



enterprise ilembe

ECONOMIC DEVELOPMENT AGENCY

**THE APPOINTMENT OF A TECHNICAL PARTNER TO ESTABLISH
AND OPERATE A WINE RETAIL OUTLET AT SUGAR RUSH PARK**

TERMS OF REFERENCE

Closing Date: 24 August 2017

Time: 12H00

Information Contact:

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SERVICE PROVIDER TERMS OF REFERENCE

It is the intention of Enterprise iLembe to enter into a formal 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 agreement.

Section 1: Details

Province:	KwaZulu-Natal
Agency:	Enterprise iLembe Economic Development Agency
Project Name:	Establishment and operation of a wine retail outlet at Sugar Rush Park

Section 2: Background

Enterprise iLembe:

Enterprise iLembe is an economic development agency wholly-owned by the iLembe District Municipality mandated to pursue and facilitate investment, economic development and empowerment in iLembe.

The objective of Enterprise iLembe is to improve the competitiveness of the iLembe Region by creating an environment that will enable local business to compete successfully on the international stage.

Enterprise iLembe has established vineyards in Mandeni, Maphumulo and Ndwedwe with a total of 10.8 hectares of a white cultivar (Villard Blanc) having been planted across these three vineyards. 48 staff members are employed across these sites from the local community living in the region.

Enterprise iLembe has built a winery on Sugar Rush Park outside Ballito where the grapes from the local iLembe vineyards are received and processed. This winery has been fitted with basic wine making equipment required to process grapes. This includes six stainless steel tanks with a capacity of 22 500 litres, a membrane press, destemmer, pumps and smaller equipment required for wine making.

The technical partner will have access to all of this equipment to use at their discretion but Enterprise iLembe will retain ownership of this equipment.

Section 3: Project Description

The proposals are requested from qualified and experienced technical partners in the field of wine retail who are capable of executing a process that includes:

1. Partnering with Enterprise iLembe in the operation of the iLembe co-operative winery. The preferred partner is required to assist with the provision of capital in creating a retail space at Sugar Rush Park where Enterprise iLembe currently occupies 100m² of winery space for manufacturing and has a further 70m² of retail space.
2. The partner will be required to do shop fitting for the retail space. This must include all aspects from furnishing to the installation of a point of sale system as well as the branding of the winery building. The partner will also be responsible for the costs associated with the 70m² of retail space (e.g. Rental of space).
3. Enterprise iLembe is in the process of developing a wine brand 1787 which must play a role in the retail outlet. All wine sold onsite will be under the 1787 brand.
4. The sourcing of the following five varieties of wine to be sold under the 1787 brand:
 - a. Sauvignon Blanc;
 - b. Chenin Blanc;
 - c. Merlot;
 - d. Cabernet Sauvignon; and
 - e. Rose (Pinotage)

NB: The costs associated with the sourcing of wine and delivery charges will be borne by the partner.

5. In this partnership, Enterprise iLembe, will grant the technical partner right of use of wine making equipment for wine making purposes or as they see fit. Enterprise iLembe will retain ownership of all of the equipment.
6. All grapes harvested from the iLembe vineyards must be processed in the winery.
7. Packaging, marketing, distribution and sales of wine will be co-ordinated between Enterprise iLembe and the technical partner.
8. Any staff employed on a full time basis in the winery or the retail outlet must be from the iLembe district. The selection of staff will be done upon mutual agreement between Enterprise iLembe and the technical partner.

9. The technical partner will have to conduct a variety of wine promotional activities with an intention of making the business sustainable and generate profit
10. Please note that each wine Cultivar used must be of High Quality. All of the Wines / Winemakers should be certified or accredited by SAWIS
11. Enterprise iLembe has obtained a liquor license to manufacture wine and sell wine on the premises. It is the responsibility of the partner to obtain any other licenses that may be required.

Branding and Labelling:

Enterprise iLembe is in the process of establishing a brand which will have to be carried forward to the retail outlet. The labelling will therefore have to be aligned to the brand and this will be discussed and provided to the suitable partner once identified.

Duration:

The proposal must specify the proposed duration for the partnership period keeping in mind capital investment that will be committed into the project.

Enterprise iLembe reserves the right to extend the partnership agreement beyond the proposed duration at a future date once viability of the retail store has been established.

Profit sharing agreement / model:

A profit sharing agreement will be entered into between Enterprise iLembe and the suitable partners. This agreement will determine the ratio to be used to distribute **profit and losses**. This will be informed by amount of contribution each partner will make towards the business in terms of Capital, Expertise and other determining factors as mutually agreed upon.

Section 4: Deliverables

The bidder must indicate how the following deliverables will be met –

- A proposal detailing how the interested bidder intends on meeting the requirements set out under section 3.
- Proposals must specify the amount of capital to be contributed and this must be accompanied by a funding guarantee from a bank or other financial institution registered in term of the financial intelligence centre act number 38 of 2001 (Compulsory).

- Bidder is required to summarise and indicate how capital will be allocated and utilised to achieve the requirements set out under section 3.

Section 5: Implementation Schedule

Work Schedule

Interested bidders are to include a detailed schedule of activities with timeframes attached from start to finish.

Reporting

The Technical Partner will work in close co-operation with Enterprise iLembe to ensure that all deliverables relating to this bid are met.

Section 6: Adjudication Criteria

Bids will be evaluated in terms of the Procurement Policy of Enterprise iLembe 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 Preferential Procurement Regulations and the 2011 B-BBEE Regulations.

