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Better District, Better Life and Growth for all.

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Alfred Nzo Development Agency SOC Ltd
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TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDER FOR THE DEVELOPMENT OF ALFRED NZO DISTRICT CANNABIS PRODUCTION MASTER PLAN

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

1.1 BACKGROUND

In 2019 South African Government approved the Re-invigorated Industrial Strategy. A cornerstone of the Industrial Strategy is the development of sector focused Master Plans in 15 Priority sectors. One of these Sectors is Cannabis. The Master Plan approach has been implemented in the Autos sector over the last decade and has proven to be a highly effective means of creating stakeholder support for a coordinated approach to developing industrial sectors. As DALRRD has noted, the Master Plan aims to provide a broad framework for the development and growth of Alfred Nzo District Cannabis industry to contribute to economic development, rural development and poverty alleviation.

1.2 INTRODUCTION

Cannabis, colloquially referred to as "umthunzi wez'nkukhu," or, chicken shade, is an intrinsic part of many rural communities in Eastern Cape's Pondoland and a vital source of income. Last year, the government unveiled a master plan for the industrialisation and commercialisation of the cannabis plant. This initiative is seeking to make South Africa's cannabis industry globally competitive and to produce cannabis products for the international and domestic market. Key to the roll-out is the Cannabis for Private Purposes Bill, set to be signed during the 2022-23 financial year, which provides guidelines and rules for consumers and those that want to grow cannabis in their own homes.

The government has since legalised the cultivation of hemp and cannabis for medicinal purposes, thus opening up the industry for serious investment and growth. Although much still remains unclear, it seems the government is committed to opening up the industry, because the economic opportunities are too enticing to ignore.

To exploit the proceeds of the above opportunity in the District, Alfred Nzo Development Agency (ANDA) is forging ahead with plans to tap into the cannabis industry to get the district's ailing economy moving and create much-needed jobs. Considering South Africa's stagnant economic growth and record unemployment, tapping into the cannabis industry could reap rich rewards.

ANDA wishes to undertake the development of a District Cannabis Master Plan that will serve as a guiding tool for Cannabis Production in the District, to generate contemporary information and data, applicable strategies and legislation, learned lessons and diverse agricultural systems and technologies applied in this sector. ANDA wishes to collaborate with Department of Agriculture, Forestry and Fisheries (DAFF), ANDM and DRDAR) for the facilitation and implementation of the Master Plan.

2. PROJECT OBJECTIVES

The main purpose of the project is to facilitate the development of the Alfred Nzo District Master Plan for Cannabis Production and implementation framework that will guide the interventions and strategies to improve the cannabis economic potential in Alfred Nzo District. The Master Plan should be supported by analysis of future and current environmental, human and natural resource factors and should include recommendations regarding prioritized action plans and investment opportunities.

A Service Provider is required to develop Alfred Nzo District Cannabis Master Plan. The scope must include both hemp and dagga covering the Medicine Use, Cosmetics, Food and Beverages, Industrial use and Recreational use. The research work should also indicate appropriate mechanism for implementation, funding and monitoring

3. SCOPE OF WORK

Competent service providers are hereby invited to submit proposals to develop Alfred Nzo District Cannabis Production Master Plan. A service provider is sought to undertake the following:

- Manage, facilitate and coordinate the development of cannabis district master plan in accordance with the advertised terms of reference
- Ensure that all stakeholders are involved and are informed about the process and progress
- Map out the economic development programmes that exist from various sector department and private sector that could be used to support the commercialization of cannabis value chain.
- The Master Plan should be typically time-bound and incorporates various actions across the main stakeholders, sequenced to achieve maximum socio-economic impact
- Ensure alignment, integration with available policies, plans and legislative framework
- SWOT analysis.
- Undertake current Cannabis supply and demand analysis
- Identify South African and global best practices in terms of implementation, funding and monitoring the implementation of the Master Plan.
- To develop strategies on institutional arrangements
- The process should guide the establishment of the committee with all key role players and the investors that will transform the sector to commercial agriculture.
- The service provider is expected to propose and make use of efficient and environment friendly methods to be used in agricultural development to reduce and avoid environmental degradation.
- Based on the research undertaken, how the cannabis industry will be fully exploited to benefit small scale farmers

- Which cannabis commodity types does Alfred Nzo have and where in the map can we find these commodities in the area.
- Develop a detailed value chain analysis of all identified cannabis commodity types
- A comprehensive market plans
- A detailed documentation of a suitable community development proposal of appropriate public private partnership (PPP agreements) with affected communities when implementing the study
- Clearly identify characteristics, roles and responsibilities of different actors proposed in the project
 - Propose possible financiers who can fund the production of each cannabis commodity type identified in the study
 - Provide adaptable recommendations for the development of cannabis industry in the Alfred Nzo Region,

