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Better District, Better Life and Growth for all.

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Alfred Nzo Development Agency SOC Ltd
Reg nr 2008/09093/30

TERMS OF REFERENCE

FOR

**THE APPOINTMENT OF SERVICE PROVIDER FOR THE PROVISION OF RURAL
ECONOMIC TRANSFORMATION INITIATIVE: TRAINING ON AGRICULTURE
VALUE CHAIN AND MARKET LINKAGES**

**RURAL ECONOMIC TRANSFORMATION INITIATIVE: SKILLS DEVELOPMENT
2020/21 FINANCIAL YEAR**

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 INTRODUCTION

The Alfred Nzo Development Agency (ANDA) is an institution of the Alfred Nzo District Municipality (ANDM); established in terms of the Municipal Systems Act No. 32 of 2000 and regulated in terms of the Municipal Finance Management Act No 56 of 2003. ANDA is registered in terms of the Companies Act No 71 of 2008. ANDA is governed by a plethora of legislation and regulations that intend to support and strengthen its role in transforming society and the developmental state. The Entity is governed by a Board of Directors responsible for organizational oversight.

The overall objective of the programme is to train and mentor small-scale farming communities of the Alfred Nzo Region, stimulate enterprise development, reduce inequality, poverty and unemployment; and thus, essentially contributing to the economic growth of the District. Provide links between small-scale farmers and large retail industry leaders in South Africa, for mutual benefit, and the achievement of responsible, sustainable business practices

In order to ensure that all these objectives are achieved, Alfred Nzo Development Agency applied to W&R SETA on Non-Credit Bearing programmes for 100 farmers around Alfred Nzo District that are on vegetable production for 2020/2021 financial year.

2. OBJECTIVE OF THIS DOCUMENT

To identify and enter into a contract with a partner that is competent to provide the trainings of the recruited learners as per the allocation by the Wholesale and Retail Sector Education The partner must be accredited by the W&R SETA to render this qualification.

3. PURPOSE

The purpose of the qualification is to better the market linkage at local level and provincial level, the programme is for training and support of 100 Farmers with

access to market, equip farmers with better information, price information systems, and build their managerial capacities. The assessments made in 2019 found relatively poor performance of the cooperatives / SMMEs businesses in terms of business management, financial management and governance. Specifically, majority of the agricultural cooperatives not adopting cooperative management (including accounting) software, and none of them using any form of agricultural market management (inventory, procurement, sales, cost, etc). On this backdrop, Alfred Nzo Development Agency is looking for an experienced and reliable service provider to provide customized recognized training initiatives on **Agriculture Value Chain and Market Linkages (SMME)** to support participating Cooperatives/ SMMEs thereby minimizing the aforementioned gaps and increase their performance. Access to Market is one of the major problems facing Alfred Nzo farmers and the Agency therefore request the Skills Development Provider to partner with one of these retailers' shops who have presence in the Alfred Nzo District to assist the 100 farmers on closing the gap of lack of market for their produce. The retailer must demonstrate and provide evidence of their support to ANDA farmers and ANDA farmers and provide to support to the farmers growth plans.

4. OBJECTIVES OF THE QUALIFICATION

The Overall objective of the qualification is to:

- Improve the productivity, economic viability and sustainability of small farm enterprises, and the establishment of the ANDA business community in Agri industries and the empowerment of the Alfred Nzo people and communities.

SPECIFIC OBJECTIVES

- Establish links between Small Farm Enterprises and Large Multi-National Retail Organisations.
- Provision of agricultural production support to farmers through the agri-park business in order to ensure productivity on the ground and a readiness to meet market needs.
- This qualification is designed for farmers to be well organized to compete in an increasingly demanding marketplace, like becoming a crop specialist,

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- To educate Farmers on joining a farmer organization as it is a necessary step for small-scale farmers who want to increase their income and capture more value in the value chain.
- How Farmer organizations help individual farmers by combining the harvests of a number of producers, buying bulk inputs at lower prices on farmers' behalf, and giving farmers access to farm support services.
- enabling smallholder farmers to gain a greater share of their value and assume fewer risks.

