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Better District. Better Life and Growth for all.

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Alfred Nzo Development Agency SOC Ltd
Reg nr 2008/000953/30

TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDER TO CONDUCT FEASIBILITY STUDY FOR COFFEE PLANTATION IN ALFRED NZO

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1. BACKGROUND AND OVERVIEW OF THE PROJECT

Coffee is a vital crop for developing economies like the Eastern Cape, as it could provide vital earnings and an income for our rural farmers. It is also an ideal crop for areas with poor infrastructure, as it is one of the few crop products that can be stored for relatively long periods without perishing.

South Africa imports almost all its coffee consumption. We do not produce enough of what we drink in South Africa. Importing coffee into RSA has therefore become a potentially lucrative business. When international prices increase, local producers could benefit significantly.

Although coffee will grow well in almost any frost-free area with well-drained soil, the best coffee producing areas in South Africa are the coastal areas of southern KwaZulu-Natal including parts of Alfred Nzo District. There are several farmers along the coast of KZN who have made coffee a profitable venture and are intending to expand to Alfred Nzo district.

The Alfred Nzo Development Agency (ANDA) is an economic development agency wholly owned by the Alfred Nzo District Municipality (ANDM) mandated to pursue and facilitate investment, economic development and empowerment in the Alfred Nzo District. The entity supports sector development and facilitates establishment of industries that could create jobs and attract great investment impact. Coffee, as one of the most important commodities in terms of value, is an industry that could be developed and which could create jobs.

Given that agriculture has been identified as a key sector that drives the Alfred Nzo Economy, the Agency has identified the need to assess the feasibility of a commercially viable coffee production business model in the district of Alfred Nzo district. ANDA intends to appoint a professional and a suitable service provider to undertake the development of a feasibility study to confirm the viability of developing coffee commodity in the Alfred Nzo.

Coffee farming presents potential to turn the villages' economic fortunes by capturing the whole value chain which includes the processing. It is anticipated that the introduction of commercial coffee farming will contribute to infrastructure development, massive job creation and enterprise development. 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.

2. PROJECT OBJECTIVES

The agency is intending to conduct the feasibility of developing Community-based coffee plantations along the coffee belt of the District Municipality where conditions to grow coffee are favorable.

The primary objective of the assignment is:

- To conduct a feasibility study to determine viability and provide recommendations to refine the business model for coffee production in Alfred Nzo.
- Identify opportunities for creation of small- and medium-sized enterprises across the coffee value chain

The agency seeks to contract the services of a competent service provider with experience with coffee plantation, development expertise and knowledge of socio-economic development.

2. SCOPE OF WORK

To achieve these objectives, the consultant will be responsible for:

A. Feasibility Assessment

- Determine the qualification criteria for growing coffee in Alfred Nzo District
- Identify communities within Alfred Nzo who fall within the targeted coffee belt.
- Identify suitable land parcels suitably for growing coffee.
- Recommend a priority list of land parcels deemed suitable for growing coffee.
- Engage the community leaders and critical stakeholders from the villages situated within the coffee belt.
- Consult municipal spatial development frameworks and land use management plans to make recommendations.
- Determine the viability and market assessment to determine coffee demand nationally.
- Investigate the investment requirements by government and private sector for setting up a commercially viable coffee production industry in Alfred Nzo.
- Conduct a risk assessment and sensitivity analysis for growing coffee.
- Provide an overall expert opinion on the viability of the coffee plantation project

B. Refining business model and implementation plan

- Develop a comprehensive "Project Implementation Plan" with recommendations on the business model and further guide ANDA on the implementation of the coffee plantation project.
- Design coffee production and management plans to guide farmers on the day-to-day management of the Coffee plantation.
- Propose market linkages and where possible facilitate the linkage that can be leveraged
- Compile a report with specific recommendations for each area investigated and recommend appropriate institutional arrangements that could apply in terms of implementation, funding and monitoring the implementation of the feasibility study.
- Discuss and analyse how ANDA can use capacity building and training to support of the Coffee industry
- Map out economic development programs that exist from various sector departments and private sector that could be used to support the commercialisation of coffee value chain in Alfred Nzo
- Propose possible financiers who can fund coffee production and infrastructure development.
- Detailed and comprehensive Geographical Information Systems (GIS) maps should be provided to depict suitable areas for growing coffee.
- Provide adaptable recommendations for the development of the coffee industry in Alfred Nzo district.
- Present the report to PSC, stakeholders, ANDA and other relevant parties
- The implementation plan should be time-bound and incorporate various actions across the main stakeholders, sequenced to achieve maximum socio-economic impact.

