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Better District, Better Life and Growth for all.

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Alfred Nzo Development Agency: SOC Ltd
Reg nr: 2008/000093/00

TERMS OF REFERENCE

FOR

THE APPOINTMENT OF AN IMPLEMENTING AGENT FOR THE ENTERPRISE DEVELOPMENT BUSINESS INCUBATION AT WINNIE MADIKIZELA MANDELA LOCAL MUNICIPALITY

Issued and prepared by:

Alfred Nzo Development Agency
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MANAGER-LOCAL ECONOMIC DEVELOPMENT

Contact Person: Mr S. Tshonga
Acting CEO: Ms N. Maloi
Tel: 039 492 0011

It is the intention of ANDA to enter a formal 2-month contract with a single service provider or consortium to provide the services described herein. These Terms of Reference and the consultant's proposal will form the basis of the contract

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1. SUMMARY

Proposals are invited from suitably qualified and experienced service providers to implement the Enterprise Development business incubation programme for all identified SMMEs within Alfred Nzo.

1.2. BACKGROUND

The Alfred Nzo Development Agency (ANDA) is an economic development agency wholly owned by the Alfred Nzo District Municipality mandated to pursue and facilitate investment, economic development and empowerment in the Alfred Nzo District. The objective of ANDA is to improve the competitiveness of the Alfred Nzo Region by creating an environment that will enable local business to compete successfully at commercial level.

To achieve its mandate, ANDA is implementing the enterprise incubation development within the Winnie Madikizela Mandela LM. Therefore, ANDA is seeking an implementation agent for the provision of business development services as part of ANDA's enterprise development programme. ANDA intends on appointing a service provider that will implement the Enterprise Development Business Incubation Programme for SMMEs within Winnie Madikizela Mandela LM.

2. PROJECT OBJECTIVE

The objective of the appointment is to provide assistance to start-up, sustainability and growth stages of entrepreneurs or SMME's within the Winnie Madikizela Mandela LM. The successful bidder should implement the Enterprise Development Business Incubation Programme and ANDA should provide the premises upon which the SMMEs will be housed and provided with training. The service provider should provide support services not limited to SMMEs in the following economic sectors:

- Manufacturing
- Construction
- Mining

- Renewable Energy
- Agro-Processing & Biofuels
- Agriculture
- ICT
- Support Services
- Tourism

The Enterprise Development Business Incubation Programme shall be provided to SMMEs from within Winnie Madikizela Mandela LM. The main facility where SMMEs will be provided with training will be within each local municipality.

3. DESCRIPTION OF THE PROJECT

The proposed Enterprise Development Business Incubation shall support ANDA and Alfred Nzo District Municipality achieve its goals, initiatives and strategies aimed at achieving inclusive economic growth and sustainable local economic development in the district by providing Business Incubation Programme to existing, expanding and new SMMEs within Winnie Madikizela Mandela LM on the following constructs:

Theme	Constructs
Support	• Enterprise Development • Supplier Development • Mentorship
Skills	• Industry specific • Non-Industry specific • Business skills
Market access	• Access to Markets • Business linkages • Localization policies
Funding	• Access to Business Finance • Grants
Awareness	• Awareness and understanding of Government initiatives for SMMEs

ANDA intends to appoint a Service Provider who will implement the Enterprise Development Business Incubation Programme as an output of the ANDM LED strategy. This will assist in the development of SMMEs, job creation and stimulate the economy of Alfred Nzo District with the intention to obtain quantifiable and measurable results that lead to business benefits. The purpose of the incubation programme is to achieve the following:

- Increase the use of local resources and emerging businesses
- Promote growth and ensure sustainable SMMEs
- Contribute to socio-economic transformation
- Create job opportunities
- Promote skills development and transfer of skills
- Cost reduction that helps to maintain SMME profit margin
- Improved lead-times and/or delivery reliability through strengthened competitive advantage.

4. PROJECT TIME FRAME

The project duration is 2 months from the date of appointment.

5. PROJECT DELIVERABLES

The service provider will be required to provide the following deliverables in conjunction with ANDA vision, mission and objectives:

- Develop enterprise development business incubation programme interventions based on the assessment to address the gaps identified i.e., Training, mentorship and the facilitation of access to markets.
- Monitoring and evaluation approach for the duration of the contract which will include assessing the overall progress of the beneficiaries, provision of assistance, risk mitigation etc. using business intelligence tool/system or any other business growth tracking system to measure SMME/beneficiary business performance, growth and commitment to the incubation programme [i.e. tracking SMME monthly revenue, net profit generated, employee salaries paid, employment, net asset value, training attended, mentoring attended.
- Provide legislative and quality assurance assistance to the beneficiaries.
- Provide an administration approach of the project

- Submit weekly reports on the progress of the project with supporting evidence.