5. SCOPE & EXTENT OF WORK

Agricultural value chains encompass the flow of products, knowledge and information between smallholder farmers and consumers. They offer the opportunity to capture added value at each stage of the production, marketing and consumption process. Smallholder farmers need to better engage with value chains in order to gain added value for improving their livelihoods, whilst reducing their risks and increasing their resilience. Value chains encompass the full range of activities and services required to bring a product or service from its conception to sale in its final markets—whether local, national, regional, or global. value chains include input suppliers, producers, processors, and buyers, as well as the support services and enabling environments that form a dynamic market system.

This training is also aimed at equipping the Farmers with ICT skills, helping these business to enter into fourth industrial revolution for successful agricultural farmers organization that include: appropriate legal frameworks and governance aligned with national policies; support for business development, business skills and governance capacity; access to markets and trading links, especially for competing in regional markets; and practices of the value chain and market linkages management.

6. THE TRAINING MUST ADHERE TO THESE CONDITIONS:

- Beneficiary selection policy methods to be used to select learners to be enrolled onto the Programme.
- Registration and legal issues

- Learners attendance management methods, reporting methods to ANDA, and W&R SETA, project management and learners exit strategy.
- Training will be conducted identified training sites throughout ANDM district
- The applicant should also provide a plan for the hosting of the learners
- Provider list and proof of accreditation of training providers to form part of the project team.
- Provide list of approved buyers that will operate within the region and work with ANDA to facilitate access to market.
- Valid W&R SETA accreditation in the relevant trade/ qualification.

7. DELIVERABLE

- Signing of detailed Implementation plan
- Assessment Report
- Moderation Report
- Training on market systems undertaken Training on Value chain cycle undertaken

8. LEARNERS ACCREDITED WITH THIS QUALIFICATION MUST BE ABLE TO:

Approach and considers the role of existing chain actors, supporting actors, and the policy environment. It allows farmers to look at current challenges in a value chain, as well as the opportunities for improving the efficiency of the value chain and the benefits for everyone involved.

- From a farmer's perspective, being part of a well-functioning value chain can **bring greater income.**
- Analyzing a value chain – identifying its challenges, weakness, and strengths – can help to identify **new income-generating opportunities.**
- Sometimes, participating in a well- functioning value chain brings farmers **not higher incomes or prices, but a more stable and predictable income.**
- Participating in value chains can help a farmer learn new skills and adopt improved practices. Instead of piling vegetables in a crate and trucking them

to a trader or market, farmers can earn more money by doing basic processing on the farm.

9. GENERAL CONDITIONS OF THE CONTRACT

- **Bidder to check the completeness of the document**

Bidder to check the completeness of the document. The bidder is required to check the number of consecutively numbered pages and should any found to be missing or in duplicate, or the text of figures indistinct, or should there be any doubt or obscurity as to the meaning of any part of these documents, the bidder must ascertain the true meaning or intent of the same prior to the submission of his/her bid, as no claims arising from any incorrect interpretation will be admitted. It should be noted that it is the responsibility of the service provider to ensure that upon submission of proposals, a valid entity registration document, Tax Clearance Certificate/pin and BBBEE Certificate/affidavit is included.

- **Validity period for bid/quote**

All prices must be valid for a period of three months (90 days) from the closing date of the bid.

- **Pricing**

All items as described in the project specification are to be priced in full. If a bidder does not bid all items, his/her bid may be rejected. Total price must include VAT. Transport/Delivery costs must be included in the pricing. It must not be a separate item. The bid price page must be signed by an authorised person. The pricing of the service provider must be per learner as the payment will be done as per learners trained and mentored.

- **Service Level Agreement**

The successful bidder will sign a Service Level Agreement with Alfred Nzo Development Agency prior to commencement of works.

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- **Project site handover to Service Provider**

The Service Provider will be introduced to the project participants following the Bid award. The sites will be handed over to the service provider who will control the sites for the contract duration. Only the service provider's own employees, WRSETA Alfred Nzo Development Agency representatives will be allowed on site. The Service provider is responsible in the administration, training and control of the attendance of the learners as that will affect his claim. The claim of the service provider depends on the number of learners trained and monitored.

- **Hosting of Service Provider Employees.**

No free housing is available for the Service Provider employees and the Service Provider shall make his own arrangement with the local B&B for housing his employees and transporting them to and from the site. The Service Provider is in all respects responsible for the housing and transporting of his employees, and for the arrangement thereof.