A detailed analysis of this study should include but not limited to following commodities:

- Dagga
- Hemp
- Furthermore, a detailed and comprehensive Geographical Information Systems (GIS) maps should be provided to zoom in the areas with high potential of the above cannabis commodity types, details how much yield can be harvested per site, available water supply and infrastructure

3.1. Market Analysis

The service provider should in principle focus on:

- An assessment of the volume of the various cannabis commodities produced and the quality aspects and market dynamics involved in the trade and consumption of these commodities
- Identification of future market opportunities and -mechanisms as well as infrastructure development needs for an idealized commodity

3.2. Value chain Analysis

- A comprehensive economic analysis of the commodity value chain needs to be executed in order to arrive at integrated conclusion
- The identification of commodities with a competitive advantage or disadvantage for the Alfred Nzo areas.

4. Project Methodology

The service provider must provide a detailed outline of the methodology to be used detailing how each of the deliverables is to be achieved.

- To draft an project proposal that should detail the methodology or approach of the project including project activities and budget allocated thereto and depicts time frame for each activity where the overall project duration will be for a period not more than 4 months.
- It will be the responsibility of the appointed service provider to undertake full time site supervision and quality assurance of all work undertake by the appointed contractors.
- The appointed Service Provider as part of his/her Project Management services, will have to compile a monthly report on the development of Cannabis Production Master Plan
- Although there is a standardized and 'prescribed' methodology for the development of Masterplans, the appointed service provider must outline a detailed, well thought-through and articulated approaches which they will apply to conduct the Master plan process. The proposed approaches must be outcomes-oriented; explicitly outlining actions and the measures that will be taken to ensure a stakeholder-driven process.
- The Service Provider is expected to clearly stipulate the approach and provide a step-by-step explanation of the proposed process to reach the end result of this requirement.
- It will be imperative for the Service Provider to outline in the methodology why a particular method was chosen, what pros, cons and risk factors are.
- The use of appropriate research techniques or approaches based on the need to involve and achieve the highest participation rate possible of individual companies/ industry associations into the process.

5. Project Deliverables

The final project deliverables to be produced on a phased basis over a stipulated period. In accordance with the relevant standards and procedures for professional practice, and scope of work, the professional service provider will submit and make oral presentations on the following output and deliverables to the entity.

On conclusion of the project a final report is to be delivered in hard copy and in USB and CD format containing each of the following:

- Outline of consultation process elicit input from key and effected stakeholders;
- Gather all required information
- The approved Plan document should be made available to the Entity in both electronic version (MS Word and PDF) and hard copies.
- The key project output is the final credible and Implementable Cannabis Production Master Plan clearly identifying possible cannabis commercial commodities to be focused on to in the implementation process.

- A detailed Cannabis Production Master Plan should be aligned with the Multi Year Business Plan IDP, other relevant strategies and legislative framework.
- The plan should include the key investors in the sector as well as funding Institutions
- Two reports (First draft and second Draft)
- Circulate to the external stakeholders for comments and inputs
- Submit final copy with implementation plan with clear proposed projects
- In addition to the above-mentioned deliverables, the service provider must avail itself to attend a project steering committee meeting: ANDA, ANDM, Winnie Madikizela LM, Ntabankulu LM, Matatiele LM, Umzimvubu LM, ECRDA and DRDAR to present the concept report, progress and outcomes of the study and address any queries emanating from the project including final report,

PERCENTAGE OF WORK	MILESTONES	TIMEFRAMES
5%	Submission of inception report	14 December 2022
25%	Submission of first draft report	23 January 2022
40%	Submission of second draft report	12 March 2022
30%	Submission of the final report/final plan	24 April 2023

NB: A compulsory briefing session will be held to clarify the Scope of Work with prospective bidders on the 3rd November 2022 on: <https://teams.live.com/joinmeeting/9468575735835>

6. REPORTING PROCEDURE

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. Progress reporting will be undertaken in terms of documented reporting and in a presentation format at PSC meetings.

The Service Provider will report to the Project Steering Committee. Progress report will be required for every milestone or deliverable of the project as per proposal.

In cases where the appointed service provider appoints the services of other 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.

