

TERMS OF REFERENCE

FOR

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

Closing Date: 11 March 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

Province: KwaZulu-Natal

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.

GPS Co-ordinates as follows 28.8604°S, 31.0117° E.

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.

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The key sectors areas are:

- Agriculture
- Tourism
- Manufacturing
- Services

Project Background

KwaShuShu Hot Springs (also known as the ShuShu Hot springs) is 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 that is in a reasonable condition. The R74 and thereafter is quite scenic with twists through 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 riverbank, 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.

Project 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:

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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
- Review existing data available for project intervention on the potential to develop climate resilient economic development;
- Conduct appropriate site background information gathering (including but not limited to vulnerability and exposure to tourism events, potential economic opportunities as well as gaps and needs for tourism promotion)
- Conduct a desk top review of the economic potential of the tourist sites and its potential for tourism
- 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
- Assess and estimate the economic growth of the projected increase from tourism proofing these two sites and their economic infrastructures
- 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
- Conduct community consultation to assess the social impact of the proposed interventions
- Outline realistic time line for the proposed set of activities
- Identify the barriers and challenges, if any that could determine the sustainability of the project
- Identify and analyse any governance and capacity issues that will be critical during the
- implementation of the project as well as to ensure sustainability of the project
- 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)

Specific Activities include: -

Consultation workshops:

- Identify all relevant public and private stakeholders;
- Determine the perceived and anticipated interests from stakeholders and incorporate the anticipated roles and responsibilities that persons and interest groups would have in this project;
- Conduct a consultation workshop to discuss future programmatic needs for cooperation;
- Identify stakeholders to participate in the Project Steering Committee (PSC); and
- Initiate and maintain a practical stakeholder participation and consultation process through the subsequent phases.

Site appraisal

- Assess the existing levels of infrastructure and services with respect to the proposed site, in order to
 inform the levels of infrastructure required to be provided by the local municipality;
- Review the proposed sites and make recommendations with respect to zoning and environmental
 requirements, accessibility, ownership, institutional arrangements; viable type of businesses and size
 and the envisaged impact of the project; and
- Develop an accommodation schedule for the optimal utilisation of the site.

Conduct Sector and Market Analysis:

- Conduct a survey analysis of present market conditions and constraints to formal and informal trade in the area; and identify relevant sectors, trends and patterns and key challenges facing this segment of the economy; to determine market demand and the future growth potential;
- Provide detailed estimates of market size or potential;
- Identify main customers or target market and provide short and long-term outlook thereof;
- Provide assessment of competitors;
- Describe trends affecting the market and how market needs will be served;
- Explain the promotion and marketing methods.

Conduct Economic and Financial Analysis:

- Provide a market potential analysis that describes development prospects and niche market focus for the proposed centres, based on local market characteristics and international best practice;
- Develop a detailed financial plan that incorporates the following:
- Capital Expenditure detailing the costs of renovation, building layout, based on actual market-related quotations;
- Operating expenditure e.g. maintenance, water & lights, security etc.;
- Detailed financial plan to determine whether or not the proposed development is viable and sustainable based on realistic budget projections, and projected revenue streams;
- Detailed cash flow projection over a period of five years;

- Risk analysis of the proposed developments; and
- Identification and engagement of potential funders.
- Detailed revenue generation model e.g. Rent and lease revenue
- Explore options for combining medium size business enterprise with existing micro enterprise to provide a cross subsidisation revenue model.

Institutional Development Analysis:

- Assess and propose institutional arrangements that could have a positive influence in the implementation of the project.
- Identify key management structure to manage the facility for maintenance and operational purposes.
- Identify a letting criterion for interested or potential tenants.
- Workshop institutional arrangements with stakeholders with the aim of solidifying developmental values aligned with the iLembe Enterprise strategies.
- Propose options for a management model to optimise the financial viability of the sites and indicate
 how the management entity will be making income and how much subsidy should be granted to
 cover operations.

