



enterprise ilembe

ECONOMIC DEVELOPMENT AGENCY

TERMS OF REFERENCE

FOR

**The Appointment of a Service Provider for the Implementation of a Food Hub System
Software**

Closing Date: 08 October 2018

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 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 a Service Provider for the Implementation of a Food Hub System Software

Section 2: Project Description

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 iLembe District Municipality, through Enterprise iLembe, requires assistance in the planning and implementation of a centralized food hub/park distribution system. This concept aims to provide easy and accessible off-take for small and emerging growers as well as a central procurement channel for food-related orders destined for Government Departments.

Through this project, iLembe District Municipality aims to uplift emerging growers and to streamline the monitoring, transparency and cost-effectiveness of food distribution to various local entities. This project ties into the broader KZN's provincial initiatives around value chain development. The driving philosophy behind this project is the creation of an inclusive sustainable value chain through which local commercial activity is stimulated, food/nutritional security is strengthened and small business development is expanded.

This document provides the background to this strategic intervention and establishes a planning framework for the implementation of the hub concept. In the following sections, the scope and more detailed functionality are described.

Section 3: Description of the Project

Scope of work

To manage the complete process of developing, supply, implement, commission and support the following system for the enterprise;

- Centralized Farmer and projects database system.
- 4 x Food Distribution Hub systems.

Centralized Farmer and Projects System.

- Project (Farmer) management tool
- Internal control tool
- Reporting tool on Expenditure and performance to intra- and inter-governmental stakeholders
- Resource, Responsibility and Accountability allocation tool
- Statistical tool
- Monitoring and Evaluation tool
- Revenue management tool
- Early warning system tool that can raise red flags when there is land being under-utilized, under-productive or lying fallow for the district to intervene.

Food Hubs System.

Core modules

- Stock/Inventory management
- Warehouse management
- Demand forecasting (Future)
- Transport planning and scheduling
- Goods processing (Procurement)
- Packing and processing
- Goods processing (Order/Dispatch)
- Logistical coordination
- Payment and administration

Reporting

- Reporting needs to be available in real-time
- A full set of reports to be developed ranging from summarized to detail reporting
- Dashboard-type performance metrics for visualization

- Distribution of data/information to third-party providers and stakeholders
- Delivery across platforms as dictated by the workflow

Standards and best practice

- Alignment with food safety and inspection processes
- Recording of control point information

Training, support and skills transfer

- System training to be provided on an ongoing basis
- Support services to be provided (to be structured around hardware/software/network)

Functional requirements

The following section provides a more detailed overview of core functionality.

Centralized Farmer and Projects System.

The system that on-boards each farmer in terms of

- Size of land
- Yields and quality
- The kind of crops he plants
- Whether he/she has infrastructure such as fencing, irrigation, etc.
- Demographics of the farmers (Gender, age. Co-op or individual, etc.)

Integrated procurement and distribution planning

- Integrate solutions into Radical Agrarian Socio-Economic Transformation (RASET), National School Nutrition Program (NSNP) and Local Economic Development (LED)

Strengthen food and nutritional security

- Strategic intervention in the value chain
- Facilitate the flow of product and information (reliable, relevant, timeous)
- Facilitating production support, value-adding, marketing as well as distribution.

Access to markets

- Unlocking extended value chain opportunities
- Integrate into the national network of municipal markets
- Increase efficiency of food hubs strengthening food security

Enhance control and monitoring

- Grower payment and performance management
- Project life-cycle management
- Resource and role allocation
- Early warning and risk identification
- Revenue allocation and management

Integrated reporting

- Real-time reporting across food hubs and farming units
- Reporting on expenditure performance of intra- and inter-governmental stakeholders
- Internal reporting platform for management
- Identify supply-side risk (under-utilized capacity / non-performance)

Align with industry best practices

- Institute workflows and control points based on industry best practices
- Provide specific control points within food hubs for food testing and early warning

People

- Allow for training and skills transfer across all functions
- Identify growers training needs and provide or initiate such interventions
- Create online training (Digitized) with accredited service providers.

