

# Product Specification for energy efficient Cook Stoves

## Request for proposal

### Background

SEWA is a member-based organization of self-employed women workers with membership of over 1,300,000 across seven states in India. SEWA provides microfinance, insurance products, training, rural production and marketing, and housing services to its members. It is also active in Afghanistan and Sri Lanka. SEWA intends to sell during a period of 3 years 200,000 energy efficient cook stoves to its clients in 4 states (Gujarat, Rajasthan, UP and Bihar) in India. Delivery will be 50,000 in Year 1 and 75,000 in each of the subsequent 2 years. This RFP is for the first phase of the project, which involves procurement and delivery of 50,000 energy efficient cook stoves.

The SEWA's Hariyali Bond seeks to finance the introduction of 200,000 light sand cook stoves over the next 3 years. This will be a very high profile project that has the potential of really launching a company's product in this space. We are therefore looking for strong partners who wish to work with us closely and to innovate to create the best product possible.

The purpose of this RFP is to lay out a common standard that will be used in evaluating the best vendors with products that will suit the needs of this project. An independent committee will be appointed to make the choice and the decision of the committee will be final and binding.

The weight given to each of the criteria discussed below will be solely at the discretion of the committee making the final selection. While price is a key consideration (i.e., the products need to be appropriate for very low-income users) quality is also an extremely important parameter and will be evaluated as such (i.e., a "low cost" product is only cost effective if it performs adequately and lasts for a reasonable period of time).

### Product Considerations

#### Technical Specifications

Companies should submit technical information for a product they propose to include in the program using the specification sheet. For existing product, the results should be based on laboratory measurements of product samples. If the performance data reported were generated by an independent laboratory, the submitting company should provide information (including contact information)

about the testing program or laboratory under which the measurements were made. During the selection process, the technical specifications will be considered along with some of the parameters outlined below. If a product is not yet available the company should provide a detailed roadmap of what they will be developing, the committed price points, and the delivery schedule, at detailed sub tasks show with dates of delivery. For each product, also include a document that highlights the following:

#### **Consumer Needs and Preferences**

In India, a high level of consumer satisfaction is an imperative for a successful cookstoves program. Hence a cookstove that can accommodate different sizes of pots, can be maintained without too much care and maintenance, is not bulky, and if it has chimneys, then they should be easy to clean will be given importance, The cookstove should have a track record of sustained acceptance in pro-poor households.

#### **Pricing of the product:**

Given that the product is targeted at people living at the base of the pyramid, it is an extremely price sensitive sector. This will carry significant weight in making the final selection. Submissions should include per unit wholesale pricing for the purchase of the first 50,000 units.

#### **Portable nature of the stove:**

If the stove is portable it will allow for outdoor cooking as well and therefore reduce indoor pollution. This would be seen as a desirable feature.

#### **Reduction in the use of wood or charcoal:**

Since the number of Carbon Credits that we will be able to generate is closely interlinked with the savings in fuel and fuel that is from non-renewable sources, this will be a very important variable in the decision of stove.

#### **Durability of the Stove:**

The stove must last for a period of at least 3 years and be able to generate consistent savings on fuel usage in both laboratory and real life field settings.

#### **Local Manufacture:**

Since the stove is fairly bulky and not easy to transport, designs that allow us to manufacture at the site itself would be seen as a plus. Cookstoves that can be assembled using manufactured parts and/or moulds is preferred. This will allow for standardized construction.

#### **Multiple Fuel Sources:**

The stove may be powered by a variety of raw and processed fuel sources, ranging from wood, to charcoal, charcoal briquettes, to other forms of biomass/biogas. To be

clear this RFP is not demanding that stoves work with multiple fuel sources but rather to say that various options are possible as part of the design. Vendors should supply information on any efficient fuel source technology they have such as fuel pellets that may accompany their cook stove technology.

#### **Replacement of parts:**

Designs that allow for parts that are either worn out or broken to be replaced fairly easily will be viewed positively. This would be particularly true of stoves that may have porcelain liners for efficiency. It would be important to be able to replace the liner without discarding the rest of the stove.

#### **Reduction in Air Emissions**

This aspect is very important in the design of the stove. Because indoor cooking creates a high level of particulate contamination, the magnitude of reduction in particular emissions is critical. The selected cook stoves will have proven its efficiency in terms of pollution reduction through state-of-the-art monitoring equipment and methods in both laboratory and field settings

#### **Safety**

Also from a usage safety perspective, stoves that pose the least hazard in their use will be preferred. It should not be the case that the cookstoves increases the emissions within households.

#### **Service Warranties for the Product**

One of the important considerations in selecting the products will be the warranties associated with it against defects and repairs. We will expect the product to carry a minimum 3 year warranty during which time all the components must function at full specification. A stove that is found to be defective may need to be repaired in the field or at a central depot. The manufacturer needs to specify how they plan to achieve this.

#### **Vendor Considerations**

Rural customers are not all the same, and vendors should provide information on their entire solar lantern product line. Vendors are requested to provide information on distributor discounts, payment terms, channel considerations like drop or batch shipping, handling returns and repair capability, and capability to produce a stream of attractive and competitive products for the rural marketplace that offer the latest advantage of price performance. The vendor relationship should permit SEWA to offer the rural consumer the latest and best.

#### **Operational Parameters**

Vendors should provide information on its operations including years in business, size of business etc., organizational and infrastructure strength ( locations, people, warehouses, return and repair handling etc), technology strength particularly for lights where the technology is rapidly evolving, installed base of customers for volume, and

marketing strength. Vendors should submit information showing “ product pull” and acceptance of their product in the rural marketplace

### **Distribution Network:**

One of the important considerations in selecting the vendor will be the distribution network that they are able to provide. This will involve a network of wholesalers/wholesale depots in the region from which the direct sales force can source the product. Submissions should include a description of the distribution network for product and spare parts delivery that the company has in place or will establish for the project.

### **Financial Strength:**

A key criterion for vendor selection would be the financial strength of the proposed vendor with regards to ability to supply and service 200,000 lanterns over the duration of the project. Key financial parameters include details of equity capital, any future capital raising plans, projected capital expenditure and details of sanctioned term loans and working capital lines. Submissions should include details on the above-mentioned parameters along with the audited financial statements of the company for the past three years along with financial projections for the next five years.

### **Training:-**

**The Supplier company will set up service centre at SEWA’s selected location. The company will train rural youth in aftersales service, repair & maintenance**

### **Timeline**

**The proposal should be submitted within two weeks from the date of posting.**

**Any questions related to this Terms of Reference should be directed to Ms. Reema Nanavaty, [email:reemananavaty@sewa.org](mailto:reemananavaty@sewa.org) Telephone: (079) 26589729**