



**enterprise ilembe**

ECONOMIC DEVELOPMENT AGENCY

## **TERMS OF REFERENCE**

*FOR*

### **A FULL FEASIBILITY STUDY, BUSINESS PLAN & CONCEPTUAL DESIGNS FOR THE KWASHUSHU AND NTUNJAMBILI TOURISM SITES IN MAPHUMULO**

**Closing Date: 17 January 2019**

**Closing Time: 11h00**

**Venue: Sangweni Tourism Centre, Ballito**

*It is compulsory for bidders to ensure that their proposals are bound or stapled securely together. If the proposal is too thick to be bound or stapled, bidders are allowed to split the document into sections, however, each section must be bound or stapled and must be individually labelled with the name of the bidder. Under NO circumstances will loose submissions be accepted.*

*It is the intention of Enterprise iLembe to enter into a formal contract with a 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 Contract.*

## **Section 1: Details**

**Municipality:** iLembe District Municipality and the Maphumulo Local Municipality  
**Contracting Agency:** Enterprise iLembe Economic Development Agency  
**Project Name:** KwaShuShu & Ntunjambili Project

## **Section 2: Summary of Brief**

Proposals are being requested from suitably qualified and experienced service providers to conduct a full feasibility study, and develop a business plan together with conceptual designs for the KwaShuShu Hotspring and Ntunjambili (The Kop) tourism sites located in Maphumulo Local Municipality within the iLembe District.

## **Section 3: Project Description**

### **Introduction:**

#### **The iLembe District Municipality**

The iLembe District Municipality is situated on the east coast of South Africa, in the KwaZulu-Natal Province. iLembe is one of the 11 district municipalities of KwaZulu-Natal province in South Africa and also the smallest District Municipality in the province, with a total population of just over 650,000. iLembe is located between two of Africa's busiest ports, Durban and Richards Bay and is therefore well situated not only to local but also international markets. Despite its strategic location, iLembe faces numerous economic challenges such as the high levels of poverty in the rural inland areas, which contrasts with rapid development along its coastal regions.

#### **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.

The key sectors areas are:

- Agriculture
- Tourism
- Manufacturing
- Services

### **Project Background**

KwaShuShu Hot Springs (also known as the ShuShu Hot springs) are located along the Tugela River about 140kms (or a 2,5hour drive) north of Ballito near Greytown and Kranskop on the R74. From turning off the R74 through the town of Kranskop and for another 20km travelling is on a tar road that is in reasonable condition. The last 25km is driven on a dirt road which is in a reasonable condition. The R74 and thereafter is quite scenic with twists through fairly mountainous terrain.

The site itself and the surrounding area is flat with thorn trees and bushes and grasslands that is disturbed by cattle grazing with limited natural bush remaining. The site is currently undeveloped. There are informal campsites located along the river bank, and the area is a popular camping and caravan spot during the holiday months, however there are no ablution facilities and it is not electrified nor is there tap water.

Ntunjambili Mountain: this sandstone peak towers over the town of Kranskop. There are a number of local legends passed down from the times of King Shaka, one tale tells of how the rock split allowing the local chief's son and his bride to hide inside from cannibals who were pursuing them.

### **Objectives:**

The purpose of the study will be to gauge the need, viability, infrastructure requirements, product offering and packaging, potential market support, forecast usage, conceptual designs, and costs for the development tourism area driven on the principles of community tourism.

## **Section 4: Specifications**

The tasks to be undertaken by the consultant or consortium under this Terms of Reference will be managed in close collaboration with Maphumulo Municipality and Department of Economic Development, Tourism & Environmental Affairs, and include but are not necessarily limited to the following:

