



NYANDENI

LOCAL MUNICIPALITY

Building a better future with the people

NYANDENI LOCAL MUNICIPALITY
Municipality Building,
3.N. Nomandela Drive,
Libode 5160

T 047 555 5000
E nyandeni@nyandenilm.gov.za
www.nyandenilm.gov.za

Date: 23 October 2024

REQUEST FOR QUOTATIONS

TO:	ALL PROSPECTIVE SERVICE PROVIDERS
PROJECT NAME:	LED STRATEGY REVIEW
REQUESTOR:	NYANDENI LOCAL MUNICIPALITY
QUOTATION NO.	NLM 41/2024
SITE CLARIFICATION MEETING (COMPULSORY):	NONE
QUOTATION TO BE DELIVERED BY:	30 OCTOBER 2024 @ 12H00 PM

SPECIFICATION OF ORDER

TERMS OF REFERENCE FOR APPOINTING A CONSULTANT FOR THE DEVELOPMENT OF A LOCAL ECONOMIC DEVELOPMENT STRATEGY

1. PURPOSE

Nyandeni Local Municipality LED strategy was initially developed in 2005 and underwent reviews in 2012 and 2018. This strategic document was developed to serve as a guide to the development of the local economy realising the local economic development potential as well as encouraging private sector investment and job creation.

The purpose of the Terms of Reference (ToR) is to outline the scope, objectives, and deliverables of the Local Economic Development (LED) strategy for Nyandeni Local Municipality. This strategy aims to align with the National Framework for Local Economic Development (LED) 2018-2028, emphasizing the creation of vibrant, resilient, and inclusive local economies that improve the quality of life for all residents of Nyandeni.

The municipality currently identifies the following as its key economic sectors:

- **Agriculture Development:** Promote innovative agricultural practices, value-addition opportunities, and partnerships with research institutions, like Walter Sisulu University (WSU), the Council for Scientific and Industrial Research (CSIR) and Agricultural Research Council (ARC to enhance agricultural productivity and sustainability.
- **Tourism Development:** Develop niche tourism products that leverage on local cultural, natural, and marine assets, and implement targeted marketing strategies to attract visitors.



- **SMME Development:** Provide robust support mechanisms for small, medium, and micro-enterprises, including access to finance, training programs, and market linkages.
- **Technological Innovation:** Develop digital infrastructure, establish local innovation hub/incubation, living labs and support technological innovation to drive economic development.

The strategy should take into account the following LED characteristics:

- Institute a job-creating economic growth path.
- Embark on a sustainable rural development and urban renewal.
- Get those who live below the poverty line and disadvantaged to be central on the development.
- Take heed of the radical economic transformation program

2. BACKGROUND

The Nyandeni Local Municipality located in the OR Tambo District in the Eastern Cape, faces various socio-economic challenges and opportunities. This LED strategy will align with the National Framework for LED (2018-2028) and focus on building diverse and innovative economies, developing inclusive economies, strengthening governance and institutional capacity, and promoting sustainable development. Special attention will be given to the unique context and opportunities within Nyandeni, including its rich cultural heritage and agricultural potential.

3. OBJECTIVES

- 3.1 Determine latent development opportunities on key economic sectors of the municipality.
- 3.2 Determine the comparative and competitive advantages of the local economy.
- 3.3 Identify nodal areas to address rural economic challenges such as opportunities, isolation from markets, dispersed service delivery.
- 3.4 Promote inclusive economic growth and job creation, ensuring that all segments of the population benefit. Diversify the local economy through innovative practices and support for various economic sectors. Identify opportunities for SMME's development in all identified economic sectors.
- 3.5 Identify financing sources and investment options that could enhance practical implementation.
- 3.6 To ensure the alignment of the strategy with add value to the existing policies and strategies such as National Local Economic Development Framework, Integrated Development Plan (IDP), National and Provincial guiding documents as well as private sector initiatives.
- 3.7 Strengthen the governance and institutional capacity of the municipality to effectively drive and manage economic development initiatives.
- 3.8 Develop an implantation plan with costed activities with timeframes
- 3.9 Incorporate all other sector plans of LED
- 3.10 Develop a chapter on trade and investment promotion plan

