

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF INDUSTRY AND TRADE**



NATIONAL DEVELOPMENT CORPORATION



Tender Number: TRI 85/2024/2025/1NV/02

**FOR
LEASING OF KIHUHWI RUBBER PLANTATION**



JUNE 2025

1. Background of the project

The National Development Corporation (NDC) was established in 1962 as Tanganyika Development Corporation (TDC) to succeed Tanganyika Agricultural Corporation through amalgamation of the activities of Colonial Development Corporation (CDC) and Mwananchi Development Corporation (MDC), NDC's mandate is stipulated in her Establishment Order No.90 of 1969, Public Corporations Act 1992, and Several Government Directives NDC is responsible for developing and managing basic industries and development and implementation of Strategic and Flagship Projects in collaboration or in partnership with Private Sector and other stakeholders. In this regard, NDC is entrusted with developing and implementing strategic projects, which are catalytic to economic and industrial development. In so doing, NDC is committed to developing internal production capacity and enabling citizens to own and drive the Tanzania economy.

Further, in executing her mandates. NDC implements Value Addition Industries through which the two rubber plantations namely, Kalunga and Kihuhwi Rubber Plantations fall in. Currently, both Kihuhwi and Kalunga Plantations produce Smoked rubber sheets and Cup lump. Smoked rubber sheets and Cup lump serve as raw materials for production of various products, including car tires, latex gloves, conveyor belts, rubber pipes, shoes, automotive parts and other rubber products.

It is on this basis, NDC invites strategic investors to develop Kihuhwi Rubber Plantations on leasing basis in order to enhance the capacity of Kihuhwi rubber plantation for sustainable production of basic industrial raw materials.

Project location Kihuhwi Rubber Plantation is situated in Muheza District, Tanga Region, 27 km from Muheza bus stand along Amani Road. The plantation borders Kwaisaka, Msowelo & Maskati villages,

2. Overview of Rubber Plantation at Kihuhwi

Kihuhwi Rubber Plantation was established between 1978 and 1985. The plantation size is 668.68 Hectares of which 318 Hectares are planted with a total of 56,078 matured trees available for tapping and 2,229 un-matured trees which were planted in 2021.

3. Scope of rubber plantation

Natural Rubber production can contribute to economic growth of environmental sustainability, and technological progress. With over 5,000 products relying on rubber as a key raw material, for products demanded by industries such as automotive, medical, and consumer goods. The prospects for profitable rubber farming continue to expand due to its high demand. Advances in planting,

harvesting, and processing technologies further boost the efficiency, yield, and sustainability of plantations, ensuring their long-term success. Furthermore, as the importance of environmental protection grows, rubber plantations like Kihuhwi are adopting eco-friendly practices, balancing economic growth with ecological preservation.

4. **Eligibility**

The bidder must be a Company with experience in the rubber industry or plantation agriculture possessing adequate capital, technology and an established market.

5. **Site visit and Pre-bid Meeting**

a) Prospective bidders are encouraged to visit and examine the project site and its surrounding environment. NDC will organize the visit to allow prospective bidders to obtain necessary information that may assist them in preparing their proposals. The site visit to Kihuhwi Rubber Plantation will take place on **9th - 10th June, 2025 11.00 AM.** in which the prospective bidders will cover their own cost.

6. **Clarifications of the request for proposal**

Prospective bidder shall inquire any **clarification within 7 days** of the advertisement date, and or during the site visit or pre-Bid meetings pursuant to **Section 5.0 (a)** of this document. Prospective bidders shall contact NDC in writing at the NDC's address shown below in Item No.26.

7. **Regulatory compliance in Rubber plantation and Environmental Issues**

The lessee shall abide by the Environment Management Act, Cap 191 and support sustainable land use practices.

8. **Lease Duration and Rental Terms**

i. Duration of the lease shall **be 6 years renewable**, with review in the **third year**.

9. The lessee shall pay to the lessor the agreed rent, exclusive of Value Added Tax (VAT). The lessee must pay leasing fees and prepare a comprehensive plan for the management and development of the area for sustainable production.

10. The lessee shall examine the condition of the plantation upon acceptance. If visible defects are present, the lessee must report such defects to the lessor. The lessee should conduct thorough risk assessment before making the investment.