6. MENTORSHIP AND COACHING

The outcome of these mentoring and coaching activities will include:

- Developing financial management systems
- Creating business related files
- Filling in a tender document
- Establishing profitable local relationships
- Placement of learners to businesses / institutions for practical experience
- The appointed Service Provider must ensure certification of the participating SMMEs at the end of the programme.
- The Service Provider is required to submit the implementation plan before the training commence.

7. OUTCOMES OF THE BUSINESS INCUBATION

After the completion of the incubation the participants must be able to:

- Design and present a formulated business plan complete with operational goals and objectives
- Demonstrate the ability to analyse and understand the relationship between costs, revenue and profits.
- Demonstrate the characteristics of a successful entrepreneur.
- Analyse and evaluate the risk and potential of new ventures.
- Develop and apply specific techniques for developing ideas for new ventures
- Demonstrate knowledge of the tender process and use tenders to secure business.
- Demonstrate an understanding of perfect and imperfect competitive markets and factors that influence the economic activity.
- Implement knowledge of accounting systems and financial statements when managing finances in a new venture.
- The service provider must ensure that the programme spread up to 2 months.

8. IMPORTANT COMPLIANCE SUBMISSIONS

- All bidders must be registered on Central Supplier Database (Updated CSD summary to be submitted)
- All bids submitted should remain valid for a period of 90 days after the bid closing date
- Formal methodology from the service provider with project initiation, project management, project milestones, time management, quality assurance and clear outcomes with specific time frames and project costs
- Submission of Clear financial breakdown with the proposal.
- Detailed Implementation plan with relevant time frames.
- Municipal clearance certificate certifying that no municipal rates and service charges are in arrears for more than three months by the bidder to Alfred Nzo District Municipality or to any other municipality where the bidder's business operations are located. Provide Lease agreement/ Proof of Residence and affidavit
- Valid Tax Clearance Certificate and/or Pin should be attached
- Joint Venture agreement (where applicable)
- Proposal must be duly completed together with all declaration of interest/ standard bidding documents (MBD's 4, 6.1, 8, and 9).
- Detailed information of project team such as their CVs and qualifications, ID copies and their positions in the business (all attachments enclosed must be certified with the certification not older than three months).
- Team Leader must a Business Development Specialist with at least 3 years' experience in Business coaching and mentorship (Specialist must attach CV and qualification)
- Attach certified copies of IDs of directors and project team, certification must not be older than 3 months
- The project team must include a facilitator with experience, Attach CV and certified qualifications)
- 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

9. SELECTION AND EVALUATION CRITERIA

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

Price and Preference goal 3 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 proposal will be evaluated in two stages, namely:

- **Stage 1- Capacity to Execute Work**
- **Stage 2 - Price and Preference Point system (Goal 3)**

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 3 – 20**

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

ITEM	WEIG
<u>STAGE 1: CAPACITY TO EXECUTE WORK</u>	
Detailed methodology with project initiation, project management, project milestones, time management, quality assurance and clear outcomes with specific time frames and project costs	40
Detailed information for the team leader such as their CVs and qualifications, ID copies and the positions in the business	20
Detailed information for the Facilitator such as their CVs and qualifications, ID copies and the positions in the business	10
Company / Consortium experience for professional services in Business Skills /New Venture Creation (Completion certificate's or Reference letter's):	

• Three (3) completion certificates / reference letters. (30) • Two (2) completion certificates / reference letters. (20) • One (1) completion certificates / reference letters. (10)			
STAGE: PRICE & PREFERENCE POINTS			
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 Priority population groups (Black/Indian etc.)	CIPC certificate, Certified ID, detailed CSD	10	
Business owned more than 50% by Women	CIPC certificate, Certified ID, detailed CSD	5	
Business located in rural areas	Proof of residence and Affidavit	5	
TOTAL WEIGHT		20	

Each provider must score a minimum of 70% to proceed to the next stage.

10. 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.

11. 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.

12. 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. Transport/Delivery costs must be included in the pricing. The quotation must be signed by an authorized person.

13. SERVICE LEVEL AGREEMENT

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

14. 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.

15. 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 for the work of the sub-contractors. ANDA will deal with the contracted service provider and not with subcontracted consultants.

16. BID SUBMISSION

Proposals must be placed in a sealed envelope and clearly marked: "**ENTERPRISE DEVELOPMENT BUSINESS INCUBATION WMMLM**" and placed in the tender box at the Alfred Nzo Development not later than 12H00 on the 05 MAY.....2025.

For any queries please contact Mr S. Tshonga and at telephone number 039 492 0011 or Email: Tshongas@anda.org.za during office hours or; Ms. Motheba Makhatha for SCM related queries at tel. number 039 492 0011/ 071 0759437 or email: Makhatham@anda.org.za

Approved/Not Approved



Ms F. Nketshisa
BSC Chairperson

AUTHORISED BY:



Ms N. Maloi
Acting Chief Executive Officer