



enterprise ilembe
ECONOMIC DEVELOPMENT AGENCY

TERMS OF REFERENCE

FOR

THE APPOINTMENT OF AN IMPLEMENTING AGENT FOR THE ESTABLISHMENT OF THE ILEMBE DISTRICT BUSINESS INCUBATOR

Closing Date: 26 September 2017
Time: 11h00

Information Contact:
Name: Ms F Mazibuko
Tel: 032 946 1256

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 contract.

Section 1: Details

Province:	KwaZulu-Natal
Agency:	Enterprise iLembe Economic Development Agency
Project Name:	The Appointment of an Implementing Agent for the Establishment of the iLembe District Business Incubator

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.

It is the intention of Enterprise iLembe to establish an iLembe District Business Incubator Facility, the objective of which will be to provide assistance for start-up, sustainability and growth stages of entrepreneurs or SMME's within the iLembe District.

The proposed business incubator will focus on the following key economic sectors:

- Manufacturing
- Mining
- Renewable Energy
- Agro-Processing & Biofuels
- Agriculture
- Construction
- ICT
- Tourism.

Implementing the Business Incubator for the ILembe District Municipality and four local municipalities of KwaDukuza, Mandeni, Maphumulo and Ndwedwe will assist the District in ensuring SMME and cooperatives development as well as business retention and expansion of the existing businesses in that the incubators will act as a conduit and access platform to the following:

- Access to technical and business related skills necessary for the business growth process.
- Ease of doing business by SMME's or cooperatives in that the incubator will ensure compliance with all necessary regulations.
- Incubator will act as a "one-stop shop" for all business related information that is necessary for starting and growing business.
- Ease of access to funding through assistance by the incubator in developing credible and bankable business plans.
- Centralized information centre for all national, provincial and regional business related policies and programs as pronounced by the government.
- Accessible support structure to all district and local municipalities to reduce delays and waste of motion by entrepreneurs or cooperatives.
- Access to business consulting services at a minimal costs to the entrepreneurs from nascent to developed stage.

Section 3: Project Description

3.1 Objectives of the Business Incubator:

The proposed business incubator objectives will be to provide assistance for start-up, sustainability and growth stages of entrepreneur or SME's in five business themes and constructs that are fundamental for their development. The themes and constructs are tabulated below:

Themes	Constructs
Support	<ul style="list-style-type: none"> • Enterprise Development • Strategic Partnerships
Skills	<ul style="list-style-type: none"> • Skills development
Markets	<ul style="list-style-type: none"> • Access to markets • Localization policies
Funding	<ul style="list-style-type: none"> • Access to funding • Grants
Awareness	<ul style="list-style-type: none"> • Knowledge of initiatives

3.2 Proposed Office Layout of the Business Incubator

The office layout and services provided by the incubator will be as follows:

Office Layout	Services Provided	Office sustainability / resource
Administration	<ul style="list-style-type: none"> - Coordination of all services - Attending to queries and redirecting - First contact with potential and existing incubates - Rental offices 	<ul style="list-style-type: none"> - Salaries - Rental revenue
Facilities office	<ul style="list-style-type: none"> - Access to internet - Printing - Faxing - Scanning - Document binding 	<ul style="list-style-type: none"> - Incremental fees from start-up to established incubates
Compliance office	<ul style="list-style-type: none"> - Company registration - SARS - Other (CIDB, CSD, ISO, etc.) 	<ul style="list-style-type: none"> - Salaries
Business Management Consulting Office	<ul style="list-style-type: none"> - Pre-and Post-investment feasibility studies - Business Plans - Market research - Project finance modelling (Grants or finance) - Due diligence - Optimization - FEED (Front End Engineering Design) - Systems Implementation (HR, Finance, IT) 	<ul style="list-style-type: none"> - Salaries - Fee based service - Grants
Skills development office	<ul style="list-style-type: none"> - Business management training - Quality Management Systems (ISO) - Technical Training 	<ul style="list-style-type: none"> - Salaries - Fee based - Grants
Coaching and Mentorship office	<ul style="list-style-type: none"> - Networking - Tacit skills - Socialization 	<ul style="list-style-type: none"> - Salaries - Grant

3.3 Budgetary Requirements:

The budget requirements for the business incubator can be classified into the following three categories:

- Facility development budget - involves construction or rental related costs for an incubator facility.

- Capital expenditures - one-time expenses related to start-up such as phone system, furnishing for administrative office, conference rooms, resource centre, etc.
- Operating budget - estimates expenses associated with the first five years of incubator operations including salaries.

Proposed sources of funding for the business incubator are:

- Department of Small Business Development – Enterprise Incubation
- Department of Trade and Industry – Incubation Support Program
- Industrial Development Cooperation – Establishment grants, Operational Grants.
- Private sector

3.4 Deliverables:

- Determine sectors that SME's and Cooperatives in the district are currently serving.
- Determine the current large business (Private and Public) appetite on district business incubator and enterprise development.
- Assess the current large business (Private and Public) skills requirements from SME's.
- Verify the existing National, Provincial and Regional economic development policies and programs that supports the development of business incubators.
- Assess the level of community and business needs as well as support for this business incubator model.
- Assess and recommend suitable optimum location for the district business incubator (centralized or de-centralized model).
- Identify institutions and organizations that could be partners in the district business incubator effort.
- Recommend a general operational and management plan for the incubator.
- Determine the funding model for sustainability of the district business incubator.
- Determine possible sources of finance for the district business incubator.
- Develop a business plan for funding of the incubator.
- Develop a 12-24 month incubator plan

Economic Development Purpose: The service provider must determine the role that the district business incubator will play in supporting the local economic development objectives of all four Local Municipalities. This must be coupled with the alignment of the District and Local Municipalities' Integrated Development Plans.

