

TERMS OF REFERENCE FOR RESEARCH ON TRANSFORMATION AND GROWTH WITHIN THE GAMING INDUSTRY IN THE EASTERN CAPE

1. INTRODUCTION AND BACKGROUND

- 1.1 The Eastern Cape Gambling Board (“the Board” or “ECGB”) is a statutory body established by the Eastern Cape Gambling Act, 1997 (Act No.5 of 1997) (as amended) (“the Act”).
- 1.2 The mandate of the Board is to regulate all gambling activities within the Eastern Cape Province. This includes the issuing and revocation of gambling licenses, exclusion of players who have developed a gambling addiction/problem, protection of the public against unscrupulous gambling practices, and eradication of illegal gambling activities in the Province.
- 1.3 Moreover, the Board has the mandate to provide awareness and education on responsible gambling and the dangers associated with excessive and irresponsible gambling.

2. PROBLEM STATEMENT

- 2.1 The ECGB issues terms and conditions of licence when awarding gaming licensees to all legal gaming establishments, and registration of registrants, and included in the conditions are requirements that should contribute to the socio-economic transformation of the environment where there is a gambling footprint.
- 2.2 There has never been a study that assesses *Transformation and growth within the gaming industry in the province*.
- 2.3 The ECGB needs to collect raw data on Transformation and growth within the gaming industry in the province in order to have empirical evidence regarding transformation in the industry.

3. OBJECTIVES OF THE STUDY

- 3.1 The objective of this study is to request a credible market research company to undertake research that will investigate *Transformation and growth within the Province in the last ten(10)years*.

4. DELIVERABLES OF THE STUDY

The ECGB is expecting to receive a research report on the investigation on transformation and Growth within the gaming industry in the Eastern Cape. The service provider is expected to investigate:

- 4.1 The extent and Impact of Training and Skills Development of Licensed Employees in the Gambling Industry in particular to management and or decision making.
- 4.2 Evaluation the extent of the implementation of employment equity plans by the Gaming Operators in the Province including employment of people with disabilities.
- 4.3 Reflection on the PDI ownership and shareholding within the Industry.
- 4.4 Determine the current shareholding in terms of licensed operators in the Eastern Cape Province, including impact of mergers and acquisitions that have taken place in the last 10 years

- 4.5 Determine the current economic benefits to PDI Licensees / PDI Operators / PDI owners located in the Eastern Cape Province in the last 10 years
- 4.6 Determine the current levels of transformation in terms of B-BBEE contributor levels taking into consideration the recent Constitutional Court Rulings on the matter.
- 4.7 Determine the current economic participation of PDI's and women in the regulated gambling industry in the Eastern Cape Province
- 4.8 Investigate barriers to entry into the gambling industry in the Eastern Cape with regards to gambling operators and other service providers (new entrants to the gambling industry)
- 4.9 Investigate direct employment created including employment multipliers per gambling mode in the Province; indirect total employment, taxes, and contribution to direct and indirect household income in the last 10 years
- 4.10 The research should also cover the following pillars of empowerment:
 - 4.10.1 Equity Ownership
 - 4.10.2 Management Control
 - 4.10.3 Skills Development and Skills Transfer
 - 4.10.4 Enterprise and Supplier Development
 - 4.10.5 Socio-economic Development and or Corporate Social Investment Programs Procurement.

5. METHODOLOGY TO BE UTILISED

- 5.1 The market research company to undertake this work is expected to indicate the following:
 - 5.1.1 Research Design to be utilised and its justification.
 - 5.1.2 Sample and Sampling Strategy and the justification of choices.
 - 5.1.3 Data collection instruments and justification of the instruments to be utilised.
 - 5.1.4 Data collection and analysis process.
 - 5.1.5 Validity and reliability in order to ensure that data collected, processed and analysed is trustworthy.
 - 5.1.6 Independent Quality Assurance of the final report to be submitted to the ECGB.
 - 5.1.7 Project Implementation Plan to conduct this assignment.
- 5.2 The methodology will form part of the deliverables that will be used to measure the suitability of a Service Provider to conduct this work.
- 5.3 The research is expected to ensure a 95% confidence level with a 5% margin of error.
- 5.4 The service provider is expected to sign a service-level agreement for the duration of the project.

