

Physical Address
Umzimvubu Goats
Complex
Hospital Road
4735

Private Bag X 511
Mount Ayliff
South Africa
4735

Tel Number
+27 394 920 011
Fax Number
+27 866 833 718

Better District, Better Life and Growth for all.

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Alfred Nzo Development Agency SOC Ltd
Reg nr 2008/000093/30

TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDER FOR DEVELOPMENT OF BUSINESS PLAN, CONCEPTUAL DESIGNS AND COSTING FOR FRESH PRODUCE PACKHOUSE AT WINNIE MADIKIZELA MANDELA

Issued and prepared by:

Alfred Nzo Development Agency

Umzimvubu Goats Complex

Hospital Road

Emaxesibeni

4735

It is compulsory for bidders to ensure that their proposals are bound or stapled securely together. If the proposal is too thick to be bound or stapled, bidders are allowed to split the document into sections, however, each section must be bound or stapled and must be individually labelled with the name of the bidder. Under NO circumstances will lose submissions be accepted.

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 SUMMARY

Proposals are being requested from suitably qualified and experienced service providers to develop a bankable business plan together with conceptual designs and costing of Fresh Produce Packhouses for Winnie Madikizela Mandela LM GPS Co-ordinates as follows:

- -30.863336170838434, 29.858632925972504 (Winnie Madikizela Mandela)

2. BACKGROUND

The Alfred Nzo Development Agency (ANDA) is mandated to lead and facilitate inclusive economic growth and development in the district. The agriculture and agro processing sector are one of the priority sectors to contribute towards the realisation of the set purpose. This emanates from the well-known fact that the district is well endowed with natural resources for agricultural development and industrialization through the sector. This is coupled by the spatial reach of the sector into the region thus providing opportunity for growth and inclusive participation. The sector is labour-absorbing in nature and can employ people with a low-skill base, which is in abundance in the province. Furthermore, the sector holds scope and opportunities for high levels of value-addition through advanced production and processing.

In 2019, the Department of Economic Development, Environmental Affairs & Tourism (DEDEAT), developed a feasibility for the development of District Fresh Produce Multi-User Facilities for the development of local fresh produce value chains for sector growth and transformation. The facilities are meant to provide a structured pathway for the small-scale or communal farmers to market as there are strict regulatory requirements to be met by all stakeholders in the industry (as this sector provides food for human consumption), as they are challenged in this area due to limited capacity (knowledge and resources). This then results in significantly high post-harvest losses for these developing enterprises, thereby increasing the failure rate and creating a deterrent for other new entrants into the sector resulting in underdevelopment of the sector.

The Provincial Government has further developed the Provincial Local Procurement Framework with the intention of providing market opportunities for the local producers on the main goods and services to support local employment creation. The Patient Food and School Nutrition Programme are among those items prioritised for the programme and compliance with the food safety legislation is a requirement to partake in supplying agricultural produce for the programme. With the consideration of variations in market requirements and opportunities, ANDA is seeking specialist support for the development of fresh produce packhouses in the district thus providing suitable located post-harvest facilities for the farmers in their local municipality for market linkages.

The Alfred Nzo development Agency (ANDA) in collaboration with Eastern Cape Development Corporation (ECDC) has launched a series of multi sectoral trade fair across the district. The aim of the trade fair is to link small-scale businesses to potential buyers and stimulate local trade. As part of this collaboration, ANDA also intends to develop Business Plan for Fresh-Produce Packhouse.

3. PROJECT OBJECTIVE

- The purpose of the study will be to gauge the need, viability, infrastructure requirements, product offering and packaging, potential market support, forecast usage, conceptual designs, and costs for the development Fresh Produce packhouses at Winnie Madikizela Local Municipality.

4. SCOPE OF WORK

- Research and review existing data available for project intervention on the potential to develop climate resilient economic development.
- Conduct appropriate site background information gathering (including but not limited to vulnerability and exposure to potential economic opportunities, Technical Assessment of the current infrastructure as well as studies available in the targeted areas and effective usage of the identified resources.
- Review the proposed sites and make recommendations with respect to zoning, ownership, infrastructure requirements, accessibility, Environmental Impact Assessment, Water Use Applications & Planning.

