



rural development & agrarian reform

Department:
Rural Development & Agrarian Reform
PROVINCE OF THE EASTERN CAPE

EASTERN CAPE PROVINCE DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM DM23/24-0069

EXPRESSION OF INTEREST TO PARTICIPATE IN THE COMMERCIALISATION OF BLACK AGRO-ENTERPRISES (GRAIN DEVELOPMENT PARTNERS)

PROPOSER:	
CSD NUMBER:	
LOGIS NUMBER:	
CLOSING DATE:	18 August 2023
CLOSING TIME:	11:00 am

PREPARED BY:

SUPPLY CHAIN MANAGEMENT

DEPARTMENT OF RURAL DEVELOPMENT
AND AGRARIAN REFORM
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SPECIFICATIONS / TERMS OF REFERENCE



TERM OF REFERENCE FOR EXPRESSION OF INTEREST FOR THE CATALYTIC COMMERCIALISATION OF BLACK AGRO- ENTERPRISES

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1. DEFINITIONS AND INTERPRETATIONS

“BLACK” with respect to Black Agro-Enterprises, Black Farmers means **Black** people, including black women in terms of the Black Economic Empowerment Act (act 53 of 2003)

“the Department” refers to the Department of Rural Development and Agrarian Reform.

“DRDAR” refers to the Department of Rural Development and Agrarian Reform

“AETS” refers to the Agricultural Economic Transformation Strategy of the Eastern Cape.

“POD” refers to proof of delivery with respect to targets, milestones and/or items specified in the respective implementation plans of contracted agro-enterprise developments.

2. PURPOSE OF THE CALL FOR EXPRESSIONS OF INTEREST

The purpose is to undertake an open and transparent process of identifying potential development partners, **to be added to the database** (entities already on the database need not apply). The Department will select entities to be added on the Departmental Partnership Database to collaborate for implementation of agro-enterprise development initiatives towards achieving the critical success factors of the Agricultural Economic Transformation Strategy of the Eastern Cape. These critical success factors are:

- expand production,
- Increase market access and secure off-take agreements,
- Include the training and skills development of the smallholder farmers,
- Add value to the basic agricultural produce,
- Increase employment,
- Increase net farm income,
- increase opportunity and business for SMME's and local beneficiation,
- increase total investment in the industry and
- increase transformation within the industry

The commercialization of black agro-enterprises by the Department is designed to complement existing government funding by enabling additional investments and / or leveraging investments from individual partners or the operating agro- enterprise business entities.

3. PRIORITY COMMODITY VALUE CHAINS

Expressions of interest for development must fall within the following commodity value chains (inclusive of manufacture of inputs and value addition of product) with priority given to those enterprises that maximize economic growth and employment with reference to Chapter 6 of the National Development Plan. The applicant must select their choice of commodity in the table below.

Table 1: Priority Commodity Value Chains

COMMODITY CATEGORY	Mark with X
Dryland field crops Maize, soy bean, sunflower, sorghum, dry bean, etc.	
Irrigated field crops Maize, soy bean, sunflower, sorghum, dry bean, etc.	

The Department supports the black smallholder producers and agro-enterprises with but not limited to the following:

- (1) Crop establishment.
- (2) Purchase of machinery and equipment.
- (3) Development of infrastructure.
- (4) Development of agro-processing and packaging facilities.
- (5) Expansion of production capacity and efficiencies.
- (6) Increasing market access.
- (7) Training and skills development.
- (8) Value addition and agro-processing.

4. ELIGIBLE APPLICANTS:

Applicants eligible to submit proposals include:

Commercial agricultural entities

Co-operatives and joint ventures,

Other commercial entities that support farmer and agricultural value chain development including:

Processors, Investors and Businesses

Farmer-based agricultural commodity groups

Agricultural commodity organizations that are Non Profit Organizations (NPO's) whose objectives are to transform the agricultural sector through support for their beneficiaries.