Facilitate and develop a Business Model:

- Provide a detailed business model that considers all information and alternatives to determine the
 feasibility of the Kwashushu and Ntunjambili Tourism Sites; and provide a rationale to substantiate
 the recommendation on whether to proceed with developing a comprehensive business plan for the
 proposed project. It is important that the following aspects are addressed:
- Financial model that details the costs and returns to the project;
- Operational model that outlines the operational process;
- Institutional model that identifies the most suitable institutional and partnership arrangements;
- Socio-economic model that outlines the socio-economic impact of the proposed development on the study area (i.e. How will the project uplift local small business).
- Risk management model that highlights the risks and mitigating strategies to combat those risks.

Expected Outcomes:

- To liaise with the relevant experts involved in the project formulation to obtain their expected inputs for the feasibility study, and concept design.
- To participate in a series of consultation discussions with stakeholders and obtain technical inputs from Enterprise iLembe and local municipalities as deemed relevant
- To participate and obtain inputs from stakeholder and private sector meetings which are organised by the Enterprise iLembe
- To participate in community level consultations to validate the design and input into the full proposal

 Ensure all project interventions are robustly designed meeting Enterprise iLembe's criteria and is backed up with evidence including baseline assessments, evaluations, relevant studies

Key Project Deliverables

- Inception Report (that will detail the focus of support as well as the associated outputs, the support that will be provided, the detailed methodology that will be followed, all logistical arrangements, a detailed activity based work-plan as well as any other deliverables)
- Detailed Feasibility Study (that will include feasibility component of the study replete with analysis and recommendations; institutional and marketing plan; report outlining management and operational plan; financial plan; implementation plan for the tourism sites)
- Business Plan (must be bankable, taking into account funding requirements and criteria from funders such as NEF, NDT etc.)
- Conceptual Designs
- Consultation Reports (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.

Key Expert 1: Team Leader/Project Manager

Must have a recognized Masters or PhD qualification with majors in any of the following; Economics, Tourism/ Development Studies, Commerce, Social Sciences (Research) Engineering or Business Administration, Property development

Possess skills and competencies in the following areas: tourism, community development, project development, management, and monitoring; time management; planning and organising; report writing; budgeting and financial management capacity; presentation skills; communication and networking; good interpersonal relations; analytical thinking and problem solving; computer literacy. Knowledge of project and contract management; feasibility studies, sector studies, business plans, IDPs (integrated development plans), project financing, SWOT, PESTEL analysis and LED Plans; partnerships for economic development; legislation, policy and strategy affecting local economic development; and research methodologies.

Key Expert 2: Sector Specialist/Researcher

The Sector Specialist must have a recognized Masters or PhD level qualification with majors in any of the following; Economics, Development Studies, Commerce, Information Technology or Business Administration. The Specialist should have a sound knowledge of business planning practices, market research, and financial

analysis and budget preparation with experience in SMME/Cooperative development and property development economics. The Specialist should also have extensive experience in report writing and possess presentation skills.

Key Expert 3: Civil/Structural Engineer

The structural engineer shall be a qualified Engineer (civil) with relevant experience in structural engineering with a minimum of ten years' experience of which six years shall be in structural design of concrete water retaining structures. The duties of Structural engineer are:

- To review soil investigations;
- To review all structural designs and necessary structural drawings and specifications, including components relating to construction/rehabilitation, water supply components, and sewerage components and building construction;
- Ensure compliance with applicable building regulations, with a specific focus on compliance on seismic resistant requirements

Key Expert 4: Environmental Specialist

The Environmental specialist should possess a BSc degree in Environmental Science/ natural resource management. The expert must have at least five years' experience of which shall be in the performance of environmental assessments.

Key Expert 5: Economist/ Financial Analyst

The Economist/Financial specialist should possess a BSc/BA degree in Economics/Finance or related field and Post graduate qualifications in Project Management or related business field with at least ten years' experience in Project Management or consultancy work in feasibility studies of big projects.