6. TIMELINES FOR THE PROJECT

- 6.1 An appointed service provider will be expected to complete this assignment within 3 months starting from **20 January 2023 - 28 March 2023**.

7. EVALUATION CRITERIA

The following are key criteria that will be used in appointing the successful service provider:

- a) **THRESHOLD:** Bids will be evaluated on the 80/20 principle as prescribed in the Preferential Procurement Policy Framework Act, 2000 read together with Preferential Procurement Regulations, 2022.
- b) Bids will be considered and evaluated in a two staged approach.
- c) During the first stage, bidders will only be evaluated on functionality, and only qualifying service providers who meet the minimum requirements for functionality will be allowed to proceed to the second stage where scoring will be done on 80 points for price and 20 points for specific goals.

- d) Bidders are required to submit their bids in two envelopes with the first envelope outlining the functionality. The first envelope must be clearly marked Stage 1; Functionality.
- e) Furthermore, bidders are required to include their pricing in a second sealed envelope marked Stage 2; Price.
- f) Only bidders who meet the minimum of 75 points on functionality during the evaluation of Stage 1 will proceed to score in Stage 2.

Table 1: STAGE ONE: Functionality

FUNCTIONALITY	MAXIMUM POINTS
<p>A. company's experience on research projects/contracts</p> <ul style="list-style-type: none"> • 6 Projects/Contracts = 15 points • 5 Projects/Contracts = 10 points • 4 Projects/Contracts = 5 points • 2 Projects/Contracts = 2 points <p><i>Bidders are required to submit reference letters with contactable details from previous research contracts.</i></p>	15
<p>B. Team members (Senior Researcher & Data Analyst) experience on research projects/ contracts</p> <p>Senior Researcher / Project Manager</p> <ul style="list-style-type: none"> • 5+ research projects/contracts = 20 points • 4 research projects/contracts = 15 points • 3 research projects/contracts = 10 points • 2 research projects/contracts = 05 points <p>Data Analyst</p> <ul style="list-style-type: none"> • 5+ research projects/contracts = 15 points • 4 research projects/contracts = 10 points • 3 research projects/contracts = 05 points • 2 research projects/contracts = 03 points <p>Detailed CVs with contactable references of team members who will be directly involved in providing the required service must be submitted in order to confirm the above</p>	35
<p>C. Methodology</p> <p>Bidders are required to provide and submit their bid documents:</p> <ul style="list-style-type: none"> • Research Design to be utilised and its justification. • Population, Sample, and Sampling Strategy and the justification of choices. • Data collection instruments and justification of the instruments to be utilised. • Data collection and analysis process. • Validity and reliability in order to ensure that data collected, processed, and analysed is trustworthy. • Independent Quality Assurance of the final report to be submitted to the ECGB. <p>The more likely the bidder is to be able to execute the contract successfully, the more points will be allocated.</p>	50
TOTAL POINTS	100

STAGE TWO: Preferential points system

- Price and preference points will be calculated as per below:

Table 2: Points available per criteria in Stage 2

CRITERIA		POINT SYSTEM
Price		80
Specific Goals		20
50% or >50% Black Ownership	5	
50% or >50% Black female ownership	5	
SMME (i.e., EME or QSE)	5	
Eastern Cape based bidder	5	
Total		100

In order to score points for the specific goals above:

1. SMME the bidder must attach a valid sworn original/ certified affidavit or certified B-BBEE contribution status certificate.
2. Eastern Cape based bidder must submit a valid lease agreement, or title deed and or municipal account.

Failure to attach the above required documents the bidder will not score any points.

