

# Bid Proposals.

## Terms of Reference.

THE APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO CONDUCT A DETAILED STUDY ON PIGGERY PRODUCTION, VALUE CHAINS AND ITS LINKAGES IN THE SARAH BAARTMAN DISTRICT MUNICIPALITY.



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## **1. OBJECTIVE OF TERMS OF REFERENCE.**

The purpose of these Terms and Reference (ToR's) is to provide the detailed scope of work for the project inclusive of the core deliverables to assist the service providers in preparation of their proposal submissions as response to the bid. The Terms of Reference further outline the relative technical and business capacity required to undertake the project successfully. The information on the ToR's should be read and used solely for the purpose of understanding the scope of work that the respective Professional Service Providers will undertake and cannot be utilised for any other purpose.

## **2. DISCLAIMER.**

The information contained within the ToR's has been compiled to the best of the ability of Preeminent Package Enterprise (PPE) and cannot be used against Preeminent Package Enterprise (PPE) by the service provider for any other purpose, but technical assistance for the bidding and where there is contestation the ToR's purpose is mainly to serve a guideline to understand the scope of work, the bid evaluation matrix and thus supplement the technical information that will be required in the bidding process for ease of reference.

## **3. INTRODUCTION AND BACKGROUND.**

### **3.1 The Introduction**

South Africa has a growing demand for pork products, driven by both population growth and increased protein consumption. The establishment of a sustainable and economically viable piggery is essential to support food security, create employment, and stimulate rural economic development.

Pork production has evolved from a backyard operation (keeping a few pigs and feeding them swill on pasture) to intensive units focused on efficient methods of producing pork at a low cost. Commercial pig production is a small industry with a few modern piggeries that use good genetic materials. The total number of smallholder farmers in South Africa is unknown, but it is estimated to be between 1 500 and 3 000; they own an estimated 16 000 or more sows, with an average of five to 50 sow units (Sishuba, 2016).

In South Africa, there are approximately 400 commercial pork producers and 19 stud breeders. In 2019, the number of pigs was estimated to be 1 454 million, with Limpopo province producing 24 percent of all pork produced in South Africa, followed by Northwest and Western Cape, which produced 21 percent and 11 percent, respectively

This study therefore seeks to conduct detailed analysis of the industry with a particular focus on the

primary production level, processing and value chain linkages across Sarah Baartman District Municipality, mainly to inform the investment decision of the intended support by the Jeffreys bay Windfarm for the small-holder and emerging farming enterprises.

Therefore, these Terms of Reference outlines the purpose, objectives, scope, methodology, activities, responsibilities, and deliverables required to undertake a comprehensive study on the state of piggery production in the Sarah Baartman Local Municipality, Eastern Cape, while it should also provide some data comparisons within SADC and South Africa.

### **3.2 The Background**

Preeminent Package Enterprises (PPE) is a 100% black female-owned company founded in 2011, with a goal to assist SMEs and aspiring entrepreneurs in and not limited to business development, operations, financial, marketing and training services. The founder and executive director is Wendy Hempe with more than twenty years in entrepreneurship and enterprise development in various sectors.

PPE was appointed by the Jeffreys Bay Wind farm as a Project Management Agency for the Enterprise Development Programme of the windfarm. As part of the programme a piggery project located in Kruisfontein in Humansdorp was identified and supported with the development of infrastructure in a bid to assist the project towards commercial operations, which is still ongoing work.

However, due to high capital requirements to establish a fully-fledged commercial piggery enterprise, the programme finds it fitting to conduct a detailed study that will best inform the investment decisions going forward, not only for the Windfarm but also for other role-players supporting the development of small-holder and emerging farmers, including private sector players.

## **4. PURPOSE OF THE STUDY**

The purpose of the study is to undertake a comprehensive analysis of the piggery production within the Sarah Baartman Local municipality in the Eastern Cape, including a brief review and analysis in South Africa and SADC. The study is also aimed at understanding the current state of pig farming at a primary level, while identifying areas for improvement, growth opportunities and to develop a strategy(ies) to unlock the commercial production for small-holder and emerging black farmers, enhance their productivity, advise on sustainable farming practices, profitability and general welfare.

