



**UBUHLEBEZWE MUNICIPALITY
CHIEF FINANCIAL OFFICE
SUPPLY CHAIN MANAGEMENT UNIT**

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QUOTE NO: UBU-Q-01/04/13
Date: 10 APRIL 2013

REF: 24254

Dear Sir / Madam

REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS FOR AGRICULTURAL PLAN

Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed schedule.

The quotation must be submitted on the letterhead of your business and must be submitted in a sealed envelope to the Tender Box. The envelope must be clearly marked "AGRICULTURAL PLAN": - & UBU-Q-01/04/13" not later than the 19TH of APRIL 2013 at 12h00 to: 29 Margaret Street, Ixopo 3276

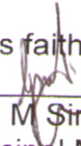
The following conditions will apply:

- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 2, MBD 4, MBD 6.1, MBD 8 & MBD 9 must be scrutinized, completed and submitted together with your quotation.
- Tax Clearance Certificate(MBD2)
- A proof of registration in the database
- **BBBEE Certificate bearing SANAS LOGO (if your certificate does not have SANAS logo, it will be regarded as invalid)**
- Proof of Company Registration Document
- Copy of ID if Sole Trader
- Letter/Statement confirming status of municipal accounts (i.e rates, water)
- Attach the affidavit confirming that none of the Directors/Shareholders are employed in the Service of the state.

NB: No quotations will be considered from persons in the service of the state.

The council does not bind itself to accept the lowest or any quotation and reserves the right to accept the quotation as whole or in part, at the rates quoted
Failure to comply with these conditions may invalidate your offer.

Yours faithfully



Mr G M Sineke
Municipal Manager

Terms of Reference for Ubuhlebezwe Municipality Agricultural Strategy and Implementation Plan

Background

The Integrated Development Plan (IDP) of Ubuhlebezwe Municipality identifies Local Economic Development (LED) as one of the highest priorities. The LED Strategy and Implementation Plan further identify the *Agricultural Strategy and Implementation Plan* and the establishment of a *Fresh Produce Market* as key development priorities of the Municipality. This LED Strategy lists three key result areas of these two initiatives, namely;

1. Local farmers are linked to markets,
2. Agricultural opportunities for farmers are diversified and increased, and
3. Agri-processing industries are developed.

The Fresh Produce Market has since been constructed by the Sisonke District Municipality and is yet to be operationalised. The Agricultural Strategy and Implementation Plan aims to provide information to existing and future agricultural sector players to take their active roles within the agricultural value chain systems, be it cropping technology, water provision, extension services, securing of investments and markets, enterprise development, linkages with retail chain stores, microfinance and microcredit as well as sustainable food security. Consultants are invited to prepare and submit proposals for the development of a bankable *Agricultural Strategy and Implementation Plan for the entire Municipality for Ward 12*.

It must be emphasized that due to the complexity of issues such as meeting the local demand, water supply, technology, etc that close collaboration amongst sister municipalities in the region, namely, Ingwe and Umzimkhulu; and other neighboring municipalities, namely Richmond in the north and Umzumbe in the south east and Sisonke District Municipality would be necessary for the proposals to succeed. It is also essential to form linkages with neighboring District Municipalities, namely. Ugu in the south and Umgungundlovu in the north. Previous studies have established from preliminary economical analysis, based on rough data that the main agricultural potential of Ubuhlebezwe Municipality, in order of priority and in terms of optimum land use, evolves around intensive cropping, sugarcane, forestry and stock farming. Potential intensive cropping and irrigation projects therefore need to receive first priority when allocating land for agricultural use. Although it seems from the preliminary economical analysis that the proposed agricultural projects might be feasible from a financial point of view, all agricultural projects would require substantial subsidization of the capital cost and also the initial input costs, to make it feasible from a cash flow point of view for the farmers.

Conventional farming projects have always been driven with food security and poverty alleviation agendas. These projects often include poultry, piggeries, dairies and feedlots without careful consideration market demands and the economies of scale. All these projects require substantial subsidization to be successful and also aftercare for extended periods. It is recommended that these projects be implemented at places where interest and capacity is shown, in a pilot project fashion.

Purpose

The purpose of this assignment is to assist Ubuhlebezwe:

1. To develop agricultural economy and to attain its maximum potential;
2. To maximise contribution of the agricultural economy to create jobs; alleviate poverty and economic growth;

Scope of Work

1. To develop an Agricultural Strategy and implementation for sustainable economic agriculture.
2. To explicitly align agricultural development with the Ubuhlebezwe Municipality's LED Strategy and the IDP; and the Sisonke District Municipality's LED Strategy;
3. To mobilise stakeholders and strategic partners in the agriculture sector and mobilise resources to implement the Agricultural Strategy; and

Methodology

The international community of donors and financiers are reconsidering economic development approaches. The latest emphasis is *on making the markets work for the poor*. Previous national and foreign donor programmes over the last decades have failed to deliver economic instruments that are inclusive and sustainable. The social and economic return of investment cannot be quantified in Africa and Asia after many dollars in foreign aid have been distributed. In South Africa in particular gap between the rich and the poor is widening. The international community is calling for revision of economic systems. This frustration has led to the emergence of the new concept in economic development sector known as the *Base of the Pyramid or BoP*. The BoP calls for lead (or established) firms to start engaging with the poor in a win-win arrangement. It proposes that businesses should start recognizing the poor as resilient and creative entrepreneurs and value-conscious consumers. The approach should therefore focus on stakeholder facilitation and mobilization of both established and small producers as well as key players in the agricultural value chain in developing this strategy. Stakeholder participation and mobilization should **not focus on elaborating problems, but identify opportunities for alignment, integration and collaboration, and, more importantly, on the willingness of lead firms to collaborate with small producers.**

Objectives

Other than developing an agri-business development plan and ward 12 feasibility study on agri-business, Ubuhlebezwe Municipality wants the service provider to help the municipality to:

1. identify opportunities for alignment and integration with the Ubuhlebezwe Municipality Local Economic Development Strategy and the Integrated Development Plan;
2. identify opportunities for collaboration between small/emerging producers (including co-operatives) and established commercial farmers;
3. identify business and technical skill gaps and propose capacity enhancement initiatives that will see small/emerging farmers and co-operatives operating successful and sustainable enterprises;
4. develop concrete initiatives that will see the local Farmers' Market built by Sisonke District Municipality benefiting the small/emerging producers and co-operatives;

80 points for price

20 points for BBBEE

This is the final stage of evaluation is purely based on 80points for the price and 20points for the BBBEE LEVEL. In ordered to claim the 20 points bidders are required to complete MDB 6.1 and submit their BBBEE Certificate.

Enquiries: All technical enquiries may be directed to Mr. N.H. Mkhize at 039 834 7700 during office hours.

BRIEFING DATE:

Friday 12/04/2013

10h00 am

Library Boardroom