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 a proposal report that should detail the methodology or approach of the project including project activities and budget allocated thereto and depicts the time frame for each activity where the overall project duration will be for a period of not more than 4 months.
- The appointed Service Provider as part of project management will have to compile a monthly report on the development of feasibility study

- A clear statement of available expertise and capacity to match the requirements of this assignment as highlighted in the key roles.

5. PROJECT DELIVERABLES AND DURATION

The final project deliverables are to be undertaken on a phased basis in line with the scope of work over a stipulated period. The duration of the project will be limited to 4 months from the date of appointment.

No.	Activities	Deliverables	Means of Verification
1.	Presentation of implementation plan	Inception report	Minutes
2.	(Introduction and interaction with stakeholders, collection of data etc)	Feasibility assessment report with all components as outlined in the scope of work above	Signed phase one report
3.	Refining business model and implementation plan	Preliminary Report	Signed phase two report
4.	Detailed investigation of viability of coffee industry in Alfred Nzo	Final detailed complete report with clear recommendations	Signed Final Feasibility report on Coffee Plantation

6. MINIMUM COMPLIANCE REQUIREMENTS

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

- Formal methodology or implementation plan from the service provider with project initiation, project management, project milestones, and clear outcomes with specific time frames and project costs
- Submission of Clear financial breakdown with the proposal.
- Team Leader with South African Qualification Association (SAQA) accredited NQF Level 7 qualification in Agricultural Economics or Business Management (Attach CVs and qualifications)
- One team member must be registered with South African Council for Natural Scientific Profession (SACNSP)

- The team must consist of a minimum of 1 member with at least bachelor's degree (NQF Level 7) in the following fields: - Plant sciences/Botany or Agricultural sciences or Community development (Attach CVs and qualification)
- 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).
- The company must have previously undertaken a minimum of 3 feasibility study projects on any agricultural projects (Reference letters must be attached for each job completed)
- Company profiles with traceable references must be attached where the service provider undertook similar work in the past.
- Provide and attach a copy of the company registration certificate.
- 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.
- All bids submitted should remain valid for a period of 90 days after the bid closing date

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.

8. 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 Specific 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 (Goals)**

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
• Capacity And Expertise	60
• Previous Experience	40
STAGE 2 OF EVALUATION – PRICE AND PREFERENCE POINT SYSTEM (GOALS)	100
• Specific Goals	20
• Price	80

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

ITEM		WEIGHT
<u>CAPACITY TO EXECUTE WORK</u>		60
<ul style="list-style-type: none"> Comprehensive Proposal with Implementation Plan, Project team, activities and Time Frames 		20
<ul style="list-style-type: none"> Team Leader with South African Qualification Association (SAQA) accredited NQF Level 7 qualification in Agricultural economics or business management or any related study (Attach CVs and qualifications) 		10
<ul style="list-style-type: none"> The team must consist of a least 1 member with bachelor's Degree (NQF Level 7) in the following fields, Plant Sciences / Botany or Agricultural Sciences or Community Development, - Plant sciences/Botany or Agricultural sciences or Community development 		10
<ul style="list-style-type: none"> One team member must be registered with South African Council for Natural Scientific Profession (SACNSP) 		20
<u>PREVIOUS EXPERIENCE</u>		
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 04 Feasibility study on agricultural projects 		40
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 03 Feasibility study on agricultural projects 		40
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 02 Feasibility Study on agricultural projects 		30
<ul style="list-style-type: none"> Traceable record for successful completion of a minimum of 01 Feasibility study on agricultural projects 		20
		10
<p><i>NB: If 4 projects were done, 4 Reference letters must be completed and attached.</i></p> <p>NB: Bidders need to score 70% or more to proceed to the following evaluation stage</p>		
<u>STAGE : PRICE & PREFERENCE GOAL POINTS</u>		
Price		80
Specific Goal - COMBINATION OF ANY GOALS		20
SPECIFIC GOALS: 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	10
Business located in rural areas	Proof of residences	5
Business owned more than 50% by Youth	CIPC certificate, Certified ID, detailed CSD	5
TOTAL WEIGHT		20

9. SUBMISSION OF BIDS

Proposals must be placed in a sealed envelope and clearly marked: **"DEVELOPMENT
FEASIBILITY STUDY FOR COFFEE PLANTATION IN ALFRED NZO DISTRICT"**

and placed in the tender box in the Alfred Nzo Development Agency not later than 12H00 on the 08 September 2025 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: Mr S. Tshonga 039 492 0011/060 551 6068 or email: Tshongas@anda.org.za and SCM related enquiries should be directed to SCM Manager: Ms Olona Sompa on 0394920011 / 066 440 7301 or email: Sompao@anda.org.za

Approved by:



Lumko . Mtimde

CHIEF EXECUTIVE OFFICER