

## Request for Proposal

Page 1 of 5

Master Contract #: \_\_\_\_\_

Vendor Contract #: \_\_\_\_\_

VISION Vendor #: \_\_\_\_\_

**Release Date: 1/11/2021****Response Due: 2/15/2021**

### PROJECT DETAILS

#### Distribution Network Capacity Study for New England Value-Added Dairy Products

The Northeast Dairy Business Innovation Center (NE-DBIC), hosted at the Vermont Agency of Agriculture, Food and Markets (VAAFAM), seeks a contractor to conduct research of New England's distribution network capacity for value-added dairy products. This report shall include an in-depth discussion regarding New England's current distribution system, capacity, and geographic considerations to determine opportunities to get products to further and more robust markets.

#### Agency/Department

Name: Vermont Agency of Agriculture, Food, and Markets

Contact: Laura Ginsburg, Agriculture Development Division Section Chief

Address: 116 State Street

Contact Phone: (802) 522-2252

Montpelier, VT 05620

Contact Email: [laura.ginsburg@vermont.gov](mailto:laura.ginsburg@vermont.gov)

Proposals must be submitted as a single PDF document via email to the contact above.

#### TIMELINE\*

Release Date: 1/11/2021

Responses Due: 2/15/2021

Contract Start Date: 3/15/2021

Contract End Date: 1/31/2022

*\*To be finalized after proposals are received and negotiated*

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BUDGET

Maximum budget for project: \$95,000

PROJECT BACKGROUND

Accessibility to a robust and efficient distribution structure and network is vital to the success of any food system. Without that accessibility, New England farmers and food businesses struggle to compete and capitalize on the qualities that distinguish many of their businesses: source-identified, high quality, safe products delivered with transparency and a connection to small business.

New England producers are reliant upon east coast metropolitan areas to market and sell value-added dairy products. In Vermont, this is particularly true as the largest dairy producer in New England. Within a 330-mile radius from Montpelier, Vermont there are 49 domestic and international metro areas and a total population of nearly 50 million. Getting value-added products to these markets has consistently been a struggle for small and medium sized producers, who must weigh the opportunity costs of various distribution avenues with no clear sense of what will be most beneficial to their business, scale, and growth plans. Supply chains often face a variety of transportation-related challenges including capacity shortages, empty backhauling, security and contamination, and concerns over environmental impacts and non-renewable energy consumption. Often, New England value-added processors rely on a variety of distribution models, including self-distribution, freight shipping, wholesale distribution, and intermediated market distribution. However, each model is saddled in an inefficient distribution network that requires a learning curve to operate within it efficiently, meaning that small to medium sized processors often struggle to get their products into the highest value markets.

Transportation of regionally produced food can be inefficient, due to the economies of scale that can be achieved with long-distance freight movement of full truckloads. This is especially true for producers of specialty crops and niche food products - managing their movement from farm to market is much more complex and expensive than distributing large volumes of uniform products. Smaller volumes also add to shipping and handling costs. Producers, food hubs, and smaller wholesale distributors may lack the communication and logistic technologies to optimize shared ordering and routing. In Vermont, for example, the issue is compounded by a complex network of roads and distribution routes along with a lack of CDL drivers. A 2018 report by the Vermont Department of Labor shows "Heavy and Tractor- Trailer Truck Drivers" as the profession with the third most current openings in the state, among the category of professions requiring some college

## Request for Proposal

Page 3 of 5

Master Contract #: \_\_\_\_\_

Vendor Contract #: \_\_\_\_\_

VISION Vendor #: \_\_\_\_\_

experience, associate degree, or other non-degree award. Outside of depressed milk prices, this has become one of the largest issues facing the dairy sector.

Research conducted on New England's distribution network capacity will create opportunities for regional dairy supply chain partners to better coordinate and develop a more efficient, cost effective system for a variety of different sized value-added operations. The NE-DBIC is seeking to better understand what barriers and gaps exist in the current distribution system that prevents small to medium sized value-added processors from accessing further and higher value markets.

### STATEMENT OF WORK

The NE-DBIC seeks a contractor with previous experience in food and agriculture markets and distribution research to examine New England's value-added distribution system and what could be improved to develop expansion. The contracted firm will work directly with NE-DBIC staff to understand the role and current inefficiencies of distribution capacity in the Northeast.