4. OUTCOME

A strategy for Local Economic Development will address the following critical aspects:

- Guide the development of the local economy
- Identification of key economic sectors and drivers
- Compliance with Legislation and regulations
- Economic Infrastructure Development
- Encourage Investment promotion.
- Promote positive socio-cultural
- Develop an implementation plan
- LED Strategy should incorporate all LED Sector plans

5. REGULATORY FRAMEWORKS



The development of the Local Economic Development strategy must be and will be in line with the following and limited to:

- The Constitution of South Africa 1996
- The White Paper on Local Government 1998
- The Provincial Growth and Development Plan
- Nyandeni Vision Vision 2030
- The National Development Plan of 2012
- National Framework for Local Economic Development of South Africa 2018- 2028
- Recent STATSSA census data and ECSECC for the Municipality
- The Integrated Sustainable Rural Development Strategy (ISRDS)
- The National Spatial Development Perspective (NSDP) (The Presidency, 2006)
- The 5-year Local Government Strategic Agenda and Implementation Plan 2006
- District and Local Integrated Development Plans (IDP)
- Nyandeni Local Municipality Spatial Development Framework

6. METHODOLOGY

6.1 Conduct contextual and situation analysis.

A brief analysis of the policies and legal framework for Local Economic Development

- An emphasis on any local and district municipal directives and regulation that may be relevant is a prerequisite.
- Analysis of existing economic development research information and statistical data
- Consolidation of information related to economic development from various relevant strategic frameworks from the municipality, district, provincial and national levels.
- Auditing of existing businesses within Nyandeni LM across all sectors. (Formal businesses and informal sector)
- Review of regulatory framework
- Review of relevant documents, socio-economic analysis and environmental status
- Conduct on analysis that will focus on internal and external environment based on existing information sources.
- Conducted to obtain supplementary information and serve a baseline to guide economic development planning
- Demography & Population Characteristics
- Education & Human capital
- Poverty & Social inequality
- Economic Performance Indicators
- Competitive and comparative advantage
- Review structural shifts & dynamics of the local economy
- identify constraints to development such as the impact of HIV/AIDS on the demographic profile, exploitation of resource base, international market influences, lack of entrepreneurial skills and poverty.

This analysis will provide critical basic information required for economic development planning, since it provides an indication of the economic structure and functional specialization and other dynamic characteristics of the study area.

6.2 INFRASTRUCTURE ANALYSIS

The study should suggest suitable economic infrastructure investment such as:

- Integrated Municipal Infrastructure
- Roads and transport networks



- Energy and alternative energy methods
- Water and Sanitation
- Machinery and equipment
- Infrastructure for agriculture development

6.3 OPPORTUNITY ANALYSIS

- Identify comparative and competitive advantage/disadvantages.
- Identify sectoral comparative advantages of the local economy and determine the development potential of the municipality.
- Identification of supply and demand factors to assess market opportunities based on the gap between existing and potential levels of development.
- Provide a description of suppliers, consumers, and services linkages as well as inter-industrial (business) linkages and opportunities.
- Review resource base for potential exploitation and beneficiation, i.e. extent, location, utilization, and opportunities.
- Determine growth potential of sectors and incorporate potential structural impacts of known or planned development initiatives.
- Trend analysis with historical growth and performance
- Supply and demand for skills within sectors
- Market analysis to determine location and segmentation of market, supply and demand for products.
- Propose business and linkage opportunities within the sector.

6.4 INSTITUTIONAL ANALYSIS

This will address the need for appropriate institutional structures that can facilitate the development process.

- The focus of this component is to address the leadership and institutional challenges with regard to the implementation of LED strategies, which includes the augmentation of LED, project management capacity within the municipality, the local communities as the true beneficiaries of the strategy and allocating responsibilities to the different municipal levels.
- Develop guidelines on establishment of operational bodies or structures of the local municipality to take responsibility for the implementation of the economic strategy.
- This will allow conceptualization of the institutional role and functions of different levels of local government.
- Identification of internal and external LED drivers.

