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Better District, Better Life and Growth for all.

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Alfred Nzo Development Agency SOC Ltd
Reg nr 2008/009083/30

TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDER TO CONDUCT FEASIBILITY STUDY FOR MACADAMIA NUTS PLANTATION

Issued and prepared by:

Alfred Nzo Development Agency

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Section 1: Background and Overview of the Project

The South African macadamia industry only started in the late 1960's with the establishment of commercial orchards in Levubu and Tzaneen in the Limpopo province. Globally the demand for Macadamias far exceeds the global supply, with only 1.5% of Global demand for Macadamias currently being serviced and the remaining 98.5% of demand un-serviced. The current Global market is grossly undersupplied therefore there is vast potential for growth in the industry. Winnie Madikizela Mandela Local Municipality has the most favorable climatic conditions for the growth of macadamia and is highly endowed in the availability of arable land suitable for the development priority sector for rural economic revitalization and development by government.

Section 2: Introduction

Macadamia farming presents potential to turn the villages' economic fortunes by capturing the whole value chain which include the processing. It is anticipated that the introduction of commercial farming will contribute to infrastructure development, massive job creation and enterprise development of some of these service within 5 years of rolling out of the project. The final selection of the exact participating villages will be guided by the results of the feasibility which will cover soil testing, water supply, electricity supply and environmental requirements.

The macadamia farming project is aligned with provincial and national priorities aimed at radical transformation of the Agricultural sector. Alfred Nzo District Municipality has been targeted as one of the areas for implementation of the Agri -Park programme. The programme aims to bring about rural transformation and sustainable economic growth in the district

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 macadamia 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 macadamia industry could reap rich rewards. Covid-18 aftermath and the Russia/Ukraine war has had an impact on Macadamia markets, this has resulted on reduced and increased standards for good quality nuts in the industry despite current difficulties the industry has remained profitable even at reduced prices thus showing the resilience of the industry, hence the need to build community based macadamia nuts plantations for sustainable rural jobs and community wealth creation.

Section 3: Project Objectives

The agency is intending to conduct the feasibility of developing Community based macadamia nuts plantations along the coastal belt of the Winnie Madikizela Mandela Municipality where conditions to grow Macadamias are favourable e.g.

- Where there is zero occurrence of frost
- There is higher annual average rainfall e.g., rainfall average of above 800mm
- There is reasonable wind speed to suit Macadamia plantations.
- There are accessible perennial sources of irrigation water.
- There are deep soils with no high salt content and heavy clay
- There are willing communities and households to convert land use on their land parcels into Macadamia plantations.

The agency seeks to contract services of a competent service provider with Macadamia nuts plantations experience, development expertise and knowledge of socio-economic development.

Section 4: Scope of Work

The scope of work entails the following:

Phase one

- Determine the qualification criteria for growing Macadamia nuts in the Municipal area of Winnie Madikizela Mandela
- In consultation with the Municipality and the Agency, identify communities within a 10km to 30km radius along the coastal belt who fall within the target macadamia belt.
- Engage the community leaders and critical stakeholders about the pending preliminary feasibility and its qualification criterion for each village or ward.
- Obtain a general consensus that the preliminary feasibility should go ahead on a broad scale which will end up with the identification of suitable land parcels.

Phase two (Broad scanning and determination of suitable land parcels)

Conduct preliminary feasibility studies on identified villages and wards mainly to determine the following:

- Physical factors of the areas e.g., rainfall pattern, temperature, frost occurrence etc
- Determine existing sources of perennial water e.g., dams and rivers.
- Identify suitable land parcels of no less than 100-300ha which are in close proximity to the water sources identified.
- Establish tenure arrangements on those land parcels for direct communication in the event that a detailed feasibility needs to be done as next steps.
- Describe each land parcel in broad terms and give an expert opinion on whether the land parcel qualifies for a detailed investigation in terms of feasibility and general suitability to grow Macadamias.
- Establish if there will be a need for an Environmental Impact Assessment (EIA)
- Establish the existence or need of a water use licence

- Recommend a priority list of land parcels deemed suitable for a detailed feasibility using the general Macadamia qualification criterion.
- Feedback to the stakeholders on the outcomes of the broad scanning and compile a report
- The report must also outline next steps for Land parcels that qualify.

Phase three (detailed investigation of land parcels that passed the broad scanning phase)

The aim of this phase is to secure specific feasibility information that qualifies the land parcels to proceed into business planning phase, for each of the identified land parcels which passed the broad scanning phase the following must be determined:

- Communicate with the leaders and people with land use rights about the detailed study to be done.
- Soil analysis must be done to determine soil quality, soil structure, soil depth and clay content and general land capability must be done.
- Slope analysis
- Water analysis and water availability / quantity analysis must be done.
- The micro climate for each area must be determined
- Description of available infrastructure must be done.
- Do a desk top socio-economic profile for each of the target wards or villages using Government data bases.
- Compile a report with specific recommendations for each area investigated and recommend appropriate institutional arrangements that could apply
- Present the report to the stakeholders, leaders and households with Land use rights.