The study should also involve evaluating production practices, economic factors, and environmental impacts to optimize pig farming for both farmers and the broader community

## 5. OBJECTIVE OF THE STUDY

The main objective of the study is to uncover the true potential and the extent of the piggery opportunity in financial terms of the piggery industry for enterprises in the Sarah Baartman areas, with a particular interest in the areas or localities in and around the area operations of the Jeffreys Bay Windfarm. Thus, the appointed service provider must have but not limited to a team with capacity in agricultural economics, veterinary services, farm management and practical experience in agricultural production.

### 5.1 Assess Current Practices.

The study will investigate existing pig farming systems, including feeding, housing, breeding, and management practices.

### 5.2 Identify Constraints.

Research will focus on pinpointing the limitations faced by pig farmers, such as disease outbreaks, market access, and financial challenges.

### 5.3 Develop Improvement Strategies.

Based on the assessment and identification of constraints, the study will propose solutions and strategies to enhance production efficiency, profitability, and sustainability.

### 5.4 Support for Smallholder Farmers.

The study may also focus on supporting smallholder pig farmers in Sarah Baartman Local Municipality, helping them transition to more commercial production models and improve their livelihoods.

### 5.5 Baseline Information:

The research will generate baseline data that can be used for future research and development initiatives in pig production within the area.

### 5.6 Training and Capacity Building.

The study may also involve training programs for pig farmers, focusing on improved management practices, disease prevention, and sustainable farming techniques.

### 5.7 Market Access.

Improving market access for pig farmers is a crucial objective, potentially through direct marketing, contracting, or establishing cooperative marketing systems.

### 5.8 Market Research and Demand Assessment.

5.8.1 **Local Pork Consumption:** Research the local demand for pork and identify any unmet needs in the market.

5.8.2 **Competition:** Analyze the existing pork production and distribution networks in the area.

5.8.3 **Pricing and Profitability:** Determine the potential pricing of pork products and assess the profitability of a piggery operation.

## 5.9 Value Chain Analysis.

The study must also analyse the pig production value chain, from feed production to slaughter and marketing, to identify areas for value addition and increased efficiency.

## 6. SCOPE OF WORK

This appointment requires the provision of Professional Service Provider to undertake the assignment as described in the table below, however it is not limited, the service provider is allowed to make additions:

SECTION	DESCRIPTION	TIMELINES (Maximum)
One	Detailed Industry Overview.	One Week
Two	Demographic Trends in the Piggery Industry.	One Week
Three	Detailed Breeding and Care Management Analysis.	One Week
Four	Detailed Economic Analysis of the Industry.	One Week
Five	Detailed Market Analysis.	One Week
Six	Challenges and Prospects for the Piggery Industry.	One Week
Seven	Ecological Implications and Sustainability Concerns.	One Week
Eight	Government Policy Landscape to Overcome Challenges.	One Week
Nine	Opportunities and Recommendations	One Week
Ten	Detailed Minimum Viable Option (Piggery Enterprise).	One Week

## 7. DETAILED DELIVERABLES.

### 7.1 Detailed Industry Overview

The industry analysis should encompass the understanding of the industry's structure, competitive landscape, and dynamics to inform strategic decisions and identify opportunities. The overview should provide an assessment of the market size, growth, key players, trends, and competitive strategies, as well as evaluating potential risks and opportunities. Ultimately, industry analysis must provide a

comprehensive picture of the competitive environment and guide the intended investment decision by the Jeffreys bay Wind farm for the small-holder and emerging farming enterprises through an informed strategic choice(s).

- 7.1.1 **Current Production Systems:** assess the current status of piggery production in the area, including comparative analysis with the SADC, South Africa and the Eastern Cape Province.
- 7.1.2 **Market Understanding:** analyse the market size, growth rate, and current trends to understand the industry's overall potential.
- 7.1.3 **Competitive Landscape:** Identifying major players, their strategies, market share, and competitive intensity.
- 7.1.4 **Industry Structure:** Examining factors like barriers to entry, supplier power, buyer power, and threat of substitutes.
- 7.1.5 **External Factors:** Assessing the impact of economic, social, technological, political, and environmental factors on the industry.
- 7.1.6 **Opportunities and Threats:** Identifying potential growth areas, emerging trends, and risks that could impact the industry.
- 7.1.7 **Competitive Strategies:** Understanding how the current producers compete within the industry and identifying opportunities for differentiation.