Stakeholder Support: The service provider should detail who are the critical stakeholders and the level of support expected for overall success of the business incubator.

Market Analysis Report: Market research and community outreach should culminate in a market analysis, which clearly and fully demonstrates why the choice of location for the business incubator is or is not feasible and should address the identification of critical “go/no-go” criteria.

The successful service provider will overall be responsible for the following:

Project Cost Management	Cost Estimating	Activity costing per scope
	Funding Application	Preparation of a Bankable Business Plan
Project Integration	Project Plan Development	Development of project plan for implementation
	Project Execution Plan	Build or Rent
		Furnishings & Fittings
		Office layout and design
		Registration of incubates
Project Human Resource management	Organizational Planning	Provide advice to EI on the hiring of a Management Team (if required)
	Staff Acquisition	Outsourcing of critical services
	Team Development	Engagement of anchor tenants
		Setting of incubation strategy
Project Launch	Opening	Opening ceremony
		Industry showcase
		Media involvement
Project Close-Out	Skills Transfer	Management Team must be able to operate the incubator independently
	Close out report	Implementing agent to handover the project to EI

All decision making will be made in agreement with the implementing agent and EI management.

The service provider will be responsible for ensuring that adequate support and training is given to the Business Incubator management team in order to allow them to successfully take over the operations of the Business Incubator once the establishment of this Incubator is completed.

The Business Incubator management team will then take over the running of the Incubator and will report directly to Enterprise iLembe, who will remain the project owner. Interested service providers are required to submit a proposal setting out how each of the above-mentioned deliverables will be achieved and proposed fee for such services.

Project duration:

This establishment of the Business Incubator Facility is expected to be completed within **6 months** from the date of appointment of the Implementing Agent.

Section 4: Implementation Schedule

Work Schedule

The appointed Service Provider will be required to prepare a realistic work schedule determining the stages of work to be done and time frames for the development of each business plan.

Reporting

The service provider will work in close co-operation with Enterprise iLembe management and will be required to submit progress reports on each stage of work that has been completed as well as a close-out report upon completion of the project. The service provider will be expected to keep financial and other appropriate records and may be required to present progress reports to the Board of Directors upon request.

Section 5: Requirements Related to this Brief

Briefing session:

A briefing session will be held on Wednesday, 13 September 2017, at 12h00 at the Enterprise iLembe offices situated at the Sangweni Tourism Centre, Cnr Link Road and Ballito Drive, Ballito.

Submission of Proposals

Proposals must be submitted in sealed envelopes endorsed “**THE APPOINTMENT OF AN IMPLEMENTING AGENT FOR THE ESTABLISHMENT OF THE ILEMBE DISTRICT BUSINESS INCUBATOR**” 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 **11h00 on 26 September 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.

Section 6: Adjudication Criteria

The Entity supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local assets, goods and services from:

- Firstly – suppliers and businesses within the iLembe District;
- Secondly – suppliers and businesses within the Province of KwaZulu-Natal;
- Thirdly – suppliers and businesses within the Republic.

Further, in terms of the 2017 Preferential Procurement Regulations, preference will be given to businesses which are at least 51% owned by black people.

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 PPPFA 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 below;-

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

Competencies

The successful bidders or consortium must demonstrate the following key competencies for the functionality evaluation:

Competency	Point Allocation	Maximum Points
Competency, specialist input and expertise of the consultant/s in project management. Proposals should include a summary of proposed team member's educational qualifications and work experience. It is compulsory for certified copies of educational qualifications to be submitted to the proposal	No qualification 0 National Certificate 10 Degree/ Diploma 15 Post Grad Qualification 25	25
Proof of past experience in Enterprise/ Supplier Development, Feasibility Studies, packing of business plans / sourcing of funds and access to markets (Please provide this information in the tabular format specified below)	0 years 0 < 1 year 5 1 – 5 years 10 5 – 10 years 15 Above 10 years 25	25
Capacity to deliver the required quality within the specified time frame (This must be outlined in the project timeline)		15
Proof of SETA Accreditation of Team Members responsible for rolling out training services (supporting certification for this accreditation must be submitted in order to claim these points)		20
Value-adding initiatives – bidders are to include any value-adding initiatives/ recommendations in respect of the establishment of the incubator hub		15

In order to be awarded points for the first 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	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 that follows:-

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

- Only staff that will be undertaking specific activities with regards to this assignment should be included.
- Please ensure that certified copies of qualifications and SETA accreditation of these team members are submitted with your proposal
- Proof of past experience in Project Management, Sourcing of Funding and Past Experience in similar undertakings must be detailed in the tabular format specified in section 6, page 8 of this document (i.e. contactable references table)

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).
(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 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. These forms are available upon request via e-mail or on our website www.enterpriseilembe.co.za**
- 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.

ANNEXURE A – MANDATORY INFORMATION

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)
Certified copies of Qualifications and/ or SETA accreditation of team members	
Proof of past experience in Project Management, Sourcing of Funding and past experience in similar projects (to be detailed in the tabular format specified in section 6, page 8 of the TOR)	
All interested bidders must be registered on the Central Supplier Database. Proof of registration must be attached to the proposal (CSD Supplier Number or CSD Registration Report)	
MBD 2, 4 and 6.1 forms in the 2017 revised format	
Valid Original Tax Clearance Certificate	
Price (INCL VAT)	

Above information certified correct:

Authorised Signatory: _____

Name: _____

Date: _____

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