Any bid that fails to achieve a minimum of 60 points on the functionality evaluation shall not be evaluated further and will be deemed to be non-responsive.

Functionality Evaluation

The functionality evaluation points will be applied as per the table that follows;-

Competencies

Bidders must demonstrate the following key competencies for the functionality evaluation:

#	Competency	Point Allocation	Maximum Points
1	Proof of past experience as follows: <ul style="list-style-type: none"> Marketing and Selling of Wine and; Training, development and wine staff co-ordination 	<ul style="list-style-type: none"> Marketing and Selling of Wine – 25 points Training, development and wine staff co-ordination - 25 points 	50
2	Experience in establishment of wine making business with at least five years practical experience.	0-1 years – 10 points 2-4 years 30 points Above 5 years 40 points	40
3	Proof of funding guarantee from a bank or other financial institution registered in term of the financial intelligence centre act number 38 of 2001	10 points	10

In order to be awarded points for the **first two competencies** listed above, please submit the following:

- A list of **contactable references** for similar projects undertaken in the following format: ***Bidders are to CLEARLY distinguish between their experience relating to the selling and marketing of wine and wine making experience so as to ensure the correct allocation of points to bidders.***

Client Name	Nature of Work Undertaken	Start Date	Date of Completion	Client Contact Person	Tel No.

Only bidders who achieve a total of 60 points for functionality in terms of the above will then be evaluated in terms of the 80/20 points scoring system. Bidders wishing to claim preferential points must attach B-BBEE certificate.

The 80/20 preference point scoring system will be applied with points allocated as follows:-

- 80 points for the price;
- 20 points for B-BBEE status level

Status Level of Contributor	Preference Points on scorecard (80/20 System)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-contributor	0

DOCUMENTS REQUIRED FOR TENDER:

- 1. Annexure A: Compulsory Information Sheet (see below)**

- 2. Service Providers Proposal including Human Resource committed to the project (if applicable)**
 - Only staff that will be undertaking specific activities with regards to this assignment should be included.
 - A brief profile (1/2 to 1 page) of each should be included with details of engagements undertaken.

- 3. Registration details & Compliance**
 - All interested bidders must be registered on the Central Supplier Database for Government. Proof of registration must be attached to the proposal (along with the Supplier Number as well as the unique registration reference number). **Please visit <https://secure.csd.gov.za/> to register on the Central Supplier Database. It is **compulsory** for service providers to be registered on the Central Suppliers Database**
 - All bidders must submit a Valid Tax Clearance Certificate (**Compulsory**). In line with the latest circular from SARS (South African Revenue Services), bidders can

now submit a **UNIQUE PIN** to enable the municipality to verify the bidder's tax compliance status online via E-filing.

- MBD 2, 4 and 6.1 Forms (**Compulsory**). **Please note that the MBD 6.1 Forms have been revised. Please ensure that the 2017 MBD 6.1 Forms are submitted.**
- Company registration documents
- Power of Attorney/ Signing authority where applicable
- Proof of B-BBEE status level of contributor – i.e. B-BBEE Status level certificate issued by an authorized body or person OR A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice OR any other requirement as prescribed in terms of the B-BBEE Act. (Please attach the approved B-BBEE accreditation certificate or supporting Affidavit, if available in order to claim points for this.)

Points to note regarding the B-BBEE Status Level:

- Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

Section 7: Requirements Related to this Brief

Submission of Proposals

Proposals must be submitted in sealed envelopes endorsed “**PROPOSAL FOR: “The iLembe Winery Project”**” and must be hand delivered and placed in the tender box at **Sangweni Tourism Centre, Cnr. Link Road & Ballito Drive, Ballito** and addressed to;
The Chief Executive Officer
Enterprise iLembe,
Sangweni Tourism Centre,
Cnr Link Road & Ballito Drive.

The closing date for receipt of proposals is on or before **12h00 on 24 August 2017.**

Please note: All proposals must be hand-submitted to the tender box, and incomplete, faxed, emailed applications and applications received after the closing date and time WILL NOT be considered. Bidders using a courier service to deliver documents are responsible for ensuring that such delivered documents are physically deposited in the tender box.

Enterprise iLembe does not bind itself to accept the lowest or any of the bids and reserves the right to accept the whole or part of the bid proposal.

-----**END OF BRIEF**-----

ANNEXURE A – MANDATORY INFORMATION (COMPULSORY INFORMATION SHEET)

Name of Company: _____

Contact Person/s: _____

Contact Number/s: _____

E-mail address: _____

Postal Address: _____

Details	Response (Please indicate where the information can be found in your proposal)
Detailed Proposal sets out how the requirements of section 3 & 4 of the Terms of Reference will be achieved by the Bidder	
Proof of Funding (Funding Guarantee)	
Proof of past experience in Wine Marketing and Sales as well as Wine Making experience.	
All interested bidders must be registered on either the Central Supplier Database (CSD). Proof of CSD registration must be attached to the proposal (along with the Supplier Number and the Unique registration number)	
MBD 2, 4 and 6.1 forms (please ensure that the 2017 MBD 6.1 Forms are submitted)	
Valid Original Tax Clearance Certificate or a UNIQUE PIN to enable the municipality to verify the bidder's tax compliance status online via E-filing.	

Above information certified correct:

Authorised Signatory: _____

Name: _____

Date: _____

NB: By signing this annexure, the bidder accepts the clauses contained within these Terms of Reference