Note: The study should seek to achieve a solid marketing strategy because that is key to the success of any piggery farm. Conduct comprehensive research into the local market to understand the demand for pork and pork products in the area. Establish relationships with meat processors, retailers, or even direct consumers to ensure a reliable outlet for the products.

## 7.2 Demographic Trends in the Piggery Industry.

The service provider is expected to provide a detailed analysis of demographic trends in the piggery industry including but not limited to the growing global demand for pork, influenced by population growth and dietary shifts, particularly in South Africa. Also focus on industry challenges such as disease outbreaks, increasing environmental regulations, and a need for sustainable practices.

Furthermore, the study should focus on analysing the changing age and gender distribution within the pig population, farm size distribution, and the geographic distribution of pig farms. Additionally, examine trends in the size and growth of the overall pig herd. Finally, also, investigate the changing demographics of the pig farming workforce, including the age, skill sets of workers, the minimum salary and other labour related issues.



### 7.3 Detailed Production Breeding and Care Management Analysis.

The study should provide a detailed account on production, breeding, and care management for pig breeding. Thus, it should cover the examination of the following areas, breeding techniques, breed selection, feed and nutrition strategies, and understanding the genetics of the animals.

Additionally, analyzing the rearing system, data collection methods, and statistical analysis of breeding data as a result of the current production practices and as required by the regulation. Finally, examine housing, cleaning, hygienic practices and general management practices.

**NB:** the analysis should cover a brief summary at Global level, Africa, SADC, and much more detail for South Africa, Eastern Cape and Sarah Baartman analysis.

### 7.4 Detailed Economic Analysis of the Industry.

The main aim is to conduct a comprehensive economic analysis on the piggery industry to evaluate but not limited to, the costs, benefits, and impacts of the potential economic decision such as the economic viability of the industry in the region for small-holder or emerging farmers including the commercial scale options. Economic analysis should further examine key areas like production, consumption, and customer behavior. The study must also incorporate the following into the study mainly for the Eastern Cape, Saraah Baartman and the areas within the Windfarm operations:

#### 7.4.1 Microeconomic analysis:

- Supply and demand
- Pricing
- Production
- Consumption patterns

#### 7.4.2 Macroeconomic analysis:

- GDP
- Unemployment
- Inflation
- Overall economic growth

### 7.5 Detailed Market Analysis.

The analysis should focus on understanding market chain, such as the market within production level (animals) and the market within the processing level (pork) of the piggery industry. Through the data gathered about customers within the industry their demographics, buying behavior, needs and



preferences, and demand for products or services a specific target market must be identified for the small-holder and emerging farmers herein being and or intended to be supported. Once the market is identified a tangible value proposition should be formulated and evaluated as part of the minimum viable option under section ten (10).

**These are the minimum content areas, but are not limited:**

- 7.5.1 **Target market segmentation:** segments based on characteristics such as demographics, psychographics, behavior, location, and other factors, and decide which market segments are a good fit for these projects.
- 7.5.2 **Customer analysis:** for each segment, research the needs, preferences, motivations, and purchasing behavior of those customers. Limit the research only to the market segments identified as a good-fit.
- 7.5.3 **Market size and growth:** gather detailed data on the market size. Examine the historical size of the market to identify any trends that might impact the perception of the market. Look at future forecasts, and project how the market could like in 5-years after entering.
- 7.5.4 **Market trends:** examine customer behavior to determine what their needs and preferences are now, how they've changed in the future, and where they might be heading. Assess the customers' behavior in the market and the strength of the demand for piggery and or pork products.
- 7.5.5 **Market gaps and opportunities:** with the data on customers and market trends at hand, assess the prevailing gaps in the market that are currently not being met by the existing producers in the industry and examine viability.
- 7.5.6 **Competitive analysis:** identify key competitors in the industry and research them thoroughly. Analyse their market share, product offerings, pricing strategies, and marketing tactics. Assess their distribution and supply channels to better understand how they function in the industry.
- **SWOT analysis:** a SWOT to analyse and assess the strengths, weaknesses, opportunities, and threats posed by the competitors to gain a competitive advantage.
  - **Differentiation:** with the assistance of the SWOT analysis and other data gathered, assess areas of gaps in the market and the weaknesses in the competitive landscape.
  - **Competitive advantage:** understand the value proposition of the competitors, both as they state it and as customers perceive it, mainly to uncover their competitive advantages. Develop a plan to work around these advantages or turn them into the project favor.

