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TERMS OF REFERENCE: PRIVATE OPERATOR- KFPM PACKHOUSE

The Agency in partnership with the Eastern Cape Development Corporation ECDC is pleased to invite qualified and experienced companies/consortia to submit proposals for the investment, development, and operation of Kei Fresh Produce Market Packhouse Facility.

This initiative aims to enhance post-harvest handling, storage, and distribution of agricultural produce, ensuring quality, reducing losses, and improving market access for farmers and stakeholders.

Background

The agricultural sector is a critical driver of economic growth, and the establishment of a modern packhouse facility is essential to support farmers, reduce post-harvest losses, and improve the quality of produce for local and international markets. The proposed packhouse will serve as a central hub for sorting, grading, packaging, and storing agricultural products, with a focus on sustainability, efficiency, and scalability. The development is aimed at providing a clear pathway to the markets for the developing fresh produce farmers in the OR Tambo District and will serve as a model for other regions. This is part of strengthening the regional agriculture value chains for local and regional economic development against a backdrop in which farmers have been supported by the government and various entities but fail to access formal markets due to lack of compliance with industry in the form of certified packhouses. It is also anticipated that the packhouse will provide for the clustering of the developing farmers which will in turn provide for the focused enterprise and business development support for sustainable economic development in the region and the province.

The Ntinga OR Tambo Development Agency and the ECDC have invested funds towards the development of a bankable business plan with designs of the facility. The estimated project cost is R15.4 million covering capital and operational expenditure. The two development partners have secured seed funding and now

are seeking private partners who can come in as investors and operators towards the final development as well as operators of the business.

The packhouse will also provide for participation of the developing farmers to the provincial government procurement opportunities as enabled by the Local Economic Development Procurement Framework.

1. Scope of Work

The selected investor/operator/developer will be responsible for:

1.1 Investment Opportunity as a private partner: Providing finance for the project at a value of approximately R 9 million investment, on the construction, equipment procurement, and operational setup.

1.2 Operations: Establishment and management of day-to-day operations of the packhouse, including logistics, quality control, and market linkages.

1.3 Development: Provide for the development of committed primary producers supplying the packhouse for future partnership in the venture.

1.4 Compliance with legislation: Ensure the compliance of the packhouse and producers with applicable industry standards and legislation.

1.5 Sustainability: Incorporating environmentally friendly practices, such as energy-efficient systems, waste management, and water conservation.

1.6 Stakeholder Engagement: Collaborating with farmers, cooperatives, and other stakeholders to ensure the packhouse meets their needs and contributes to their economic growth.

2. Submission Requirements

Interested parties are required to submit the following:

2.1 Technical Proposal:

Company profile and relevant experience in similar projects (include reference letters and/or industry participation in the form of contracts).

- 2.2.1 Provide job profiles and/or detailed CVs of the project team members to be deployed in this project with certified qualification certificates and at least two contactable references.
- 2.2.2 Detailed approach, project plan, and operational strategy.
- 2.2.3 Approach to sustainability and innovation.
- 2.2.4 Stakeholder engagement and community impact strategy.
- 2.2.5 Candidate should have at least minimum of three years' experience in fresh produce packhouse environment.

3. Financial Proposal:

- 1. Total investment proposed with a funding plan.
- 2. Revenue model and pricing strategy for packhouse services.
- 3. Financial projections for the first 3 years of operation.
- 4. Elaboration of profit-sharing model and return on investment period.

4. Legal and Regulatory Compliance:

- 1. Proof of registration and compliance with relevant laws and industry standards.
- 2. Tax compliance certificate.
- 3. Any other relevant certifications.

5. Evaluation Criteria:

Proposals will be evaluated based on the following criteria with a minimum of 70 points to be considered further:

No.	Description	Point
1.	Technical expertise and experience in similar projects.	20 points
2.	Financial capacity and sustainability of the proposed investment.	50 points
3.	Innovation and use of technology.	5 points

No.	Description	Point
4.	Commitment to sustainability and environmental best practices.	5 points
5.	Impact on local farmers and the agricultural value chain.	20 points
Total		100

Submission Deadline

Proposals must be submitted no later than to the address below. Late submissions will not be considered.

NB!!! A virtual briefing session will be held on the **24th of July 2025 at 12h00.**

Completed Proposals are to be placed in a sealed envelope with the relevant bid number and must be deposited in a Bid Box situated at Ntinga OR Tambo Development Agency SOC LTD, Reception Area in O.R. Tambo Offices at the following Address: Old Government Printers, No. 05 Textile Road, Southernwood, Mthatha, 5099, not later than the 19 of August 2025 at 12h00, at which time the bid will close and the bid box will be opened in public. All SCM or general enquiries are to be addressed to Mr O Muteyi on 047 495 0527 or by email: olwethum@ntinga.org.za.

END OF TERMS OF REFERENCE