



COAST DEVELOPMENT AUTHORITY

**TERMS OF REFERENCE FOR A FEASIBILITY STUDY FOR
AN AUTOMATED FRUIT/MANGO PROCESSING PLANT AT
HOLA**

November, 2016

Introduction

Coast Development Authority is a State Corporation established by an Act of Parliament CAP 449 of the Laws of Kenya to plan and coordinate the implementation of development projects in the whole of Coast Region, the Southern part of Garissa and the exclusive Economic zones for connected purposes. The Authority has a fruit processing plant in Tana River County which has two lines that process pulp and juice. The machines are manually operated and have affected the quality and quantity of the products.

The Authority has received limited funding from the Government and proposes to invest in a medium scale new fruit/mango processing equipment. The Authority wishes to engage the services of a consultant to carry out a feasibility study on the mango processing project. The consultant is expected to submit both technical and financial reports to the Authority within 2 weeks from the date of award.

Terms of Reference (TORs)

The Terms of Reference for this feasibility study include but are not limited to the following;

- 1) Review the current status of the existing processing plant in hola
- 2) To analyze the Production of mangoes /fruits in the region with emphasis on availability of raw materials to the factory.
- 3) To carry out market analysis to determine supply,demand,pricing and distribution strategies of the products
- 4) To determine and itemize the capacity and specifications of the plant and its auxiliaries.
- 5) To determine the cost of the machinery and its auxiliaries and provide a detailed financial analysis i.e
 - Internal Rate of Return
 - Payback Period
 - Break even Point
 - Cash flow projection for the next ten years
 - Balance sheet projection for the next ten years
 - Projected sales
 - Projected cost of sales
 - Projected gross profit
 - Projected profit and loss statement
 - Profit before tax
 - Retained earnings
 - Projected fixed costs
- 6). To guide on the mode of Public Private Partnership arrangement