7. COMPETENCY / EXPERTISE REQUIRED

In order to complete the project successfully ensure quality in the output. The following minimum expertise and competencies will be required from service provider(s) submitting proposals:

- Team Leader with South African Qualification Association (SAQA) accredited NQF Level 8 qualification in Plant sciences/Botany, Biomedical Science
- The company must have a minimum of five (5) year's proven track record and experience in the following fields. Plant sciences/Botany, Biomedical Science
- The team must consist a minimum of 3 members with at least Bachelor's Degree (NQF Level 7) in the following fields: - Plant sciences/Botany, Biomedical Science
- As a qualification matter, the service provider submitting proposal must provide a portfolio of evidence with at least three contactable references where the service provider undertook similar work in the past.
- In addition, the core team must possess experience in Plant sciences/Botany, Biomedical Science
- One Team Member to be registered with South African Council for Natural Scientific Professions (SACNSP) as a Certified Natural Scientist
- In addition, the core team must possess experience in economic research, negotiations, enterprise development, The core team must also have knowledge of key government economic policies, especially industrial policy and demonstrate ability in stakeholder mobilisation and management

8. SELECTION AND EVALUATION CRITERIA

The proposals will be evaluated in two stages, namely:

- Stage 1- Functionality
- Stage 2- BBBEE Points

Only service provider(s) that can demonstrate the required experience and skills relating to the execution of this project will be considered. The following criteria will be taken into account for the appointment of a successful Service provider(s).

ITEM	Weight
STAGE 1 OF EVALUATION – FUNCTIONALITY	100
• Capacity and Expertise	(40)
• Previous Experience and proven track record	(30)
Accreditation, Certificates and licences	(30)
STAGE 2 OF EVALUATION –PREFERENTIAL POINTS	100
Price	80

ITEM	Weight
STAGE 1 OF EVALUATION – FUNCTIONALITY	
Functionality	100
Capacity and Expertise of key personnel	(40)
A team of qualified professionals with the following expertise:	
<ul style="list-style-type: none"> Team Leader in possession of SAQA accredited NQF Level 8 in Plant sciences/Botany, Biomedical Science 	20
<ul style="list-style-type: none"> Team members in possession of SAQA accredited NQF Level 7: <ul style="list-style-type: none"> Plant sciences/Botany Biomedical Science 	10 10
Attach relevant cv and qualification certificates, certified within the last 3 months.	
Previous Experience and proven track record	
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 04 or more projects in Plant sciences/Botany, Biomedical Science to the value of R200 000.00 each 	30
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 03 projects in Plant sciences/Botany , Biomedical Science to the value of R200 000.00 each 	20
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 02 projects in Plant sciences/Botany/ Biomedical Science to the value of R200 000.00 each 	10
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 01 project in Plant sciences/Botany/ Biomedical Science to the value of R200 000.00 each 	05
<i>NB: Appointment letter(s) and satisfactory letter(s) from previous clients. Contactable References with the project name and project description must be attached. The ANDA Assessment Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each project undertaken. If 4 projects were done, 4 Assessment bidder forms must be completed and the appointment letters must also be attached.</i>	
Accreditation	
<ul style="list-style-type: none"> Valid SAHPRA accreditation certificate 	10
<ul style="list-style-type: none"> One Team Member registered with South African Council for Natural Scientific Professions (SACNSP) 	10
<ul style="list-style-type: none"> One Team Member registered with Health Professions Council of South Africa(HPCSA) 	10
STAGE 2 OF EVALUATION – PREFERENTIAL POINTS	
PRICE	80
BBBEE POINTS	20

TOTAL

100

9. TIMEFRAMES

The project time framework will be 5 months from the date of appointment of the service provider.

10. SUBMISSION OF BIDS

Proposals must be placed in a sealed envelope and clearly marked: "Project proposal – Appointment of Service Provider for Development of District Cannabis Production Master Plan" and placed in the tender box in the Alfred Nzo Development Agency not later than 12H00 on the **22 November 2022**. Bidders are requested to ensure that their proposals include Company Registration and all other necessary documentation.

11. COMPLIANCE REQUIREMENTS

Note to Prospective Bidders: Compulsory submissions (Failure to submit any of the following will result in disqualification).

- Valid SARS pin number confirmation certificate to be included as well as Letter of good standing from the Bank
- All bidders should complete MBD 1, MBD 4, MBD 8, MBD9
- All prospective service providers of goods and services and infrastructure procurement are to be registered on Central Database in order to do business with all organs of state in the Republic of South Africa
- 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.
- Certified copies of BBBEE certificate issued by a Verification Agency accredited by SANAS or a Sworn Affidavit in relation to the BBBEE status of the company.
- Copies of ID Documents and all submitted certificates must be certified with a certification that is not older than 3 months.
- The bid will be evaluated according to the preferential procurement model in the Preferential Procurement Policy Framework Act. The bidders' attention is drawn to Form MBD 6.1. Failure to submit will result in zero points score for BBBEE status level
- Company profile with traceable references must be attached
- Joint Venture agreement should be in JV agreement format

For any queries regarding this tender, please contact Mr S. Tshonga at telephone number 039 492 0011/0605516068 during office hours.

AUTHORISED BY:

A handwritten signature in black ink, appearing to read 'N. Maloi', is written over a horizontal line.

Ms N. Maloi

ACTING CHIEF EXECUTIVE OFFICER