## 7.6 Challenges and Prospects for the Piggery Industry.

The study should provide a detailed account of the prevailing challenges and prospects for the piggery industry, brief globally and Africa and mainly focus on South Africa, Eastern Cape and Sarah Baartman covering aspects such as production costs, disease management, marketing strategies, breeding practices, and environmental impact. It should also analyze the current status of the industry, including production systems, farm sizes, and market trends, and explore potential solutions and future opportunities.

### 7.6.1 Challenges:

- **High Input Costs:** investigate the high cost of feed, veterinary drugs, and other inputs, and explore strategies for cost reduction.
- **Disease Outbreaks:** analyse the impact of infectious diseases (e.g., African Swine Fever, Classical Swine Fever) on pig production and explore disease prevention and control measures.
- **Inadequate Infrastructure:** identify infrastructure limitations, such as slaughtering facilities, processing plants, and transportation networks.
- **Marketing Challenges:** examine difficulties in accessing markets, price fluctuations, and the need for improved marketing strategies.
- **Skills and Knowledge Gaps:** assess the level of technical know-how among pig farmers, particularly in areas like breeding, feeding, and disease management.
- **Environmental Concerns:** investigate the environmental impact of pig farming and explore sustainable practices for waste management and resource utilization.
- **Climate Change Impacts:** consider the potential effects of climate change on pig production, including heat stress and water availability.
- **Policy and Regulatory Frameworks:** evaluate the effectiveness of existing policies and regulations related to pig farming and identify areas for improvement.

### 7.6.2 Prospects and Opportunities:

- **Improved Breeding Practices:** explore opportunities for enhancing pig breeds through selective breeding and crossbreeding programs.
- **Efficient Feed Management:** investigate strategies for optimising feed utilisation, including the use of locally available feed resources and alternative feed sources.
- **Value Addition:** analyse opportunities for adding value to pork products through processing, packaging, and marketing.

- **Diversification of Production Systems:** explore the potential for integrating pig farming with other agricultural activities, such as crop production and aquaculture.
- **Biosecurity and Disease Management:** investigate opportunities for enhancing biosecurity measures and implementing effective disease prevention and control programs.
- **Government Support and Policies:** evaluate the potential for government support in terms of subsidies, infrastructure development, and market access.
- **Sustainable Practices:** explore opportunities for adopting sustainable pig farming practices that minimize environmental impact and promote resource efficiency.
- **Export Potential:** investigate the potential for exporting pork and pork products to international markets.

## 7.7 Ecological Implications and Sustainability Concerns.

### 7.7.1 Ecological Implications:

- **Biodiversity Loss:** investigate the potential consequences to biodiversity such as habitat destruction, pollution, and climate change.
- **Climate Change:** analyse the potential contributions to effects of greenhouse gas emissions from various levels of industry activities towards temperatures, weather patterns, and ecosystems.
- **Pollution:** examine the industry's potential impact on various natural sources such as pollutants (air, water, soil), ecosystems and human health generally.
- **Resource Depletion:** study the unsustainable use of natural resources like water, land etc, and their long-term consequences.
- **Ecosystem Resilience:** evaluate the ability of the ecosystems to withstand and recover from disturbances, and how human activities affect this resilience.

### 7.7.2 Sustainability Concerns:

- **Sustainable Development:** explore the concept of sustainable development, develop aligned strategy that aims to meet present needs of the piggery enterprises and possible the industry within the Windfarm area of operations without compromising the ability of future generations to meet their own needs.
- **Sustainable Consumption and Production:** analyse consumption and production patterns that minimize environmental impact, such as reducing waste, promoting circular economy models, and supporting sustainable supply chains.

- **Renewable Energy:** investigate the potential transition to feasible and viable renewable energy options (solar, wind, etc.) as a way to manage cost, energy security, mitigate climate change and reduce reliance on fossil fuels by piggery industry.
- **Environmental Governance:** examine the role of government, international organizations, and other stakeholders in promoting sustainable practices and policies. Assess the impact of current legislation on new entrants, enterprise feasibility, viability and sustainability.
- **Social Equity:** consider the social dimensions of sustainability, including access to resources, environmental justice, and the fair distribution of environmental burdens and benefits.
- **Economic Sustainability:** analyse the economic aspects of sustainability, such as the costs and benefits of environmental protection, the role of green technologies, and the development of sustainable economic models.
- **Corporate Sustainability:** explore how the enterprises can adopt sustainable practices to minimize their environmental footprint and contribute to a more sustainable future.

