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*Better District, Better Life and Growth for all.*

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Alfred Nzo Development Agency SOC Ltd  
Reg nr: 2008/009093/30

## **TERMS OF REFERENCE**

**FOR**

**THE APPOINTMENT OF SERVICE PROVIDER FOR THE  
PROVISION OF NEW VENTURE CREATION LEVEL 2**

**BUSINESS DEVELOPMENT SUPPORT PROGRAMME:  
SKILLS DEVELOPMENT 2019/20 FINANCIAL YEAR**

**Issued and Prepared by:**

**Alfred Nzo Development Agency**

**Chief Executive Officer: Ms. Mandy Bambeni**

**Contact Person: Ms. N Maloi**

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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); it is 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. ANDA is governed by a Board of Directors who serve as non-executive directors responsible for organizational oversight.

Enterprise Development and Support Services is a programme of ANDA, as approved by the Board of Directors. This programme is further unpacked by the ANDA Multiyear Business Plan; where the Skills Development and Capacity building programme compels the Agency to concentrate on improving the skills base of the population of the Alfred Nzo Region, and also provide skills that respond to the economy of the region.

The strategic objective of the Skills Development is:

- To increase the contribution of small enterprises to the growth of the ANDM economy and transfer skills to the unemployed.

In order to ensure the above and other objectives of the Agency are achieved, ANDA responded to the pronouncement by the Minister of Higher Education and Training, who committed to provide support to ANDM SMMEs operating at the Emfundisweni Skills Centre. ANDA therefore forwarded a proposal to the FP&M Seta, requesting skills support for SMMEs and individuals who wish to further their skills in garment manufacturing. The FP&M Seta approved the proposal and entered into a partnership with ANDA for the furtherance of the objectives of this programme.

As the ANDM is also implementing a similar programme, ANDA wishes to implement this programme in partnership with ANDM in order to increase project scope,

maximize use of financial resources and realise more impact. ANDA in partnership with the ANDM will therefore be implementing the level 2 skills programme in new venture creation.

## **1.2. PURPOSE**

The purpose of this project is to identify and enter into a contract with a competent service provider to implement the NQF Level 2 skills programme for 50 recruited learners. The successful service provider must be accredited with the FP&M SETA to render this qualification.

The qualification is aimed at providing the aspiring SMMEs with the skills, knowledge and values to participate effectively in workplace activities within the Clothing, Textile, Footwear and Leather (CTFL) manufacturing industries. The qualification is part of the National Qualification Framework and is available to individuals who do not have formal training and are working in or wish to work in or manage a SMME business.

## **1.3. OVERALL OBJECTIVE**

The overall objective of the programme is to enhance the skills levels of ANDM SMMEs in textile and clothing industries in order to increase the earnings potential of ANDM communities through the capacitation of garment manufacturers within ANDM.

**Specific Objectives of the programme include the following:**

- 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.
- Apply different language structures and features to suit communicative purpose and demonstrate the ability to effectively write on a range of topics as well as edit writing.
- Understand the importance of enhancing performance levels and motivating in a leadership context

The purpose of The New Venture Creation -2 is a short skills Programme for six (06) months practical and theoretical training programme that allows the learner to access to and mobility within the SMME sector. The qualification meets the need of the society by providing the entrepreneur with the skills to improve personal circumstances thereby contributing to the upliftment of the community.

#### **1.4. PROGRAMME OUTCOME and IMPACT**

This qualification will equip the learner with the skills, knowledge and values to participate effectively in workplace activities within the Clothing, Textile, Footwear and Leather (CTFL) manufacturing industries. Learners achieving this qualification will be able to contribute to CTFL manufacturing processes by:

- Having a good understanding of various forms of businesses and all the legislative requirements needed to operate a profitable organisation
- Monitoring the manufacturing/production process and the quality of production.
- Understanding their role in the business, i.e. in production and related activities.
- Understanding how they are affected by legislation, regulations, agreements and policies related to their particular work environment.
- Perform simple to complex manufacturing / production operations as stipulated in CTFL manufacturing industries.

Learners will also be equipped with the necessary skills for operating various forms of small businesses, understand legislative compliance requirements, financial management, business planning and how to market their enterprises to the correct audience.

## **2. SCOPE & EXTENT OF WORK**

Developing and implementing a training Programme that is a Short Skills Programme Certificate: New Venture Creation level 2 inclusive of a structured theoretical and practical training such as facilitation, assessments, moderations and mentorship phase. The Programme will capacitate the learners who are on fashion designer business within the Alfred Nzo District.