The applicants must be collaborating or developing the following groups:

- Black smallholder and subsistence farmers
- Under-employed and unemployed graduates
- Under-employed and unemployed persons
- Designated groups: youth, women and persons with disabilities

5. ENGAGEMENT MODEL

The expressions of interest for the commercialization of black agro-enterprises must comply with the conditions as listed in Table 2 below. An applicant must submit a comprehensive business plan/concept note that will enable objective assessment of conditions as shown in the table.

Table 2: Conditions with respect to compliance

No.	Condition	Reference page/Annexure	Compliant	Non-Compliant
1	Adherence to the expression of Interest framework and supply all required documentation.			
2	The individual agro-enterprises must have a shareholding of at least 60% black-ownership. Preference will be given to the following designated groups: Military Veterans, Youth, Women and Disabled.			
3	Commercial partners must show financial investment into the enterprise development.			
4	The agro-enterprise(s) must create new job opportunities.			
5	The Commercial Partner must have an off-take agreement.			
6	The Commercial Partner must attach partnership agreement (s) with local farmers and the list of such farmers.			

6. INCLUSION IN THE DATABASE

The database will enable the Department of Rural Development and Agrarian Reform (DRDAR) to engage appropriate development partners towards achieving the stated critical success factors of the AETS for a period of five years **(2023/24-2027/28)**. The evaluation of submissions for inclusion in the database will be applied independently and DRDAR will:

- Select, in accordance with the evaluation criteria, those organizations / entities that meet or exceed the minimum qualifying criteria in the categories set out below for inclusion in the development partner database.
- Follow an open process annually to enable application for inclusion on the database of development partners.
- Inform organizations /entities in writing of their inclusion on the database.

6.1 Duration of inclusion in the database:

- A new entrant in the database will serve as a partner for the remainder of the term ending in **2027/28**, where after the organization / entity shall be removed from the database.

7. TERMS AND CONDITIONS

- DRDAR reserves the right to enter into a contractual engagement with more than one partner from the database in each category.
- DRDAR reserves the right not to enter into contractual engagements with a partner included in the database.
- The partnership contractual engagements shall be for periods of **one (1) to three (3) years**, depending on the objectives, performance of the partner and the requirements of the developed enterprise.
- DRDAR will consider entering into contractual engagement with only compliant applicants in respect of the conditions of this Expression of Interest and priority commodity value chains.

- Annual continuation within multi- year contracts shall be subjected to annual evaluation against agreed milestones and deliverables.

8. ASSESSMENT OF EXPRESSIONS OF INTEREST

Expressions of Interest for accelerated agro-enterprise development through support from government will be assessed against specified conditions and evaluated against evaluation criteria, the categories of which are summarized in Table 3 below.

TABLE 3: Evaluation Criterion of the Expression of Interest

	Functionality Criteria	Points Allocation	Means of verification
1.	Financial investment commitment for the partnership Letter of intent for investment showing the value of investment in terms of: Total number of hectares Total cost per hectares Farmer contribution Partner contribution Total contribution (Farmer + Partner) >50% = 30 40-49.9% = 20 30-39.9% = 15 20-29.9% = 10 10-19.9% = 5 0% = 0	30	<ul style="list-style-type: none"> Letter of intent for investment
2.	Aggregation of land and written consent of Land owners Detailed list of beneficiaries and/or land owners (Name and Surname, ID Number, contact numbers, gender, youth, military veterans and people living with disability) All documents = 20 No documents = 0	20	<ul style="list-style-type: none"> Letter of consent signed by the Chairperson/Traditional Leader/Farm Owner on behalf of the members
3	Market Access Provide Signed Off-take Agreement <ul style="list-style-type: none"> Signed off-take agreement = 20 No off-take agreement = 0 	20	<ul style="list-style-type: none"> Signed and similar off-take agreement