Key Expert 6: Solid Waste Management Specialist

The sewerage specialist shall be a professionally qualified Civil/Water Engineer with not less than ten (10) years' experience as an engineer in the design of solid waste systems.

SECTION 5: TIME FRAME & REPORTING

This project is expected to be concluded on or before 30 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 coordinator 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 & 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.

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.

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);
- o Bidders are to submit a summary of previous projects and a list of relevant references.
- o 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: 11 March 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.

No awards will be made to bidders who are identified as being in service of the state upon verification on the Central Suppliers Database (CSD).

SECTION 9 : ADJUDICATION CRITERIA

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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.	<u>Suppliers And Businesses Operations.</u> (Bidders are requested to submit Utility Bills or Councillor Letters		15
	(with original signature), as proof of residence - Compulsory)	Within SA 5	
		Within KwaZulu-Natal 10	
		Within iLembe District 15	
2.		Key Expert 1: Team	30

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		Key Expert 5: Economist/	
		Financial Analyst 5	
		Key Expert 6: Solid Waste	
		Management Specialist 5	
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3.	Project Methodology	Score 0 No Response/No documents submitted	35
	(Bidders are requested to include a detailed		
	Methodology in their proposals)	Poor	
		(Score 5) The technical approach and/or methodology is poor and unlikely to satisfy the objectives of the assignment and or project. The tenderer has misunderstood certain aspects of the scope of works and does not deal with the critical aspects of the project.	
		Average/Satisfactory	
		(Score 15) The approach is adequate and tailored to address the specific project objectives and methodology. The approach addresses some of the critical characteristics of the project. Risk management approach is adequate	
		Good	
		(Score 25) The approach is tailored to address the specific project objectives and the methodology is sufficiently flexible to accommodate changes that may occur during execution. The project plan and approach to managing risk is tailored to the critical characteristic of the project. The programme is good and has allowed for all critical aspects.	
		Excellent	
		(Score 35) Over and above meeting the good "rating" the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of state of the art approaches. The programme is well thought out and makes allowance for all the key risks	

		areas. The approach paper details ways to improve the project outcomes and the quality of the output.	
4.	Proof of previous experience of the bidder/ or key experts in conducting SIMILAR/ Tourism-related Feasibility Studies and the compilation of Business Plans: (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) Nil – No submission Poor (Score 5) – The team has limited relevant	0-11 months 5 1 – 5 years 10 >5 – 10 years 15 Above 10 years 20	20
	experience in projects of similar nature/ magnitude and has less than 1 year of experience.		
	Satisfactory (Score 10) — The tenderer has relevant experience in projects of similar nature but has not directly undertaken a project of this magnitude and has between 1 — 5 years experience.		
	Good		
	(Score 15) – The tenderer has extensive relevant experience in projects of similar nature and has directly undertaken numerous similar projects and has >5 – 10 years experience.		
	Excellent		
	(Score 20) - The tenderer has far exceeded the experience requirements in projects of similar nature and has directly undertaken numerous similar projects and have more than 10 years experience.		

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

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

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

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	

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-filling.
 - ➤ 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 (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.

The following rules applicable ONLY to consortia / joint ventures / sub-contracting MUST be adhered to:

- In bids where Consortia / Joint Ventures/ Sub-contractors are involved, each party must submit a separate tax clearance certificate / tcs pin AND Central Supplier Database (CSD) registration number.
- In bids where Consortia / Joint Ventures/ Sub-contractors are involved, the relevant agreement between all parties involved must be submitted, which clearly outlines the roles and responsibilities specific to this tender.
- A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an Exempt Micro Entity that has the capability and ability to execute the sub-contract.

If a bidder intends on sub-contracting (incl Joint Ventures, Consortia, etc.), this must be clearly indicated in the proposal and the bidder must ensure the above requirements are met.

Once the tender has been awarded, the appointed bidder cannot sub-contract ((incl Joint Ventures, Consortia, etc.) the work to another company unless this was indicated in the original proposal and requirements relating to sub-contracting were met.

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.