify your team for this project.
4. **Deliverables:**
 - a. List of all interviews conducted by the consultant.
 - b. Consultant will submit a draft of final report on economic impact analysis and a proposal to be submitted to the U.S. Department of Agriculture.
 - c. Final report on economic impact analysis, key findings, and proposals to be submitted to FAS/Bangkok. The report will be in a format that will be ready for further submission to the relevant Thai governments for review and comment, prior to finalizing. The final report document must be delivered in PDF format, with a separate PDF for the executive summary.
 - d. Presentation to be delivered by the consultant at several meetings (about 3-5 meetings) with the stakeholders including U.S. Department of Agriculture, Bangkok office, project team, food industry. The number of the meetings should include any follow-up meetings to provide further information if required by FAS Bangkok. An electronic file of the consultant’s PowerPoint presentation should be included in the

deliverables so that the U.S. Department of Agriculture and project partners for further discussion on the consultant's findings and recommendations for the strategic approach to the Thai governments.

5. Detailed budget breakout: Explain in detail how costs are broken down and calculated. The budget also includes printing and filing documents to be presented the advocacy group for consultation and related government agencies and costs for seminars, meetings, and conference facilities for advocacy group meetings.

Selection Criteria:

Upon receipt of the proposals, U.S. Department of Agricultural, Bangkok office will evaluate the completeness of each proposal. All complete proposals will be forwarded to relevant members of the project team including but not limited to U.S. Dairy Export Council and the California Milk Advisory Board. USDA, with advice from the project team, will rely on the qualitative information contained and presented in the proposals, interviews, and reference checks in making the decision to select the most qualified firm to provide services for this project.

Selection criteria will be based on:

1. Appropriate explanation detailing the approach to the project objectives and scope of work as stated in this RFP;
2. Demonstrated understanding of the project. Ability to Complete the Scope of Work: Consultants should comment on their ability to complete the scope of work listed, being sure to list any items they do not feel they would be able to complete, and any additional items they can provide above the scope;
3. The company background and applicable project experiences:
 - Explanation of Experiences-Preference will be given to consultants who have experience with governmental economic impact analysis and lobbying/ trade negotiation experience;)
 - Proven record of market research and analysis, preferably on the food manufacturing business;
 - Knowledge of the economic opportunities and challenges for U.S. food products;
4. Abilities and Backgrounds of Personnel: Consultants should list the key personnel who will be responsible for providing services and provide resumes for those individuals. Please include all relevant experience during the last 3 years with similar governments. Project team members' experience on comparable projects;
5. Team's knowledge and insight of food industry, experience in conducting economic analysis, proposal preparation, and past experiences in dealing with the Thai governments;
6. Track record of success in conducting economic analysis, proposal preparation, and past experiences in dealing with the Thai governments;
7. Detailed Explanation of Costs: Explain in detail how costs are calculated;
8. References: Include a minimum of three (3) references. At least two references should be a former client.

Based on evaluation of written proposals, the U.S. Department of Agriculture, Bangkok office, may ask a number of companies and their representatives to present a proposal for services, e.g. interview with the project team. The U.S. Department of Agriculture reserves the right to not select a company as part of this process if the project team feels the criteria of the project have not been met or an agreement cannot be reached with any of the interviewed companies.

Schedule:

This schedule represents the U.S. Department of Agriculture, Bangkok office's, best estimate of the timing for the RFP. If a component of this schedule such as the deadline for receipt of proposals is delayed, the rest of the schedule may be shifted accordingly.