### **The Training must adhere to these conditions:**

- Learners' pre – assessment methods to be used to select learners to be enrolled onto the Programme.
- Skill Development Provider to buy 50 domestic machines for the beneficiaries
- Company Registration and legal issues
- Learners' attendance management methods, reporting methods to ANDA, ANDM and FP&M SETA, project management and learners exit strategy.
- The Theory phase must be conducted at Emfundisweni Skills Development and Resources Centre, Mbizana Cultural village and at any other appropriate venue.
- The Service Provider will pay for the use of the facilities at Emfundisweni Skills Development Centre and in Mbizana Cultural Village e.g. training venues' and accommodation for the facilitators.
- The service provider must provide lunch for the learners.
- The learners will bear the cost for the accommodation, and for two meals that is breakfast and dinner.
- The training programme will be conducted at the Emfundisweni Skills Centre and Mbizana Cultural Village. The service provider is therefore

expected to craft a programme schedule indicating how the time will be shared among the two centres

- Valid FP&M SETA accreditation in the relevant trade/ qualification.

**NB: A compulsory briefing session will be held to clarify the scope of work with prospective bidders on the 26<sup>th</sup> February 2020 at Alfred Nzo Development Agency Boardroom at 10H00 AM.**

### **3. DELIVERABLES**

- The programme is designed to promote entrepreneurial behavior and resourcefulness in any individual by conveying business, finance, marketing and costing skills to ensure sustainable SMME's and wealth creation.
- To provide a qualification that can form the basis for structured programmes for potential and existing entrepreneurs to capitalize on opportunities to start and grow sustainable businesses that form part of the mainstream economy, enabling the SMMEs to tender for business opportunities within both the public and private sectors.
- 50 Learners to be trained in Certificate: New Venture Creation Level 2
- 2 Months Theory phase to be conducted at Emfundisweni Skills Development, Mbizana Cultural Village and at any other appropriate venue.
- Mentorship and coaching programme for 4 Months: learners to be at their businesses or community related projects placed by the service provider.
- 50 x Registration and legalizing business ventures (CSD and SARS Registration)
- 50 x Bank Account opened for SMMEs
- Financial management systems developed for each business.
- Business related files created for each business
- 2x Mock tender document developed for each SMME
- Establishing profitable local relationships
- The appointed Service Provider must offer the full qualification and ensure certification of the qualifying learners at the end of the programme.
- The Service Provider is required to submit the implementation plan before the training commence.

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**UNIT STANDARDS AND LEARNING OUTCOMES: FOR NEW VENTURE CREATION -  
LEVEL 2 FOR 6 MONTHS: 117 CREDITS**

	ID	UNIT STANDARD TITLE	LEVEL	NQF LEVEL	CREDITS
Core	<u>119674</u>	Manage finances for a new venture	Level 2	NQF Level 02	10
Core	<u>119668</u>	Manage business operations	Level 2	NQF Level 02	8
Core	<u>119666</u>	Determine financial requirements of a new venture	Level 2	NQF Level 02	8
Core	<u>119667</u>	Identify the composition of a selected new venture's industry/sector and its procurement systems	Level 2	NQF Level 02	8
Core	<u>119670</u>	Produce a business plan for a new venture	Level 2	NQF Level 02	8
Core	<u>119672</u>	Manage marketing and selling processes of a new venture	Level 2	NQF Level 02	7
Core	<u>119673</u>	Identify and demonstrate entrepreneurial ideas and opportunities	Level 2	NQF Level 02	7
Core	<u>119669</u>	Match new venture opportunity to market needs	Level 2	NQF Level 02	6
Fundamental	<u>9007</u>	Work with a range of patterns and functions and solve problems	Level 2	NQF Level 02	5
Elective	<u>119712</u>	Tender for business or work in a selected new venture	Level 3	NQF Level 03	8
Elective	<u>13912</u>	Apply knowledge of self and team in order to develop a plan to enhance team performance	Level 3	NQF Level 03	5
Elective	<u>13932</u>	Prepare and process documents for financial and banking processes	Level 3	NQF Level 03	5

Alfred Nzo Development Agency will not be able to release the last payment to the skills Development Provider without proof the learners uploaded on the Higher Education Database as well as Services Seta. SDP to submit SORs as the proof that the learners are evaluated and also issue the certificates.

#### **4. 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. Per item prices to exclude 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 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 Bid award. The sites will be handed over to the service provider who will control the sites for the duration of contract. Only the service provider's own employees, FP&M SETA, ANDM and Alfred Nzo Development Agency Representatives will be allowed on site. The Service provider is responsible for 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.

### **Housing 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 inside B&B for housing his

employees and transporting them to and from the site. However, it may be possible to arrange temporary local accommodation for the Service Provider staff with the project members. The Service Provider is in all respects responsible for the housing and transporting of his employees, and for the arrangement thereof, and no extension of time due to any delays resulting from this, will be granted.

#### **'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 SMME Coordinator.

#### **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.

### **5. PROJECT TIME FRAME**

The above deliverable must be completed within 120 working days from the start date, with the following timeline (based on one consultant): The New Venture Creation level 2 (SMME) is 6 months short skills programme with practical and theoretical training programme. 70% of the training programme is based on the practical component and 30% on theoretical component.