Section 5: 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. This must include:

- A statement on how the service provider understands the requirements of this assignment
- Indicate areas of preference within a 10km to 30km radius along the coastal belt who fall within the target macadamia belt of Winnie Madikizela Mandela Local Municipality for the development of macadamia nuts plantations.
- Describe in detail exactly how they propose to carry out activities to achieve the outputs identified in the scope of work.
- They should identify any possible problems that might hinder delivery and indicate how they will avoid or overcome such problems

- Describe how the work will be managed. Provide an organization chart clearly indicating the lines of reporting and supervision within the contractor's team
- Provide a work plan of activities. In addition to providing details of the estimated number of work days for each activity, bidders are to supply a detailed timetable that identifies when certain activities will be undertaken and over what period they will be spread. The timing of activities, the time needed to complete them, and the order in which they will be undertaken must be explained and justified
- A clear statement of available expertise and capacity to match the requirements of this assignment as highlighted in the key roles.
- An indication of any innovative approaches and 'value-add' that the service provider may think appropriate.

Section 6: Project Duration and Deliverables

The duration of the project will be limited to 8 MONTHS from the date of appointment. On conclusion of the project a final report is to be delivered in hard copy and in USB format containing outline of consultation process elicited input from key and effected stakeholders;

No.	Activities	Deliverables	Means of Verification
1.	Presentation of implementation plan	Inception report	Minutes
2.	Phase one (Introduction and engagement with stakeholders)	Submission of phase one report	Signed phase one report
3.	Phase two (Broad scanning and determination of suitable land parcels)	Submission of phase two report	Signed phase two report
4.	Phase three (detailed investigation of land parcels that passed the broad scanning phase)	Submission of phase three report	Signed phase three report
5.	Brief completion report with clear recommendations	Final report	Signed final Feasibility study report

Section 7: Reporting Procedure

It is expected that regular progress reports will be submitted to ANDA and further presented to the PSC on the completion of each project phase. 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.

Section 8: 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 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 bid 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: -

ITEM	Weight
STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK	100
STAGE 2 OF EVALUATION – PRICE AND PREFERENCE POINT SYSTEM (GOAL 3)	100
Price	80
Specific Goal 3	20

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

CAPACITY AND EXPERTISE	Weight (100)
<ul style="list-style-type: none"> • Comprehensive proposal with implementation plan, project team, activities, time frames with methodology 	25
<ul style="list-style-type: none"> • Team leader with South African Qualification Association (SAQA) accredited NQF Level 7 qualification in Community Development (Attach CVs and certified proof of qualifications). 	25
<ul style="list-style-type: none"> • A minimum of 2 members of the project team with at least a Bachelor's Degree (NQF Level 7) in Plant Sciences/Botany, Agricultural Sciences (Attach CVs and certified proof of qualifications). 	20
Previous Experience and proven track record <ul style="list-style-type: none"> • Traceable record for successful completion of a minimum of 03 or more feasibility studies on macadamia nuts plantation 	30

<ul style="list-style-type: none"> • Traceable record for successful completion of a minimum of 02 or more feasibility studies on macadamia nuts plantation • Traceable record for successful completion of a minimum of 01 feasibility study on macadamia nuts plantation <p>NB: Reference letters must be attached for each job completed. If 3 projects were done, 3 Reference letters must be completed and attached. Reference letters must be on a letterhead of the referring organisation and signed by accounting officer.</p>	20
	10

SPECIFIC GOAL 3: COMBINATION OF ANY 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	15
Business owned more than 50% by Women	CIPC certificate, Certified ID, detailed CSD	3
Business owned more than 50% by Youth	CIPC certificate, Certified ID, detailed CSD	2
TOTAL WEIGHT		20

Section 9: Minimum Compliance Requirements

In order 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.

- Submit clear proposal that should detail the methodology and implementation plan of the project including project activities and budget allocated thereto and depicts time frame for each activity
- The company must have previously undertaken a minimum of 2 feasibility study projects on macadamia nuts plantation (Reference letters must be attached for each job completed)
- 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 6.1, MBD 8, MBD9
- 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/Lease Agreement/Proof of Residence.
- Copies of Director's ID Documents and all submitted certificates must be certified with a certification that is not older than 3 months.
- Company profile with traceable references must be attached

- Joint Venture agreement should be in JV agreement format
- The company must have experience and track record in conducting feasibility studies and setting up Macadamia nuts plantations of no less than 3 years.
- The team must consist a minimum of 2 members with at least Bachelor's Degree (NQF Level 7) in the following fields: - community development(Attach CVs)
- As a qualification matter, the service provider submitting bids must provide a business profile with a minimum of two contactable references where the service provider undertook similar work in the past.
- Proven ability in effective written and oral communication
- Strong inter-personal skills and ability to work with people from diverse backgrounds

Section 10: Submission of Bids

Proposals must be placed in a sealed envelope and clearly marked: **“Project proposal – Appointment of Service Provider to Conduct Feasibility Study for Macadamia Nuts Plantation”** and placed in the tender box in the Alfred Nzo Development Agency not later than 12H00 on the ~~23~~²³ October 2023. Bidders are requested to ensure that their proposals include Company Registration and all other necessary documentation.

Enquiries should be directed to the Office of the Programmes Department: Ms. N Maloi 039 492 0011/066 320 2887 or email: Maloin@anda.org.za and SCM related enquiries should be directed to SCM Manager: Ms Olona Sompao on 0394920011 / 066 440 7301 or email: Sompao@anda.org.za

~~Approved/Not Approved~~



BSC Chairperson

Comments by Chairperson:

AUTHORISED BY:



Mr N.R Xolo

ACTING CHIEF EXECUTIVE