- **'As Built' Details.**

As the work progresses, the Service Provider shall keep full records of all amendments to and deviations from the specifications as issued to the Service Provider at the start of the contract. These details will, where appropriate, be noted on the supplied drawing. No alterations may be made without the approval of CEO.

- **Project duration**

The work is to be completed within 6 months of the award of the bid. The Service Provider is required to submit the implementation plan with the proposed times of completion of each phase.

10. PROJECT TIME FRAME

The above deliverable must be completed within 90 working days from the start date, with the following timeline (based on one consultant): The Agriculture Value Chain and Market Linkages (SMME) is a local empowering initiative with theoretical training programme and Mentorship & Coaching.

11. STAKEHOLDERS CONSULTATION

Where necessary, the successful service provider will be required to undertake stakeholder consultations and engagements as it is a vital and an ongoing requirement to ensure support and buy-in towards the successful completion of the project. The Service Provide before starting the training is required to submit the implementation plan that will guide the ANDA including the learners on the programme.

12. PROJECT MANAGEMENT

In cases where the appointed service provider appoints the services of other consultants or sub-contractors, the appointed service provider will take responsibility of the work of the sub-contractors. The client will deal with the contracted service provider and not with sub-contracted consultants. The project is to be coordinated and managed by an operational team led by Alfred Nzo Development Agency, Alfred Nzo District Municipality, SANAMI, and W&R SETA.

Where necessary, a Project Steering Committee (PSC) made of ANDA officials, W&R Seta, Provider, and other key stakeholders will oversee project implementation and facilitate inter – governmental coordination. The ongoing plans and progress reports from the service provider will have to be submitted to the Project Operational Team and or Project Steering Committee where a process of verification will take place prior to the approval of invoices submitted by the service provider. Ideally prior to the sitting of a PSC meeting, a technical verification of work claimed by the service provider, must be undertaken by ANDA, ANDM officials and some members of the PSC to ensure that ANDA is able to approve claims made by the service provider.

13. REPORTING MECHANISM

It is expected that regular progress reports will be submitted to ANDA and further presented to the PSC on a monthly basis. The Project Manager has the right to change the frequency of reporting as and when necessary.

14. SUBMISSION REQUIREMENTS

Technical proposals shall be submitted in the following format. Failure to adhere to this format requirement will lead to the bid being regarded as non-compliant.

- Clear Methodology and Project approach
- Submission of Clear financial breakdown with the proposal.
- Signed Implementation plan with relevant time frames.
- Detailed information for the business owners such as their CVs certified, ID copies and their positions in the business.
- The Service Provider must be accredited with W&R SETA in the relevant trade/ qualification and must submit proof thereof (**ACCREDITATION CERTIFICATE**)
- Proposals must be placed in a sealed envelope and clearly marked: "Training proposal – **Agriculture Value Chain and Market Linkages (SMME)**" and placed in the tender box at the Alfred Nzo Development not later than 10H00 on the **05 November 2020**. Bidders are requested to ensure that their proposals include; Company Registration, a Tax Clearance Certificate/pin BBEE Certificate/affidavit.

15. EVALUATION CRITERIA

Functionality Evaluation:

The bids will be evaluated in two stages, namely:

- Stage 1- Functionality
- Stage 2- Price and BBEE Points

Bids will be evaluated in terms of the Procurement Policy of Alfred Nzo Development Agency and shall be applied as follows: -

All proposals received shall firstly be evaluated on functionality and thereafter only those who qualify for the next stage of evaluation will be evaluated in terms of the PPPFA No.5 of 2000 read together with the 2017 PPPFA Regulations and the B-BBEE Regulations.

Any bid that fails to achieve a minimum of 70 points on the functionality evaluation shall not be evaluated further and will be deemed to be non-responsive.