RFP Issued:	March 24, 2020
Deadline to acknowledge interest & submit questions	April 20, 2020
Answers to questions sent to all consultants who have acknowledged interest	April 30, 2020
Deadline for Proposal Submittal	June 1, 2020
Interviews with consultants	June 10, 2020
Intent to award	June 20, 2020
Work begins	July 1, 2020
An initial meeting with the U.S. Department of Agriculture, Bangkok to present the project timeline and identifying key industry trade stakeholders	Within July 10, 2020
A meeting with the U.S. Department of Agriculture, Bangkok and relevant stakeholders to present the initial findings and project update.	September 1, 2020
Meetings to present the market assessment, economic analysis, and strategy with U.S. Department of Agriculture and relevant stakeholders	December 18, 2020
Submission of the proposal requesting the government to lower import tariff on U.S. cheeses to U.S. Department of Agriculture	January 10, 2021
Anticipated Project Completion Date	February 01, 2021

During the evaluation process, the U.S. Department of Agriculture, Bangkok office, reserves the right to request additional information or clarifications from proposers and the right to reject any or all proposals. All costs to develop submitted proposals are entirely the responsibility of the individual or consultant and shall not be charged in any manner to the U.S. Department of Agriculture, Bangkok office. This includes, but is not limited to, the direct cost of consultant's personnel assigned to prepare consultant's response to the RFP and any out-of-pocket expense (including, but not limited to travel accommodation, supplies, etc.) incurred by the individual or consultant in preparing the response to the proposal.

Points of Contact:

U.S. Department of Agriculture (FAS/Bangkok):

Russ Nicely, Agricultural Counselor, Russ.nicely@usda.gov
Eric Mullis, Agricultural Attaché, Eric.mullis@usda.gov
Sukanya Sirikeratikul, Marketing specialist, Sukanya.sirikeratikul@usda.gov
Tel (66) 02 205-5106

INSTRUCTIONS TO OFFEROR

Each offer must consist of the following:

A.1. A completed proposal and price.

A.2. Information/demonstrating the offeror's/quoter's ability to perform, including:

(1) Name of a Project Manager (or other liaison to the U.S. Embassy/Consulate) who understands written and spoken English;

(2) Evidence that the offeror/quoter operates an established business with a permanent address and telephone listing;

- Business Registration
- Company profile
- Technical proposal
- Client list

A.3 List of clients over the past 2 years, demonstrating prior experience with relevant past performance information and references (provide dates of contracts, places of performance, value of contracts, contact names, telephone and fax numbers and email addresses). If the offeror has not performed comparable services in Thailand then the offeror shall provide its international experience. Offerors are advised that the past performance information requested above may be discussed with the client's contact person.

The Government will use past performance information primarily to assess an offeror's capability to meet the solicitation performance requirements, including the relevance and successful performance of the offeror's work experience. The Government may also use this data to evaluate the credibility of the offeror's proposal. In addition, the Contracting Officer may use past performance information in making a determination of responsibility.

A.4 The offeror shall address its plan to obtain all licenses and permits required by local law. If offeror already possesses the locally required licenses and permits, a copy shall be provided.

A.5. The offeror's strategic plan for Market Assessment, Economic Impact Analysis and Strategies to Increase U.S. Cheese Exports to Thailand services to include but not limited to:

- (a) A work plan taking into account all work elements per Statement of Work.
- (b) Identify types and quantities of equipment, supplies and materials required for performance of services under this contract. Identify if the offeror already possesses the listed items and their condition for suitability and if not already possessed or inadequate for use how and when the items will be obtained;
- (c) Plan of ensuring quality of services including but not limited to contract administration and oversight; and

(d) (1) If insurance is required by the solicitation, a copy of the Certificate of Insurance(s),
or (2) a statement that the contractor will get the required insurance, and the name of the insurance provider to be used.

EVALUATION FACTORS

- Award will be made to the lowest priced, acceptable, responsible offeror. The quoter shall submit a completed proposal and price.
- The Government reserves the right to reject proposals that are unreasonably low or high in price.
- The Government will determine contractor responsibility by analyzing whether the apparent successful offeror complies with the requirements, including:
 - Necessary organization, experience, and skills or the ability to obtain them;
 - Necessary equipment and facilities or the ability to obtain them; and
 - Be otherwise qualified and eligible to receive an award under applicable laws and regulations.