### **Scope of Work**

- Technical Assessment of the current infrastructure available in the targeted areas and effective usage of the identified resources (both sites – linked as one tourism node)
- Review the proposed sites and make recommendations with respect to zoning, ownership, infrastructure requirements, accessibility, EIA, Water Use Applications & Planning
- Market Assessment - Provide a market potential analysis that describes development prospects and niche market focus for the sites. Conduct current tourism market conditions and constraints for potential opportunities. Identify main target market and provide short and long-term outlook thereof. Provide detailed estimates of market size and potential. Describe trends affecting the market and how market needs will be served
- Conduct assessment for the marketing and promotion of the business opportunities
- Assess development opportunities for community participation and investor attraction
- Identify tourism opportunities to form part of the business plan
- Conduct an assessment of downstream tourism opportunities
- Identify business and tourism linkages with the coastal corridor
- Determine feasible business opportunities that need to be pursued for the implementation as part of the business plan
- Identify value-add tourism activities that will benefit the local community
- Undertake stakeholder mapping and engagements, conduct consultation workshops
- Develop Financial Model & Plan – short, medium, long term (capital expenditure, operational expenditure, cash flow projection, risk analysis, identify potential funders, revenue generation.
- Conceptual Designs (artist impressions) of proposed development
- Conduct benchmarking exercise for similar projects (conduct study tour)

### **Key Project Deliverables**

- Inception Report
- Detailed Feasibility Study
- Business Plan
  - Business Plan must be bankable, taking into account funding requirements and criteria from funders such as NEF, NDT etc.
- Conceptual Designs
- Consultation Report (Project File: Minutes of Meetings, Attendance Registers etc.).

### **Project Team**

The project requires a multi-skilled team with proven track-record of conducting detailed feasibility studies and packaging bankable business plans for both public and private sector projects. The team should have an in-depth understanding, knowledge and experience in delivering sustainable, viable and profitable tourism enterprises.

## **Section 5: Time Frame & Reporting**

This project is expected to be undertaken within a period of 5-6 months. Project Deadline: 15 June 2019

The appointed Service Provider will be required to prepare a realistic work schedule and ensure that the deadline as stipulated above are adhered to.

The schedule once approved by Enterprise will be fixed and any deviation from the approved programme will need to be pre-negotiated with the appointed Enterprise iLembe Project Manager.

### **Reporting**

The service provider will work in close co-operation with Enterprise Ilembe who will act as contract co-ordinator and the link between the service provider and the District and Local Municipality.

The Service Provider will be required to prepare and present progress reports coinciding with agreed milestones. Where considered necessary the Service Provider will also be expected to compile reports and make presentations for other bodies as and when required by the Enterprise Ilembe.

The service provider will be expected to keep financial records and other appropriate records (Consultation Report).

## **Section 6: Deliverables & Ceiling Costs**

Funding is made available by Enterprise iLembe, Maphumulo Local Municipality and the Department of Economic Development, Tourism & Environmental Affairs for the project. Service Providers in their proposals are to set out their approach, methodology, and develop clear milestones against which progress can be monitored and payments made. An inclusive, detailed budget for the required work must be submitted in the form of time and cost based quotations.

Payments will be made on invoices submitted for work completed per achieved milestone. On receipt of invoices rendered the service provider should allow at least 4 weeks for the payments to be processed.

## **Section 7: Documentation and Confidentiality**

Ownership of all documentation, material and data produced within the context of this brief, whether in hard or digital format, shall remain the property of Enterprise iLembe Economic Development Agency.

Information and data which is generated in the context of the project; may not be made available to any third party without prior written permission of the Chief Executive Officer. All project material shall be presented in both hard copy and electronic format.

## **Section 8: Non - Appointment**

Enterprise iLembe has a right not to make an appointment should it find that proposals received do not meet the specified criteria / requirements and is not compelled to accept the lowest quotation.

## **Section 9: Requirements Related to Tender**

**Please note that it is mandatory to complete Annexure A, MBD 1, 4 and 6.1 forms. Failure to complete these documents and return it with your submission will disqualify your bid in its entirety.**

### **Submission of Proposals**

*Bidders are encouraged to include the following, inter alia, in the detailed proposal:*

- *All relevant labelled supporting documents as annexures to the proposal. (Please refer to Section 11 of this document for details regarding the supporting documents required);*
- *Bidders are to submit a summary of previous projects and a list of relevant references.*
- *Bidders are to submit a detailed timeframe with milestones.*

Proposals must be submitted in sealed envelopes endorsed “**PROPOSAL FOR ‘THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT A FULL FEASIBILITY, BUSINESS PLAN & CONCEPTUAL DESIGNS FOR THE KWASHUSHU AND NTUNJAMBILI TOURISM SITES IN MAPHUMULO’**” 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;**

and be received on or before : **17 January 2019 at 11h00**

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.