## 7.8 Government Policy Landscape to Overcome Challenges

- 7.8.1 Evaluate the current and prospective government policy challenges in the piggery industry that could be utilise as a springboard to overcome industry challenges such as disease outbreaks, high feed costs, inadequate infrastructure, and access to markets.
- 7.8.2 Also consider the impact of the policy (ies) on small-scale vs. large-scale producers, environmental regulations, and the effectiveness of extension services.
- 7.8.3 Further investigate any policy(ies) regulating different pig production systems in the area (e.g., scavenging, smallholder, commercial) and their suitability for policy interventions.
- 7.8.4 Assess the availability and quality of breeding stock and how government policies influence access to improved genetics.
- 7.8.5 Examine the availability of skilled labor and the effectiveness of government initiatives in providing training and education for piggery farmers.
- 7.8.6 Analyse the effectiveness of government policies in developing a comprehensive pig value chain from production to processing and marketing.
- 7.8.7 Scrutinize the potential of the piggery industry to create jobs and alleviate unemployment, and how government policies can support this.
- 7.8.8 Consider the influence of cultural and religious beliefs on pork consumption and production.

## 7.9 Way Forward.

- 7.9.1 Following the examination of the various areas in the different sections above, provide the valuable

insights on development of the industry in the Sarah Baartman areas through small-holder and emerging farmers with a particular focus in the Windfarm areas of operations.

7.9.2 Provide technical and expert advice on the viability and sustainability of these enterprises.

7.9.3 Provide informed advice on the implementation plan, funding plan, and support plan.

7.9.4 Compile a list of key stakeholders and advise on the stakeholder engagement process and the plan.

#### **7.10 Detailed Minimum Viable Option (Piggery Enterprise).**

7.10.1 **Financial Modelling:** based on the study findings, recommendations, way forward and the stakeholder consultations and engagements, prepare a detailed financial model.

7.10.2 The financial model should cover at-least these four major components, assumptions, financial statement analysis, valuation, and sensitivity analysis.

7.10.3 The financial statements must include income statements, balance sheets, and cash flow statements with at-least a 10-year horizon.

7.10.4 Provide detailed costing of the minimum viable commercial infrastructure, detailed pricing and the labour costs of the entire human resources required to run the enterprise(s).

7.10.5 Critically the modelling must conduct the computation of the various key financial and investment ratios.

### **8. CRITICAL TOOLS.**

#### **8.1 Expected Method for Analysis but not limited to.**

8.1.1 **Porter's Five Forces:** Analysis the competitive intensity within an industry based on factors like threat of new entrants, bargaining power of suppliers and buyers, threat of substitutes, and rivalry among existing competitors.

8.1.2 **PESTLE Analysis:** Examines the external macro-environmental factors that can affect the industry, including Political, Economic, Social, Technological, Legal, and Environmental factors.

8.1.3 **SWOT Analysis:** Identifies the Strengths, Weaknesses, Opportunities, and Threats related to a specific company or industry.

#### **8.2 Targeted Impact.**

8.2.1 **Informed Strategic Decisions:** Provides a solid foundation for making informed decisions about market entry, product development, pricing, and more.

8.2.2 **Competitive Advantage:** Helps businesses understand their competitive position, identify opportunities to outperform rivals, and develop effective strategies.

8.2.3 **Risk Management:** Enables businesses to identify potential risks and vulnerabilities, allowing them

to develop mitigation strategies. Risk assessment (e.g., biosecurity, diseases, economic risks).

**8.2.4 Resource Allocation:** Helps businesses allocate resources effectively by understanding industry dynamics and growth potential.

**8.2.5 Innovation and Adaptation:** Provides insights into emerging trends and technological advancements, allowing businesses to innovate and adapt their offerings.

**8.2.6 Financial And Investment Planning:** Financial Modelling (Financial viability and cost-benefit analysis)

## 9. EXPECTED OUTCOMES.

The following deliverables are anticipated but may not be limited to these items.