This report can include, but is not limited to, the following elements to be conducted in two phases:

1. Phase One – Discovery:

The contractor should value the discovery phase as a way to gain a variety of perspectives and opinions through members of the New England distribution supply chain. NE-DBIC staff will work with the selected contractor to identify regional organizations and businesses that should be engaged in this process to complete the following:

- a. Discuss efficiencies and inefficiencies with current supply chain partners
- b. Identify and summarize other relevant regional distribution studies that have been conducted
- c. Recognize gaps and supply chain pressure points that prevent further distribution of regional dairy products to higher value markets
- d. Address complexities of geography, inefficient network of roads, lack of drivers, including possible opportunities to overcome these challenges
- e. Identify if processor knowledge, skills, and abilities to act within the distribution system on behalf of their business is an area for development

## Request for Proposal

Page 4 of 5

Master Contract #: \_\_\_\_\_

Vendor Contract #: \_\_\_\_\_

VISION Vendor #: \_\_\_\_\_

### 2. Phase Two – Focused Research and Recommendations:

The contractor and NE-DBIC staff will jointly determine Phase II focus areas as a direct result of research and identified areas of development from Phase I. Depending on research needs, Phase II may need to include a sub-contractor with specific subject matter expertise as appropriate (e.g., a logistics firm to more clearly understand regional capacity). Phase II may include the following:

- a. Identification of short-term and long-term steps that can be taken to relieve distribution bottlenecks
- b. Opportunities for coordination between New England states
- c. Opportunities for transportation coordination and innovation between existing supply chain partners
- d. Opportunities for better producer to producer coordination--even with potentially very different dairy products--to efficiently reach more robust markets while promoting manageable growth
- e. Opportunities to maximize existing distribution networks, with a focus on accessibility, efficiency, and cost effectiveness for a variety of value-added operations

### TARGET AUDIENCE

The report and analysis will be provided to VAAFM, the NE-DBIC, and dairy industry producers, processors, supply chain members and partners. Contractors will be expected to hold at least one virtual presentation for industry partners and the regional dairy community. The report will be made available online for free download.

### PERFORMANCE MEASURES & DELIVERABLES

- The Contractor will conduct a planning meeting with Agency and Dairy Business Innovation Center Staff during March 2021.
- Based on findings from Phase 1, contractor and State will develop focus area and deliverables for Phase II, which may include sub-contracting if necessary to obtain specialized information.
- Contractor will draft a report and incorporate two rounds of edits and feedback from the VAAFM.
- Contractor will incorporate edits and provide a finalized report suitable for public dissemination.
- Contractor will have a final package due by January 31, 2022

## Request for Proposal

Page 5 of 5

Master Contract #: \_\_\_\_\_

Vendor Contract #: \_\_\_\_\_

VISION Vendor #: \_\_\_\_\_

- Contractor will host at least one online webinar, open to interested stakeholders, to discuss and share research findings prior to contract end date.

### SUBMISSION REQUIREMENTS

Please include the following with your response to this bid:

1. **Project approach, background, and experience:** Please provide a history of your firm, a list of current and/or notable clients, a description of your firm's experience with distribution system analysis, notable examples of successful outcomes, and what makes your firm the right fit for writing this project.
2. **Resumes of project team leader and other team members.**
3. **Proposed work plan, activities, associated deliverables, reporting measures, and timeline**
4. **Project budget:** Please submit a budget, not to exceed \$95,000 that is both realistic and reasonable to complete the scope of services. Budget must tie specific activities to deliverables, with clear cost associated with each component of the proposal. Proposal shall include an hourly rate for services and any related expenses to be billed. Proposals should include all relevant costs to complete the work as detailed in PERFORMANCE MEASURES & DELIVERABLES, should note any travel requirements, and all proposals should include necessary costs to meet requirements of [Attachment C](#).
5. **3 samples of similar research projects (links to download are appropriate)**
6. **Certificate of Insurance** which meets the criteria as outlined in Attachment C
7. A **W9** signed within the last 6 months
8. Proof of a complete and successful registration at **sam.gov** with no exclusions. (Note: this process will take about a week) and your firm's **DUNS number**