## **Section 10: Adjudication Criteria**

### **Proudly South Africa Campaign**

Preference will be given to entities in terms of the following order:

- Firstly – suppliers and businesses operating within the iLembe District;
- Secondly – If no suitable suppliers are found within the iLembe District, suppliers and businesses operating within the Province of KwaZulu-Natal shall be considered;
- Thirdly – If no suitable suppliers are found within the Province of KwaZulu-Natal, suppliers and businesses operating within the Republic of South Africa shall be considered.

In order to comply with this provision, bidders are requested to submit Utility Bills or Councillor Letters (with **original signature**), as proof of residence. (COMPULSORY)

### **Procurement Policy**

Bids will be evaluated in terms of the Procurement Policy of Enterprise iLembe 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

**NB:** Bidders must demonstrate by submitting documentary proof in relation to the claim of points with respect to the following key competencies/areas in order to claim points in the functionality evaluation:

No:	Competency	Point Allocation	Maximum Points
1.	Team Members Qualifications. <i>(Bidders are to provide <b>certified</b> copies of educational qualifications of ALL proposed Team Members <b>relevant</b> to this project- Compulsory)</i>	No qualification 0 National Certificate 20 Degree/ Diploma 35 Post Grad Qualification 45	45
2.	Project Methodology <i>(Bidders are requested to include the <b>detailed</b> methodology in their proposals)</i>	25	25
3.	Proof of previous experience in conducting SIMILAR/ Tourism-related <b>Feasibility Studies</b> and the compilation of <b>Business Plans</b> <i>(It is compulsory for bidders to provide a table of similar projects undertaken in the format specified below- up to a maximum of 11 years)</i>	0-1 year 5 1 – 5 years 15 5 – 10 years 20 Above 10 years 30	30

In order to be awarded points for the third competency listed above, please submit the following:

- A list of **contactable references** for similar projects undertaken in the following format:



Client Name	Nature of Work Undertaken	Start Date	Date of Completion	Amount	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

The 20 preference points will be allocated based on B - BBEE status level of contribution and shall be allocated as per table below:-

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

## Section 11: Required Annexures

1. **Annexure A: Compulsory Information Sheet (see below)**
2. **Service Providers Proposal**
3. **Registration details & Compliance**
  - All interested bidders must be registered on the Central Supplier Database for Government. The detailed registration report must be attached to the proposal (along with the Supplier Number and the Unique registration reference number). **(Compulsory)**. Please visit <https://secure.csd.gov.za/> to register on the Central Supplier 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 1, 4 and 6.1 Forms. **Please note that the MBD 6.1 Forms have been revised. Please ensure that the 2017 MBD 6.1 Forms are submitted. These forms are available upon request via e-mail or on our website [www.enterpriseilembe.co.za](http://www.enterpriseilembe.co.za) (Compulsory)**. Please note that the SBD forms will not be accepted.
  - Bank confirmation letter
  - Company registration documents showing all active members/ directors/ shareholders/ owners etc.
  - Power of Attorney/ Signing authority where applicable
  - B-BBEE Verification Certificate (Please attach the approved B-BBEE accreditation certificate if available in order to claim points for this.)

### **Points to note regarding the B-BBEE Status Level:**

- Bidders other than EMEs must submit 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.

## ANNEXURE A – MANDATORY INFORMATION

Name of Company: \_\_\_\_\_

Contact Person/s: \_\_\_\_\_

Contact Number/s: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

\_\_\_\_\_

Details	Response/Annexure
Bidders Experience and Qualifications.	
Project Methodology	
Proof of Previous Success specific to this project	
Total Price (Including VAT)	

**Above information certified correct:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

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