- Conduct a desk top review of the economic potential of the Fresh Produce packhouse and its potential for farmers
- Market Assessment - Provide a market potential analysis that describes development prospects and fresh produce market focus for the site.
- Conduct current fresh produce market conditions and constraints for potential opportunities.
- Identify main target market and provide short and long-term outlook thereof.
- Provide detailed estimates of market size and potential. Describe trends affecting the market and how market needs will be served.
- Assess development opportunities for community participation and investor attraction
- Assess downstream fresh produce opportunities
- Determine feasible business opportunities that need to be pursued for the implementation as part of the business plan
- Identify value-add vegetable activities that will benefit the local community
- Outline realistic timeline for the proposed set of activities
- Identify the barriers and challenges, if any - that could determine the sustainability of the project
- Identify and analyze any governance and capacity issues that will be critical during the implementation of the project as well as ensure sustainability of the project
- Undertake stakeholder mapping and engagements, conduct consultation workshops
- Develop Financial Model & Plan – short, medium, long term (capital expenditure, operational expenditure, cash flow projection, risk analysis, identify potential funders and revenue generation.
- Conceptual Designs (artist impressions) of proposed development
- Conduct benchmarking exercise for similar projects (conduct study tour)
- Identify possible funders for the Business Plan

5. SPECIFIC ACTIVITIES INCLUDE:

Conduct Sector and Market Analysis:

- Conduct a survey analysis of present market conditions and constraints to formal and informal trade in the area; and identify relevant crops, trends and patterns and key challenges facing this segment of the economy
- Determine market demand and the future growth potential.
- Provide detailed estimates of market size or potential.
- Identify main customers or target market and provide short and long-term outlook thereof.
- Provide assessment of competitors.
- Describe trends affecting the market and how market needs will be served.
- Explain the promotion and marketing methods.

Site appraisal

- Assess the existing levels of infrastructure and services with respect to the proposed site, to inform the levels of infrastructure required to be provided by the local municipality.
- Review the proposed sites and make recommendations with respect to zoning and environmental requirements, accessibility, ownership, institutional arrangements; viability of the packhouse businesses and size and the envisaged impact of the project; and
- Develop a storage packhouse schedule for the optimal utilisation of the site.

Conduct Economic and Financial Analysis:

- Provide a market potential analysis that describes development prospects and market focus for the proposed packhouses, based on local market characteristics and international best practice.
- Develop a detailed financial plan that incorporates the following:
- Capital Expenditure detailing the costs of renovation, building layout, based on actual market-related quotations.
- Operating expenditure e.g. maintenance, water & lights, security etc.

- Detailed financial plan to determine whether the proposed development is viable and sustainable based on realistic budget projections, and projected revenue streams.
- Detailed cash flow projection over a period of five years.
- Risk analysis of the proposed developments; and Identification and engagement of potential funders.
- Detailed revenue generation model e.g. Rent and lease revenue
- Explore options for combining medium size business enterprise with existing micro enterprise to provide a cross-subsidisation revenue model.

Institutional Development Analysis:

- Assess and propose institutional arrangements that could have a positive influence in the implementation of the project.
- Identify key management structure to manage the facility for maintenance and operational purposes.
- Identify a letting criterion for interested or potential tenants.
- Workshop institutional arrangements with stakeholders with the aim of solidifying developmental values aligned with ANDA strategies.
- Propose options for a management model to optimise the financial viability of the sites and indicate how the management entity will be making income and how much subsidy should be granted to cover operations.

Facilitate and develop a Business Model:

- Financial model that details the costs and returns to the project.
- Operational model that outlines the operational process.
- Institutional model that identifies the most suitable institutional and partnership arrangements.
- Socio-economic model that outlines the socio-economic impact of the proposed development on the study area (i.e. How will the project uplift local small business).
- Risk management model that highlights the risks and mitigating strategies to combat those risks.