**9.1 Stakeholder Consultations and Surveys:** the service provider is expected to conduct key stakeholder consultations and engagements across the industry in the Sarah Baartman District Municipality. It is mandatory to conduct at least 30% of the consultations or engagement physically.

**9.2 Full Report of Study:** A comprehensive report presenting the detailed findings, analysis, and recommendations.

**9.3 Presentation:** prepare a professional standard presentation that provides summaries of the key findings to stakeholders.

**9.4 Policy Recommendations:** Identify specific policy interventions to support piggery development in Sarah Local Municipality.

**9.5 Capacity Building Materials:** source and supply basic training materials or resources to disseminate best practices.

**9.6 Database:** develop a database of the piggery farmers within Sarah Bartam.

## 10. USE OF REASONABLE SKILL AND CARE.

The Service Provider is therefore required to provide all aspects of the services with reasonable care, diligence and skill in accordance with generally accepted professional techniques and standards. The service provider is also expected to provide reasonable protective clothing to its staff members during the study and to adhere to safety standards of the farmers and or organisations to visit during the course of the study.

If there is any conflict between the Specific Requirements and the Guideline Scope of Services document referred to above, the Specific Requirements shall take precedence.

## 11. THE BRIEF.

The Service Provider is expected to perform the above-mentioned service within the minimum scope herein presented. The minimum areas of focus of the study are presented in the table above in section six (6). Further, the service provider is expected to deliver the project according to the minimum detail presented in section seven (7) on deliverable. The service must also take note of section eight (8) on critical tools; however, the preference is not limited. Lastly, the service provider is expected to submit the deliverables in accordance with section nine (9) relating to expected outcomes.

**NB: the project timeframe is only Ten (10) Weeks or Two (2) Months and Two (2) Weeks.**

## 12. REPORT STAGE.

The Service Provider is expected to report on the project according to the following stages:

**12.1 Inception report.**

**12.2 Draft Situational Analysis Report.**

**12.3 Draft Stakeholder Consultation and Engagement Report.**

**12.4 First Draft Consolidated Study Report.**

**12.5 Final Draft Report.**

**12.6 Closeout Report.**

## 13. REPORTING REQUIREMENTS.

Immediately after the appointment and the signing of the Service Level Agreement the Service Provider must resume the project. The Service Provider is expected to submit Monthly Reports with the cost aligned to the report(s) as per the contract aligned to the payment claim structure herein presented in section sixteen (16). Quality assurance on the progress reports will be conducted against the minimum requirement as stated in these Terms of Reference and subjected for approval before the payment is processed. Should there be any discrepancies on the reports, the service provider will be given not more seven (7) days for corrections.

## 14. APPLICABLE NATIONAL AND INTERNATIONAL STANDARDS.

The Service Provider shall take cognizance of, and adhere to, all applicable national and international norms and standards in the execution of the assignment. The Service Provider is there charged with the responsibility to uphold good governance principles, exceptional Professionalism in-line with **King-IV report**. In essence, **King-IV** provides a comprehensive framework for good corporate governance, which



can be tailored to the specific context of any Professional Service Provider.

Therefore, in embracing the **King-IV** principles, Service Provider is able to enhance its reputation, build stronger client relationships, and achieve sustainable value creation in particular that it is anticipated that in the course of this project, the Service Provider will be entrusted with sensitive client information thus it is critical that the Service Provider demonstrates integrity and transparency in their operations, while it upholds high levels of confidentiality and non-disclosure. This includes adhering to professional standards, managing conflicts of interest, and promoting ethical decision-making among all project stakeholders.

For "Workmen's Compensation Act" read "Compensation for Occupational Injuries and Diseases Act, 1993 (Act No.130 of 1993)" wherever it appears. For "Machinery and Occupational Safety Act" and "Mines and Works Act" read "Occupational Health and Safety Act, 1993 (Act 85 of 1993)" wherever they appear.

Copies of SABS 1200 Standardized Specifications are available from the South African Bureau of Standards, Private Bag X191, Pretoria, 0001.

## 15. FORMAT OF COMMUNICATION.

In the interest of good governance, professionalism and customer care, all communication regarding the project and its assignment in its entirety, shall be submitted in writing, either electronically and or in hardcopy format. The payment claims shall be submitted in the same format, accompanied by an original tax invoice. Ad-hoc communication between the Preeminent Package Enterprise and the Service Provider may be conducted per facsimile or in electronic format (e-mail).