The functionality evaluation points will be applied as per the table below;

NB: Bidders must demonstrate by submitting documentary proof in relation to the claim of points with respect to the following key: The successful bidders or consortium **must demonstrate the following key competencies** for the functionality evaluation as per the table that follows:

ITEM	Weight
STAGE 1 OF EVALUATION – FUNCTIONALITY	100
• Previous Experience	30
• Capacity and Expertise	70
STAGE 2 OF EVALUATION – PRICE & PREFERENTIAL POINTS	100
BBBEE POINTS	20
Price	80

Bidder's relevant experience and track record	Weight (100)
References	Weight
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 04 or more Trainings of Wholesale and Retail SME operations level 2 for Municipality, Development Agency, Individual Businesses and for private organisation (Training school/academy) <p>(Submit at least Four (4) letters of reference on the relevant letterhead and signed by the referring organization. Letters must indicate how many learners were trained and the budget. Attached 2 x SOR's or Certificates per project as proof that the learners were evaluated and certificate issued)</p>	30
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 03 but not more than 4 of Training of Wholesale and Retail SME operations level 2 for Municipality, Development Agency, Individual businesses and for private organisation (Training school/academy) 	20

<p>(Submit at least Three (3) letters of reference on the relevant letterhead and signed by the referring organization. Letters must indicate how many learners were trained and the budget. Attached 2 x SOR's or Certificates per project as proof that the learners were evaluated and certificate issued)</p> <ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 02 but not more than 3 Training of Wholesale and Retail SME operations level 2 for Municipality, Development agency, Individual Businesses and for private organisation (Training school/academy) <p>(Submit at least Two (2) letters of reference on the relevant letterhead and signed by the referring organization. Letters must indicate how many learners were trained and the budget. Attached 2 x SOR's or Certificate per project as proof that the learners were evaluated and certificate issued)</p>	<p>10</p>
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 01 but no more than 2 Training on Wholesale and Retail SME Operations level 2 for Municipality, Development agency, Individual Businesses and for private organisation (Training school/academy) <p>(Submit at least One (1) letters of reference on the relevant letterhead and signed by the referring organization. Letters must indicate how many learners were trained and the budget. Attached 2 x SOR's or Certificates per project as proof that the learners were evaluated and certificate issued)</p>	<p>5</p>
<p>Total Maximum Weighting</p>	<p>30</p>
<p>CAPACITY AND EXPERTISE TO UNDERTAKE THE PROJECT (50)</p>	
<p>Management:</p> <p>Project Leader with NQF Level 6/ Degree / Diploma Qualification in the Business Management /Marketing / Development studies /</p>	<p>20</p>

<p>Economics and Entrepreneurship.</p> <p>At least a 5-years working experience in training, Programme/project development.</p> <ul style="list-style-type: none"> • A solid knowledge in entrepreneurship/ SMME sector and work experience. • A good knowledge of and familiarity with national and regional strategies, policies and priorities for SMME development in Alfred Nzo Region. • Language capabilities to function in both English and Xhosa <p>(Attach CVs and certified copies not older 3 months for all qualifications for project team. The bidders must clearly index and label the Management CV's of not more five pages.)</p>	
<p>Experience and Qualification of facilitators responsible for the project</p>	<p>Weight</p>
<p>Team members to be accredited with (ETDP SETA/ W&RSETA)</p> <ul style="list-style-type: none"> • 4 x Accredited Facilitators <p>(Attach CV's and copies of facilitators certified accreditation certificate, ID and qualifications with experience in the field. The bidders must clearly index and label the Facilitators CV's of not more three pages.)</p>	<p>10</p>
<ul style="list-style-type: none"> • 2x Accredited Assessors (internal and external) <p>(Attach CV's and copies of facilitators certified accreditation certificate, ID and qualifications with experience in the field. The bidders must clearly index and label the Facilitators CV's of not more three pages.)</p>	<p>10</p>

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<ul style="list-style-type: none"> • 2 x Accredited Moderators (Internal and external) <p>(Attach CV's and copies of Moderators certified accreditation certificate, ID and qualifications with experience in the field. The bidders must clearly index and label the Moderators CV's of not more three pages.)</p>	10
<ul style="list-style-type: none"> • Company to be accredited with W&R Seta on Training of Wholesale and Retail SME Operations Level 2 <p>(Attach an accredited certificate with W&R Seta on Wholesale and Retail SME Operations Level 2)</p>	20
Total Maximum Weighting	70

For any queries regarding this tender, please contact Ms. F. Nketshisa for project related queries; on (039) 492 0011 or;

Ms O Sompa for SCM related queries at telephone number 039-492-0011 during office hours.

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Yours in local economic development



**MS. M. BAMBENI
CHIEF EXECUTIVE OFFICER**