6. EXPECTED OUTCOMES

6.1 A Bankable Business Plan

6.2 Proven financial viability

6.3 Market validation

6.4 Economic outcomes

- Increase farmers access to formal markets
- Improve product quality and grading standards
- Improve profitability of emerging farmers

6.5 Farmer development outcome

- Improved compliance with food safety standards
- Provide structured market access and strengthen local agricultural value chain.

6.6 Employment Creation

7. KEY PROJECT DELIVERABLES

- Inception Report (that will detail the focus of support as well as the associated outputs, the support that will be provided, the detailed methodology that will be followed, all logistical arrangements, a detailed activity-based work-plan as well as any other deliverables)
- Business Plan (must be bankable, considering funding requirements and criteria from funders such as National Economic Fund (NEF), Department of Small Business etc.)
- Conceptual Designs for the packhouses
- Recommendation on institutional and marketing plan; and report outlining management and operational plan; financial plan; implementation plan for the packhouses)
- Consultation Reports (Project File: Minutes of Meetings, Attendance Registers etc.)

8. PROJECT METHODOLOGY

Bidder must compile a detailed methodology that will address project initiation, project management, project milestones, time management, quality assurance and clear outcomes with specific time frames and project costs.

9. REPORTING PROCEDURE

It is expected that regular progress reports will be submitted to ANDA. The Project Manager has the right to change the frequency of reporting as and when necessary. Progress report will be required for every milestone or deliverable of the project as per the project proposal.

10. IMPORTANT SUBMISSIONS

To complete the project successfully and ensure quality in the output. The following minimum submissions and competencies will be required from service provider(s) submitting bids.

- Formal proposal from the service provider with contactable references, Implementation plan with relevant time frames.
- Team Leader must be a Business Development Specialist with at least 5 years' experience in agroindustry or related business plan development experience
Qualifications: A degree in Business Science or Business Management
- Technical Team must include an Agricultural Specialist and Civil Engineer with experience in Agricultural Post Harvest Facilities.
- Administrative requirements, Registration and Compliance team/s to advise on all matters relating to compliance and approvals from outside parties (Attach proof of registration with professional body).
- Detailed information of business owners such also the CVs for the technical team such as qualifications, accreditation certificates (all attachments enclosed must be certified with the certification not older than three months).
- Submission of Clear financial breakdown with the proposal.
- The potential bidder must be registered with national treasury central supplier database (CSD). CSD report must be attached.

- Bid documents must be signed and duly completed, together with all declaration of interest/ standard bidding documents (MBD's 1, 4, 6.1, 8, and 9).
- Provide and attach a copy of company registration certificate.
- The potential bidder must attach valid tax clearance / pin number
- Company profile with the relevant experience and track record. Please clearly index your company profile
- Municipal clearance certificate certifying that no municipal rates and service charges are owed by the bidder and any of its directors to Alfred Nzo District Municipality or to any other municipality where the bidder's business operations are located, are in arrears for more than three months/ Proof of residence/Lease agreement. NB: Proof of residence must be submitted with affidavit.
- Joint Venture agreement should be in JV agreement format (If applicable)

- **Pricing**

All items described in the project specification are to be priced in full. If the service provider does not quote all items, his/her quotation may be rejected. Per item prices include VAT for VAT vendors. The quotation must be signed by an authorized person.

- **Service Level Agreement.**

The successful service provider and the Alfred Nzo Development Agency will sign a Service Level Agreement prior to commencement of works.

- **Project site handover to Service Provider**

The Service Provider will be introduced to the project participants following the project award. The sites will be handed over to the service provider who will control the sites for the contract duration.

11. PROJECT TIME FRAME

The above deliverables must be completed within 03 months.

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. ANDA will deal with the contracted service provider and not with subcontracted consultants. The project is to be coordinated and managed by an operational team led by Alfred Nzo Development Agency.