11. The Lessor has the right to monitor the lessee's contract implementation, technical conditions of the plantation for increasing yields, quality and quantity of the products, and decide on delaying, the suspension, and termination of the contract.
12. The Lessee should agree to make the development and enhancement of plantation infrastructure, including but not limited to the construction of a modern factory, smokehouse, warehouse, electricity facilities, procurement of modern or upgraded sheeting machines, and improvement of shading facilities.
13. The lessee is responsible for planning, management and executing farm operations. The lessee shall pay all expenses, including payment of Labor wages and ensure good working conditions for employees, to protect employees' health and safety.
14. The lessee is encouraged to prioritize the domestic market for value addition by selling fresh Latex, and Dry rubber including Cup lumps.
15. The lessee is required to utilize the plantation with appropriate care, strictly adhering to its intended use.
16. The lessee is prohibited from engaging in any production activities other than rubber production within the leased plantation premises. Furthermore, the lessee will assume responsibility for any loss or damage to the existing infrastructures of the plantation.
17. **Technology upgrades**
The Lessee will install updated technology in the entire operations and bear all costs for acquiring, installing, and maintaining technology Standards. The equipment used must meet industry standards.
18. **Operation**
Operation efficiently, implement the best practices for tapping and processing to maximize output.
19. **Local content and social welfare**
The Lessee shall consider Tanzanian labor laws and local content regulations.
20. **Project Monitoring**
NDC shall oversee its mandate regarding rubber plantation. NDC will have the right to visit and inspect the plantation at any time through official communication.

21. **Price Setting**

Local Industry Pricing: Lessee to ensure fair competitive pricing for local buyers.

22. **Correction of Arithmetical Errors**

- (a) If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail, and the total shall be corrected; and
- (b) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) above.

23. **Evaluations score:**

The scores have been aggregated to enable the screening and evaluation process. The Lessee, with the highest combined score (Technical and Financial) will be recommended for the award and will be invited for contract negotiation.

24. **Commitment fees**

The Lessee who scores the highest bid shall pay NDC a non-refundable commitment fee amounted to **TZS 15,000,000. or USD** equivalent to United States Dollar (depending on prevailing exchange rate) upon signing of leasing agreement.
upon signing of lease agreement.

25. **Qualification Criteria**

The following qualification criteria listed in the tables below will be used for evaluation.

A. Preliminary Evaluation

Key Components	Requirements	Action
Application Information	The applicants must submit certified copies of the following:	

	<ul style="list-style-type: none"> ❖ Proof of Application fee payment TZS 250,000 (USD 100) ❖ Valid Business License of the company using rubber as a raw material. ❖ Company profile and physical address. ❖ Special Power of Attorney. ❖ Statement of historical Contract for non-performance, pending and litigation history. <p>Declare if you have any conflict of Interest in your operation against NDC.</p>	Outright disqualification criteria
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B. Technical Evaluation (proposed 70% to be distributed in the criteria)

CRITERIA	MAXIMUM SCORE (%)
Firm's Experience in similar projects/assignments	25
Operating rubber plantation or related project	15
Implementing any Plantation project	10
Market accessibility	20
The investor should provide a strategic plan for improvements in the value chain, especially the use of packaging and product branding	7
The investor should provide a strategy for local markets to facilitate access to raw materials for local industries and foreign markets objectives if any;	7
Indicate potential market, support with evidence like consumption level (if a Lessee is a consumer) / MOU with potential buyers / forward sales agreement	6
Technical approach and methodology to develop Rubber Plantation	40
The investor should show what type of technology he will use in the value chain, especially the equipment for harvesting latex, machinery, and drying rubber sheets.	10
The number of professionals to be hired, Laborers who will work on units of the value chain	10
Submission of projection tonnage production capacity per month/ year	5
Proposed harvesting and processing technologies include the quality of latex and other raw rubber materials.	5
Understanding the scope of work and project description	5
Project organization chart and staffing schedule for achieving compulsory obligations.	5
Proposed project implementation schedule	15
To submit the work plan, schedule of farm cleanness and cleaning phase per year	5
CRITERIA	MAXIMUM SCORE (%)
The number of infrastructures to be developed, including action plan and accomplishment schedule	5

To submit the schedule of harvesting latex as per recommended tapping practices.	5
Total	100

C. Financial Evaluation (proposed 30% to be distributed in the criteria)

CRITERIA	MAXIMUM SCORE
Interested bidders shall submit lease fee proposal	70
Interested bidders must submit their latest audited financial statements and bank statements for the three-years period from 2022 to 2024 . These documents are required to demonstrate financial capability and ascertain the Lessee's liquidity and profitability ratios.	30
Total	100

N.B: The consideration will be on the bidder with highest lease offer.

26. Address for Submission.

The window for bids submission will be open starting **3rd June, 2025** and will be closed on **18th June, 2025 14.00** hours **EAT**. The hard copy of the proposal should be submitted and addressed to:

National Development Corporation (NDC),
Development House,
6th Floor, Room No. 605, E-mail: pmu@ndc.go.tz
Kivukoni Front/ Ohio Street,
P.O. Box 2669,
Dar es Salaam.

27. Further enquiries should be communicated by **E-mail at pmu@ndc.go.tz or Phone numbers 0755 327 856 and 0765 362 614.**

Please, note that late submissions will not be accepted. The bid document must be marked: **“Tender Number: TRI 85/2024/2025/1NV/02, “PROPOSAL FOR LEASING OF KIHUHWI RUBBER PLANTATION AT MUHEZA DISTRICT”.**