Food Hubs System.

High-level workflow:

- Produce is procured from a range of pre-defined registered growers.
- Logistical functions are coordinated across procurement and delivery
- The produce is received at central processing units (Hubs)
- Demand is consolidated via standing orders from pre-registered clients.
- Produce is collated, invoiced and delivered.
- Payments/stock management/system maintenance is performed by the hub.
- Full range of reporting is provided

Five main role-players are:

- Farmer Co-op: Production of produce by small and medium growers
- Hub: Central “market” for the growers
- Client: These included government-linked institutions and programs
- Logistics: Service providers collecting and delivering goods
- Payment facilitator

Main functions of the system

- Maintain a list of farms / co-ops and their workers
- Maintain a list of transporters/vehicles and vehicle types
- Maintain a list of all client information: schools/learner numbers and school types including service provider that services client (transporter)
- Maintain a list of items
- Generate the estimated requirements for a week using pre-entered criteria
- Enter orders placed by supply chain to cover requirements for the week
- Receive produce from farmer/co-op
 - As per order with shortfall/oversupply recording
 - Ad hoc deliveries to cover short supply on orders
- Count goods delivered and verify the delivery note
 - Output - Goods Received Note (3 copies)
- Cleaning goods and storing warehouse
- Inventory control
- Create load per transporter (multiple clients)
- Load as specified in requirements

- Generate Proof of Delivery's (POD's) per client and summary transport dockets per load.
- Indicate dispatched / collection
- Verify signed POD from clients.
- A regular push of data to a central office or cloud based system
- Stock taking
- Production planning
- Order fulfilment and management
- Food inspections
- Facilitate payment of producers and transporters/service providers

Security aspects

- View/access limit profile maintenance
- Implement access and functionality restrictions

Registration process / Onboard farmers

- The onboard process involves analysis of planned farm and crop suitability
- Procurement and training process
- Performance management of the farming unit to be performed.

Production planning and demand forecasting

- Clients provide weekly details about estimated demand per product line
- These figures are used for demand forecasting and crop planning
- Estimated yield and harvest figures are compiled per farmer
- During harvest actuals, yields and harvest are recorded

Produce to Payment

- Farmer captures produce into the delivery book
- Transporter transports produce to HUB
- Receiving of produce: Verify delivery note details
- Capture information on system
- Transporter receives proof of delivery
- HUB cleans and packages the produce
- Payments for produce is made to the farmer
- Clients place orders with HUB (standing and ad-hoc)
- Orders are captured on the system

- Produce is dispatched according to order
- Transporter collects produce and delivers to clients
- Transporter receives proof of delivery
- Transporter returns proof of delivery to HUB

Product lists

- List of items and related stock information to be captured and maintained
- Baseline products
- Allow for additional products to be added and maintained
- Item, container - limited grading and grading recording
- Lining between delivery and production important

Maintenance Functions

Various information maintenance functions are required.

Items codes

- Display list of all commodities (admin level)
- Add items
- Remove items (not if sales are present)
- Prices to be entered or imported from national markets
- Fields:
 - Name
 - Unit of purchase
 - Unit of sale
 - Purchase Price
 - Sales Price
 - Unit type
 - Weight

Farms/Co-op

- Display list of farms/co-ops that supply Hubs
- Add
- Allow edit and view of details
- Delete records with no links
- Fields:
 - Name

- Description
- Contact person
- Phone number
- Location (GPS)
- Area (ha)
- Banking details
- Active flag
- Hub link

Farmer Crop Planning

- Capture production side info
- Fields:
 - Farmer
 - Area
 - Plant Date
 - Estimated Harvest Date
 - Actual Harvest Date
 - Estimated yield
 - Actual Yield

Demand forecasting

- Estimate demand cycles and seasonal variance
- Fields:
 - Client
 - Beneficiary
 - Goods
 - Demand - day week month

Farmworkers

- Record and show number of workers per farm
- Social reporting to show how many workers are involved.
- Add new records
- Allow viewing/editing
- History of workers
- No deletions
- Fields:
 - RSA_ID