A Project Steering Committee (PSC) made up of ANDA officials, Winnie Madikizela, Local Municipalities and other key stakeholders will oversee project implementation and facilitate inter – governmental coordination.

13. SELECTION AND EVALUATION CRITERIA

ANDA subscribes to the Preferential Procurement Regulations 2022, pertaining to the Preferential Procurement Policy Framework Act (PPPFA) principles whereby a bidder's submission will be evaluated according to the sum of the award points in respect of the tender value and Specific Goals.

Price and Preference goals will be used for evaluation. The 80/20 preferential point system will be applicable, with 80 points for price and 20 points for Specific Goals.

The bid will be evaluated in two stages, namely:

- **Stage 1- Capacity to Execute Work**
- **Stage 2 - Price and Preference Point system**

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

- **Price – 80**
- **Specific Goal – 20**

The following criteria will be considered for the appointment of a successful Service provider(s).

The bidder must score 70% and above to proceed to the next stage of the evaluation.

ITEM	WEIGHT
<p><u>STAGE 1: CAPACITY TO EXECUTE WORK</u></p> <p>Methodology (clear project approach / plan need to be attached)</p> <p>The service provider is expected to provide a comprehensive methodology demonstrating understanding of the need for development, detailing approach with milestones and timelines for the development of the bankable business plan.</p>	

- A comprehensive methodology with project initiation, project management, project milestones, time management, with specific time frames and project costs.	20	
Company / Consortium experience for professional services in Packhouse projects (Completion certificates or Reference letters from previous employer):		
• Three (3) completion certificates / reference letters.	30	
• Two (2) completion certificates / reference letters.	20	
• One (1) completion certificates / reference letters.	10	
<i>NB: Scoring is not cumulative</i>		
Management and key staff certified copy of qualifications to be attached.		
-Team leader:		
• Business Development Specialist with at least 5 years' experience in agriculture or related business plan development experience A degree in Business Science or Business Management	20	
- Technical Team:		
1. <i>Agricultural Specialist (Must be registered with SACNASP) and Civil Engineer with 5 years' experience in Business Plan Development.</i>	20	
2. Administrative requirements, Registration and Compliance team/s to advise on all matters relating to compliance and approvals from outside parties.	10	
Attach relevant professional body registration		
• Professional Engineer Technologist (Pr Tech Eng) or Professional Engineer (Pr Eng) – 5 years of experience as a professional	10	
• Professional Engineering Technician (Pr Tech) – 2-3 years of experience as a professional	05	
<u>STAGE: PRICE & PREFERENCE POINTS</u>		
Price	80	
Preferential Goal 3- COMBINATION OF ANY GOALS		
20		
SPECIFIC GOAL 3: COMBINATION OF GOALS	Attachment to claim maximum points	Criteria Points
Business owned more than 50% by	CIPC certificate, Certified ID,	10

Priority population groups (Black/Indian etc.)	detailed CSD	
Business owned more than 50% by Women	CIPC certificate, Certified ID, detailed CSD	5
Business owned more than 50% by youth	CIPC certificate, Certified ID, detailed CSD	5
TOTAL WEIGHT		20

Proposals must be placed in a sealed envelope and clearly marked: **“DEVELOPMENT OF BUSINESS PLANS, CONCEPTUAL DESIGNS AND COSTING FOR FRESH PRODUCE PACKHOUSE FOR WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY”** and placed in the tender box at the Alfred Nzo Development not later than 12H00 on the 25 / May / 2026.

For any queries please contact Ms. F Nketshisa and at telephone number 039 492 0011/083 846 7527 or Email: nketshisaf@anda.org.za during office hours or Ms. Andiswa Mayaba for SCM related queries at tel. number 039 492 0011/ 069 007 3542 or email: mayabaa@anda.org.za.

Recommended By:



Ms F. Nketshisa
BSC Chairperson

Approved/Not Approved



Lumko Mtimde
Chief Executive Officer