## 16. CLAIMS FOR PAYMENT.

The Service Provider must submit claims for payment (invoices) as per the work completed in terms of this contract progress reporting intervals, but not more frequently than at monthly intervals. All interim claims must be accompanied by an original tax invoice. Payment will be processed within 15 days of the date on the tax invoice.

Report	Invoice % Proportion
Inception report	10%
Draft Situational Analysis Report	15%
Draft Stakeholder Consultation and Engagement Report.	15%
First Draft Consolidated Study Report.	20%
Final Draft Report	35%
Closeout Report	5%
<b>Total</b>	<b>100%</b>

## 17. EMPLOYER'S RIGHT TO RECOVER COSTS.

The Employer reserves the right to recover, by way of a deduction from any amount due to the Service Provider, any additional cost which the Employer incurs arising out of overstated claims, non-performance/negligence by the Service Provider.

## 18. PROJECT PROPOSALS (Procurement Process).

The Bidders are required to submit, at their own cost, the Project Proposal, which consists of the following documents:

- 18.1 Standard Bidding and Returnable documents**, mainly the compliance documents as required and presented in section twenty-one point one (21.1) of the terms of reference, those requiring signatory fully completed by the authorised person.
- 18.2 A Technical Proposal**, to show the ability and capability of the Professional Service Provider to perform the required scope of work as described in this term of reference in section six (6), seven (7), eight (8) and nine (9) of the terms of reference.
- 18.3 Budget Proposal**, a structured costing submission that summarizes the estimated costs of the project, the submission must also provide a detailed break-down of the cost as per the elements or key activities presented in section six (6) and section nine (9).

## 19. PREPARATION OF TECHNICAL PROPOSAL

The Technical Proposal should be prepared in to address the following main aspects:

- 19.1** Past experience of the Professional Service Provider on similar tasks, projects performed.
- 19.2** Methodology and proposed approach that indicates the Professional Service Provider understanding of the scope of work and the expected deliverables.
- 19.3** The capability of the proposed team to perform the required tasks; and
- 19.4** Locality Demonstrate office facilities and presence in the respective areas.
- 19.5** A list of similar projects and the cost of services provided has to be provided, including the contact details of clients so that verification can be done if required. The capability of the technical team is an important aspect of the evaluation of Technical Proposals.

**Please Note:** It is important that the Technical Proposal must present the key personnel in the team, their capability, experience and their roles Abridged CVs of the key personnel in the team must form attachments to the Technical Proposal. The criteria for the assessment of the Technical Proposal are shown in **Annexure B**.

## 20. EXPERTISE REQUIRED

The Professional Service Provider must submit with their proposal an experience record of similar work that have been completed successfully, with active references that can be contacted to verify such experience. The Professional Service Provider must also submit Curricula Vitae and experience background of all key professionals that will be available to perform the required task. It must be ensured that suitably experienced professionals with expertise covering all the diverse tasks and activities to be performed will be available to complete the tasks timeously. The Team should comprise of some of the following expertise but not limited to:

- Management Consulting/Entrepreneur/Economist/Project Management Specialist.
- Agriculturalist or Agricultural Economist.
- Veterinary Specialist.
- Stakeholder Engagement Specialist.
- Field Researcher.
- Environmentalist Specialist.
- Data Analyst.

The team leader will be responsible for the overall execution and coordination of the work and reporting to the client and for delivery of services. He/she must have experience from the elaboration for similar projects and relevant experience in agricultural production. The minimum required professional experience in this field is 5 years. The other Project team members shall have at least 5-years of direct professional experience in the abovementioned fields of expertise (minimum requirement of NQF Level-6 in the specialist area).

## 21. EVALUATION OF TECHNICAL PROPOSALS

Preeminent Package Enterprise (PPE) and Jeffreys Bay Windfarm team will evaluate all proposals in terms of the Preferential Procurement Policy Framework Act, No. 5 of 2000 (PPPFA). A three-stage evaluation process will be followed to evaluate the bids, namely:

### 21.1 Stage 1: Administrative Compliance

**Bids will be checked for the submission and completeness of the following documents:**

- 19.5.1 A valid original Tax Clearance certificate or pin issued; and
- 19.5.2 Valid and certified company registration document by CIPC,
- 19.5.3 Certified copies of Identity Documents of all directors.
- 19.5.4 An original Certificate specifying the BBBEE status level of a contributor, if the Bidder intends to

claim BBBEE points.