- Name
- Gender
- Rate per day - optional
- Farm / co-op link

Transporters

- Display list of transporters
- Add new records
- Allow viewing/editing
- Link vehicle type to transporter
- Record registration number, description, type, rate/km
- Fields:
 - Transporter Name
 - Contact person
 - Contact number
 - Banking details
- Transporter Logbooks
- Fields:
 - Date
 - Transporter
 - Vehicle
 - Odometer Start - End
 - Mileage
 - Rate
 - Total

Vehicle type

- Display vehicle types
- Add new records
- Allow viewing/editing

Maintain service providers

- Display list of service providers
- Add new records
- Allow viewing/editing
- List details of service provider

Beneficiary maintenance

- List beneficiary
- Add new records
- Allow viewing/editing
- List details of beneficiary
- Fields
 - Beneficiary type (Junior school/Secondary School/Prison/Clinic/Hospital)
 - GPS
 - Beneficiary name
 - Department Ref number
 - Number of pupils / staff / inmates / patients etc.

Operational functions

Goods receiving

- Create goods received record
- Record vehicle / odometer - log book
- Farmers delivery id
- Items and quantities (received and sent)
- Goods are weighed counted and compared against delivery note
- Fields:
 - Date
 - Farmer
 - Transporter
 - Delivery Note
 - Goods
 - Purchase Price (from negotiated contract / table)
 - Quantity

Print Goods Received Note (GRN)

- Once confirmed print GRN
- Amendments to GRN to be recorded - re-reprint
- Loss reporting
- Inventory - packaging management

Orders

- Create order
- Fill order
- FIFO
- Fields:
 - Date
 - Location
 - Beneficiary
 - Goods
 - Sales price
 - Quantity

Delivery

- Confirm pack and order quantity
- Print delivery note
- Amendments
- Confirm acceptance of delivery

Data export to payment authority

- Payment information to be exported to payment system to facilitate payments

Inventory control

- Monthly stock takes (weekly / daily)
- Adjust stock on hand
- Fields:
 - Stock take date
 - Location
 - Goods
 - Quantity

Information management

- Import/upload of media types - images, pdf, and data file etc.

Report requirements

Various reports and methods of delivery to be determined. Examples are:

- Produce delivered from farmer - date, quantity and value
- Produce dispatched - date, quantity and value

- Delivery per beneficiary

High-level milestones

Once the project has been approved and allocated the following initial processes are required:

- Establish/mandate project implementation teams consisting of Enterprise iLembe and the service provider
- Kick-off workshop to be arranged
- Roles and responsibilities to be clarified
- Quality assurance and user acceptance milestones to be determined
- Communication and reporting channels to be established
- Change management and communication plan
- Full User Requirements to be drafted and signed off.
- A technical specification to be drafted
- Development lifecycle managed
- Hubs system implemented
- Central Farmer system implemented
- Systems integrated

Section 4: Pre-qualification 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 Original Councillor Letters, as proof of residence. (COMPULSORY)

Section 5: Deliverables & Ceiling Costs

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 Municipalities.

The Service Provider will be required to prepare and present progress reports coinciding with each of the agreed milestones. Where considered necessary the Service Provider will also be expected to compile reports and presentations for other bodies as required by the Enterprise iLembe. The service provider will be expected to keep financial records and other appropriate records.

Funding is made available by Enterprise iLembe for the project. **Service providers are requested to include the annual budget implications with the escalations.**

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 6: 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 permission of the Chief Executive Officer. All project material shall be presented in both hard copy and electronic format.

Section 7: 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 8: 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.

Kindly note that a compulsory briefing session will be held at the Enterprise iLembe offices (address listed below) on 12 September 2018 at 10h00.