### **6. 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 and ANDM including the learners on the programme.

## **7. 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, ANDM and FP&M SETA.

Where necessary, a Project Steering Committee (PSC) made of ANDA officials, ANDM, FP&M SETA 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 Steering Committee where a process of verification will take place prior to the approval of invoices submitted by the service provider. 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.

## **8. 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.

## **9. 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.

- Formal proposal from the service development provider with contactable references, similar interventions, linkages between well-defined businesses, learning programme and mentorship model.
- 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 also the CV's for their facilitators, assessors and moderators such as qualifications, accreditation documents (attachments must be enclosed.)
- The Skill Development Provider must be accredited with Service Seta on New Venture Creation Level 2 and must submit proof thereof (**ACCREDITATION CERTIFICATE**)
- Proposals must be placed in a sealed envelope and clearly marked: "Training proposal – **NEW VENTURE CREATION LEVEL 2**" and placed in the tender box at the Alfred Nzo Development not later than 10H00 on the **09 March 2020**. Bidders are requested to ensure that their proposals include; Company Registration, a Tax Clearance Certificate/pin BBBEE Certificate/affidavit and **SERVICE SETA ACCREDITED CERTIFICATE ON NEW VENTURE CREATION - LEVEL 2**

## 10. EVALUATION CRITERIA

### Functionality Evaluation:

The bids will be evaluated in two stages, namely:

- Stage 1- Functionality
- Stage 2- Price and BBBEE 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**

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**demonstrate the following key competencies** for the functionality evaluation as per the table that follows:

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

Bidder's relevant experience and track record	Weight (100)
References	Weight
<ul style="list-style-type: none"> <li>Traceable record for successful completion of a minimum of 04 or more Trainings of New Venture Creation level 2 for Municipality, Development Agency and for private organisation (Training school/academy)</li> </ul> <p><b>(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 per project as proof that the learners were evaluated and certificate issued)</b></p>	<b>30</b>
<ul style="list-style-type: none"> <li>Traceable record for successful completion of a minimum of 03 but not more than 4 of Training of New Venture Creation level 2 for Municipality, Development Agency and for private organisation (Training school/academy)</li> </ul> <p><b>(Submit at least Three (3) letters of reference on the relevant</b></p>	<b>20</b>

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<p>letterhead and signed by the referring organization. Letters must indicate how many learners were trained and the budget. Attached 2 x SOR's per project as proof that the learners were evaluated and certificate issued)</p> <ul style="list-style-type: none"> <li>Traceable record for successful completion of a minimum of 02 but not more than 3 of Training of New Venture Creation level 2 for Municipality, Development agency and for private organisation (Training school/academy)</li> </ul> <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 per project as proof that the learners were evaluated and certificate issued)</p>	10
<ul style="list-style-type: none"> <li>Traceable record for successful completion of a minimum of 01 but no more than 2 Training of New Venture Creation level 2 for Municipality, Development agency and for private organisation (Training school/academy)</li> </ul> <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 per project as proof that the learners were evaluated and certificate issued)</p>	5
<b>Total Maximum Weighting</b>	30
<b>CAPACITY AND EXPERTISE TO UNDERTAKE THE PROJECT (50)</b>	
<b>Management:</b>  <b>Project Leader with NQF Level 6/ Degree / Diploma Qualification in the Business Management /Marketing / Development studies / Economics and Entrepreneurship.</b>  <b>At least a 5-years working experience in training, Programme/project</b>	<b>Weighting</b>  20

<p>development, (NVC).</p> <ul style="list-style-type: none"> <li>• A solid knowledge in entrepreneurship/ SMME sector and work experience.</li> <li>• A good knowledge of and familiarity with national and regional strategies, policies and priorities for SMME development in Alfred Nzo Region.</li> <li>• Language capabilities to function in both English and Xhosa</li> </ul> <p><b>(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.)</b></p>	
Experience and Qualification of facilitators responsible for the project	Weight
<p><b>Team members to be accredited with (ETDP SETA)</b></p> <ul style="list-style-type: none"> <li>• 2 x Accredited Facilitators</li> </ul> <p><b>(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.)</b></p>	10
<ul style="list-style-type: none"> <li>• 2x Accredited <b>Assessors</b> (internal and external)</li> </ul> <p><b>(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.)</b></p>	10

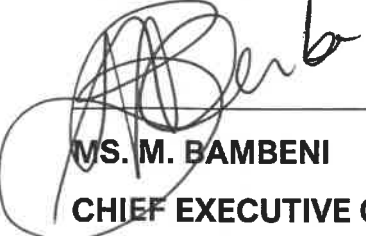
<ul style="list-style-type: none"> <li>• 2 x Accredited <b>Moderators</b> (Internal and external)</li> </ul> <p><b>(Attach CV's and copies of Moderators certified accreditation certificate, ID and qualifications with experience in the field. The bidders must clearly index and label the Moderators CV's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

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

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

**Alfred Nzo Development Agency**  
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Yours in Local Economic Development

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