19.5.5 The Employer will only enter into a formal contract with a tenderer who is compliant registered

19.5.6 Failure to submit the above documents, as specified, will render the bid non-responsive.

## 21.2 Stage 2: Functional/Technical Evaluation

The technical evaluation of all responsive proposals will be done according to the following criteria and weighting, which are described in more detail in **Annexure B**:

Item	Points
Past experience (Firm)	25 points
Methodology	30 points
Team capability	25 points
Locality Presence (Eastern Cape)	20 points.

Attaining the Functionality score qualifies the bidder to enter the last stage of evaluation, but it is not factored into the final score. Only Proposals scoring at least **80% for Functionality** will qualify for the third stage of adjudication. Bids that fall below the minimum threshold of 80% will be regarded technically unacceptable and will not be considered in the third stage

## 21.3 Stage 3: Budget

The formula for financial bid evaluation is essentially normalising the financial bids to a score, with the lowest bid receiving the highest score (100). Other bids are scored proportionally based on their relationship to the lowest bid. The formula that will be utilised is  $S_f = 100 * F_m / F$ , where  $S_f$  is the financial score,  $F_m$  is the lowest financial quote, and  $F$  is the financial quote under consideration.

19.5.7 **Lowest Evaluated Bid (Fm)**: the bid with the lowest price is identified as the baseline.

19.5.8 **Normalization**: all other bids are compared to the lowest bid, and their financial scores are calculated accordingly.

19.5.9 **Weighting**: the calculated financial score is then weighted, in this case this bid is a 90/10 and combined with the technical score to determine the overall bid score.

## 22. SUMBISSIONS.

Bidders should take note of the following requirements regarding the submission of Technical and Financial Proposals. The proposal must be sent via the email address provided. NB: Joint ventures are required to submit a formal agreement between and documents for each of the parties involved in the joint venture. The percentage involvement of each firm in the joint venture must be clearly stated.

## 23. Criteria For Evaluation Of A Technical Proposal

### Stage 2: Functional/Technical Evaluation

Description of Evaluation Criteria	Points
<b>1. Company Experience in applicable discipline (Attach Appointment letters/ contracts/completion letters with contactable reference)</b>	<b>25</b>
Demonstrate company experience in Projects that relates to research studies, project development, agricultural planning, completed in the last 10 years with project value of more than R10 million per project.	
a). 8 or more Projects - 25 Points	
b). 2 - 7 more Projects - 15 Points	
N.B: We reserve the right to verify references provided	
<b>2. Team/ Project Leader (Attach CV and qualification certificates)</b>	<b>15</b>
<b>2.1. Expertise of Professionals/Agriculturalist or Agricultural Economist/Veterinary Specialist/Stakeholder Engagement Specialist/Field Researcher/Environmental Specialist/Data Analyst related to each discipline.</b>	<b>10</b>
<b>3. Methodology - Limited to 20 A4 pages (Text for all documents shall be Calibri 11 font at 1.5 spacing).</b>	<b>30</b>
<b>3.1</b> Bidders are required to provide a brief description of their approach and methodology, illustrating their understanding of the scope of work, time frames, and deliverables - <b>10 Points</b>	
<b>3.2</b> The Bidder is expected to provide a brief outline of <b>the work to be done, placing emphasis on the important or critical aspects of each task.</b> Where the Scope of Services is silent on particular issues, bidders must clearly state which issues can be expected to arise and which additional tasks may be necessary - <b>10 Points.</b>	
<b>3.3</b> The Bidder must submit a proposed <b>Schedule of Activities illustrating their understanding of the best way to organise the work.</b> The schedule of activities must be presented in a Gantt chart (MS Projects etc) illustrating the dates at which critical milestones can be reached and indicating the critical path - <b>10 Points.</b>	
<b>4. Locality</b>	<b>20</b>
<b>4.1</b> Office in the Eastern Cape - 20 Points	
<b>4.2</b> Offices outside the Eastern Cape- 5 Points	
<b>Total Evaluation points</b>	<b>100</b>