8. IMPORTANT SUBMISSION GUIDELINES

All proposals will be adjudicated in terms of the Supply Chain Management Policy of the ECGB and the Public Finance Management Act, 1999 (as amended). In addition to the conditions stipulated in any other section of the request for proposals, the service providers should be especially aware of the following terms and conditions:

- 8.1 The ECGB reserves the right not to make any appointment from the submitted proposals.
- 8.2 The ECGB does not bind itself to accept the proposal with the lowest price.
- 8.3 The ECGB reserves the right to cancel this request for proposal (RFP) and pursue an alternative course of action at any time without incurring any liability towards any service provider.
- 8.4 The Bidders are advised that the submission of proposals gives rise to no contractual obligations on the part of ECGB.
- 8.5 Proposals submitted by electronic transmission or telefaxed will not be accepted.
- 8.6 All proposals submitted shall become the property of ECGB and shall not be returned.
- 8.7 CSD reports will be used to verify all company/organization details and SARS tax status pin codes must be provided.
- 8.8 Bidders are required to complete, sign, and submit all SBD forms/bid documents. **If the bidder does not meet this requirement, it will be automatically disqualified**
- 8.9 Prospective bidders are required to attend a compulsory briefing on the _____ from 10h00 am at the offices of the ECGB, Quenera Park, Beacon Bay, East London.
- 8.10 Attendants/ prospective bidders have to sign the attendance register which shall be made available to all.
- 8.11 Proposals received after the specified time and date i.e., _____ at 11h00 am will **NOT** be considered and accepted.
- 8.12 No services shall be rendered, or goods delivered before an official letter of award has been issued.
- 8.13 The ECGB may request written clarification or further information regarding any aspect of the proposals submitted. Service providers must supply such requested information in writing within the stipulated timeframe after the request has been made, or their proposal may be disqualified.
- 8.14 Service providers shall not qualify their proposals with their own conditions.
- 8.15 The name(s) and contact details of the person or persons(s) in your organization responsible for this proposal must be included in the bid document submitted.
- 8.16 A service level agreement shall be signed with the successful service provider.

- 8.17 The ECGB will not be held responsible for any cost incurred by the service provider in the preparation and submission of this proposal.
- 8.18 The ECGB reserves the right to terminate the contract if not satisfied with the work or the deliverables as stated above are not going to be met. Only bidders that meet the requirements of the request for proposal specification shall be considered during the adjudication process.
- 8.19 Bidders that bid as joint venture must have a signed business agreement by both parties. If the service provider does not meet this requirement, it will be automatically disqualified.

9. PRICING

Price must be in South African currency and must be inclusive of VAT. Bidders are further requested to indicate their price in all elements as listed in their pricing schedule attached as **Annexure A (no hidden costs/ unknown costs will be accepted)**. Price will be evaluated based on 80 points and applicable formula of calculating points.

10. WHERE TO SEND THE PROPOSAL

Please send your original proposal to:

Eastern Cape Gambling Board
Quenera Park, Quenera Drive
Beacon Bay
East London
5206

11. Contact Details

Enquiries concerning SCM and completion of SBD forms:

Name: Ms. Thandi Malotana

E-mail: thandazwam@ecgb.org.za

Tel no.: 043 - 702 8307

Enquiries concerning Terms of reference:

Name: Mrs. Pumeza George

E-mail: pumezag@ecgb.org.za

Tel no.: 043 - 702 8305

Bid Specification



RECOMMENDED

/

~~NOT RECOMMENDED~~

L. TSHOKO

CHAIRPERSON: BID SPECIFICATION COMMITTEE

DATE: 16 / 01 / 2023

Bid Specification

APPROVED

/

~~NOT APPROVED~~



Z. MQOBOLI (CA) SA

CHIEF FINANCIAL OFFICER

DATE: ____ / ____ / 2023

PRICING SCHEDULE

DESCRIPTION	AMOUNT
Project Inception	
Data Collection	
Analysis	
Recommendations/Feedback	
Disbursements (if any limited to 15% of project costs)	