4.	Experience/Track Record of company The partner must have experience in successfully implementing similar project/s. Five or more projects = 10 points Three to four projects = 5 points One to two projects = 2 points 0 projects = 0 points	10	<ul style="list-style-type: none"> • Provide Appointment letters, Purchase Orders with order amounts. • Signed reference letters from authorized / delegated officials where similar work was undertaken.
5.	Key staff member's CV, qualifications and Experience <ul style="list-style-type: none"> • EXPERIENCE Key staff member's profile highlighting the following: <ul style="list-style-type: none"> • Experience in Agriculture Production • Experience in project management • Experience in Farmer Training /Development Experience in Five (5) and above projects = 10 Experience in Three to Five (3 to 5) projects = 5 Experience in One to two (1 to 2) projects = 2 No experience = 0	10	<ul style="list-style-type: none"> • Provide CV's, qualifications and evidence of projects undertaken and breakdown of tasks assigned to them for this project
	<ul style="list-style-type: none"> • QUALIFICATION • Four (4) years degree (NQF Level 7) in Agriculture Production / Project Management etc. • Three (3) year diploma in Agriculture Production / Project Management etc. 	10	<ul style="list-style-type: none"> • Copy of qualification

Table 4: Categories of agro-enterprise commodities and minimum qualifying score

COMMODITY CATEGORY	QUALIFYING SCORE (%)
Dryland field crops Maize, soy bean, sunflower, sorghum, dry bean, etc.	60
Irrigated field crops Maize, soy bean, sunflower, sorghum, dry bean, etc.	65

COMPULSORY BRIEFING

A Compulsory briefing session will be held on 10 August 2023 at 10:00 am at Amatole Boardroom

9. TIMELINE FOR APPLICATIONS

Application Submission due date: **before 11:00 am on 18 August 2023**

Head Office: Bhisho

Department of Rural Development and Agrarian Reform, Office D04, UIF Building, Rharhabe Road.
The opening and registration of proposals will be open to the public.

10. WHERE AND HOW TO SUBMIT AN APPLICATION

Please submit a signed original and one copy of the proposal in a sealed envelope to at least one of the addresses in the table below:

Further information and enquiries on the application process can be obtained from the following:

Enquiries

District	Addresses	Contact name/telephone/email
	Head Office: Bhisho Ms N Mfunda, Tel. (040) 602- 5206 Nomapha.Mfunda@drdar.gov.za	Dr. M. Mbangcolo Cell: 079 528 4347 Tel: 040 602 5130 / 040 602 5152 Mongezi.mbangcolo@drdar.gov.za

A: CERTIFICATE OF AUTHORITY FOR SIGNATORY

Signatory for companies shall confirm their authority thereto by attaching a duly signed and dated copy of the relevant resolution of the board of directors to this form.

An example is given below:

By resolution of the board of directors passed at a meeting held on

Mr. /Ms, whose signature appears below, has been duly authorized

to sign all documents in connection with the EOI for Grain Development Partners and any Contract that

may arise there from on behalf of (name of Service Provider in block capitals)

.....

SIGNED ON BEHALF OF THE COMPANY:

IN HIS/HER CAPACITY AS:

DATE:

SIGNATURE OF SIGNATORY:

WITNESSES: 1.

2.

B: CERTIFICATE OF AUTHORITY FOR JOINT VENTURES

This Returnable Schedule is to be completed by joint ventures.

We, the undersigned, are submitting this Bid in Joint Venture and hereby authorise Mr/Ms , authorised signatory of the company , acting in the capacity of lead partner, to sign all documents in connection with the tender offer and any contract resulting from it on our behalf.

NAME OF FIRM	ADDRESS	DULY AUTHORISED SIGNATORY
Lead partner		Signature. Name Designation
		Signature. Name Designation
		Signature. Name Designation
		Signature. Name Designation

ATTACH SERVICE LEVEL AGREEMENT BETWEEN JOINT VENTURE PARTIES TO NEXT PAGE. "FAILURE TO SUBMIT THIS INFORMATION AS PART OF THE COMPLETION OF THE BID WILL RESULT IN YOUR BID TO BE REJECTED."

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of institution	State

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

3 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