Submission of Proposals

Proposals must be submitted in sealed envelopes endorsed “**PROPOSAL FOR THE IMPLEMENTATION OF A FOOD HUB SYSTEM**” 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: **08 October 2018 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 9: 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 PPPFA 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; -

Competencies

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

#	Competency	Point Allocation	Maximum Points								
1	Proof of past experience in the Implementation of Similar Systems – (Experience can date back as far as the past 11 years) (Bidders are requested to summarise some of the SIMILAR projects undertaken in the tabular format below, in order to claim points for this competency- Failure to comply with this provision may result in no points being allocated for this competency)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">0 years</td> <td style="width: 50%; text-align: right;">-0</td> </tr> <tr> <td>1 – 5 years</td> <td style="text-align: right;">-10</td> </tr> <tr> <td>5 – 10 years</td> <td style="text-align: right;">-15</td> </tr> <tr> <td>Above 10 years</td> <td style="text-align: right;">-20</td> </tr> </table>	0 years	-0	1 – 5 years	-10	5 – 10 years	-15	Above 10 years	-20	20
0 years	-0										
1 – 5 years	-10										
5 – 10 years	-15										
Above 10 years	-20										

2	<p>Proof of past experience in Post-Implementation Support - (Experience can date back as far as the past 11 years)</p> <p>(Bidders are requested to summarise some of the SIMILAR projects undertaken in the tabular format below, in order to claim points for this competency- Failure to comply with this provision may result in no points being allocated for this competency)</p>	<table> <tr> <td>0 years</td> <td>0</td> </tr> <tr> <td>1 – 5 years</td> <td>10</td> </tr> <tr> <td>5 – 10 years</td> <td>15</td> </tr> <tr> <td>Above 10 years</td> <td>20</td> </tr> </table>	0 years	0	1 – 5 years	10	5 – 10 years	15	Above 10 years	20	20		
0 years	0												
1 – 5 years	10												
5 – 10 years	15												
Above 10 years	20												
3	<p>Proposed system meets the minimum requirements of the Terms of Reference</p> <p>(these requirements MUST be clearly demonstrated in the bidders proposal)</p>	<ul style="list-style-type: none"> • Inclusion of all core modules on proposed system – 10 points • Reporting requirements met – 10 points • System provides for compliance with standards and best practice – 5 points • Proposal provides for post implementation training – 7.5 points and support– 7.5 points 	40										
4	<p>Qualifications of the Project Team Leader (Certified copies of qualifications, relevant to ICT and project management to be submitted – Please note that this is a compulsory requirement)</p>	<table> <tr> <td>• No qualification</td> <td>- 0</td> </tr> <tr> <td>• National Certificate</td> <td>- 5</td> </tr> <tr> <td>• National Diploma/Degree</td> <td>- 10</td> </tr> <tr> <td>• Post graduate/Masters</td> <td>- 15</td> </tr> <tr> <td>• PHD</td> <td>- 20</td> </tr> </table>	• No qualification	- 0	• National Certificate	- 5	• National Diploma/Degree	- 10	• Post graduate/Masters	- 15	• PHD	- 20	20
• No qualification	- 0												
• National Certificate	- 5												
• National Diploma/Degree	- 10												
• Post graduate/Masters	- 15												
• PHD	- 20												

In order to be awarded points for **competencies 1 and 2** listed above, please submit a list of traceable references for similar projects undertaken by the bidder 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 minimum 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 a B-BBEE certificate or a B-BBEE affidavit.

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 10: 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.
- If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements for the past three years or since establishment if established during the past three years
- 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 . Bidders have the responsibility to ensure the correct version of the forms are submitted – in Enterprise iLembe's format **(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	Reference to where can this information be found in the bidders proposal
Bidders Experience and Qualifications.	
Proof of previous experience specific to this project	
Total Cost to Implement the Proposed System with initial setup, licences and subsequent licence renewals (where applicable) support and training (Amount quoted to be inclusive of VAT and other applicable taxes)	R
Rates for ongoing post-implementation support costs/ training costs – please quote the rate per hour for this- together with proposed escalations	Support – R _____ per hour Training - R _____ per hour

Above information certified correct:

Signature: _____

Name: _____

Date: _____

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