6.5 OPPORTUNITY MAPPING

Opportunity mapping will focus on allocating the prioritized projects spatially taking into account a range of prerequisites for sustainable development, such as land availability and its location, skills availability, accessibility to markets, all forms of resource base, identification of nodal and sectoral activity clustering to come up with a viable and sustainable development.

The municipality's Spatial Development Framework (SDF) and Land Use Management Plans will highly be considered during this process.

An Integration approach should include the following:

- Physical planning and its implementation processes
- Institutional requirements (through the involvement and participation of relevant authorities)



- Economic realities and (through the involvement and participation of private business)
- Social needs (through the involvement and participation of local communities).

6.6 FUNDING OPTIONS

The aim is to evaluate potential funding sources to enable efficient and effective facilitation of the implementation of projects.

- Conduct Funding & financial assessment to identify and scope potential funding by investors (a wide spectrum of institutions, government bodies, parastatals and investment entities), as well as donors and the likelihood of financial commitment to projects.
- Identify potential funding sources, including public-private partnerships, donor funding, and government programs. To attract private investors, entrepreneurs and establish possible joint ventures and PPP's to develop the local economy.

6.7 PROJECT PRIORITIZATION

A key action of this step is to interpret the identified niche markets in terms of opportunities for local development and investment and subject these to a rigorous evaluation process to prioritize opportunities.

This evaluation process will entail an investigation into the following:

- Disbenefits and disincentives with a detrimental effect on investment potential
- In-depth analysis of comparative and competitive advantages
- Evaluation of the potential impact opportunities to quantify the economic spin-off effects.
- Identification of potential investors and funding agencies.

6.8 PROJECT PACKAGING

- This step is aimed at packaging selected anchor projects to enable efficient and effective facilitation of the implementation of anchor projects.
- Bankable projects will be selected in consultation with the client and key stakeholders.

6.9 IMPLEMENTATION PLAN AND BUDGETING

The purpose is to have an implementation action plan which is necessary to determine priorities for implementation phasing, budgeting, resource allocation and allocating responsibilities.

- The plan must provide various role-players and stakeholders in the economy clear functional guidelines with respect to implementing the LED strategy.
- Develop an Implementation Manual for the implementation of the catalytic projects.
- The Implementation Manual provides general step-by-step guidelines on various aspects of the project management and implementation process.
- This will serve as a manual for the LED unit after the completion of the project.
- Identify practical sectoral programs that could be used as basis for pro-active economic development initiatives.
- Develop a financial plan with financial requirements in line with the project
- Financial estimates containing budgeting specifications to ensure integrated and strategic management of institutional resources
- This phase should include specifications in terms of capital and operational functions as well as



intergovernmental coordination to be contained in a medium-term expenditure framework.

6.10 MONITORING AND EVALUATION TOOL

This very vital step will suggest which indicators will be used to measure the success and will involve as many people as possible to get different perspectives. Indicators should include output, outcomes, and goals.

Each indicator should:

- Be directly related to the output, outcome or goals listed on the problem tree or log frame.
- Some indicators can be developed using either qualitative or quantitative methods or available resources.
- Achieve skills transfer as part of the interaction with the client by utilizing known approaches such as counterpart training.
- Develop an objective prioritization process for project and program selection.
- Review innovative institutional options for development partnering.

In order for Local Economic Development (LED) to be effective, a community needs to identify and consider its own economic strengths, weaknesses, opportunities and threats and agree a shared strategy.

7. PROJECT PLANNING AND MANAGEMENT

DELIVERABLE	KEY ACTIVITIES
Inception Report	<ul style="list-style-type: none"> • Project Plan with clearly defined work packages and completion timelines with the municipality and identified stakeholders
Progress Reporting	<ul style="list-style-type: none"> • Establishment of a Steering Committee to work closely with throughout the project. • Develop a schedule of meetings
Situational Analysis and implication in Nyandeni	<ul style="list-style-type: none"> • Analyze economic development research and statistical data • Analyze the related tourism legislative framework. • Analyze the current institutional arrangements in the municipality and District Municipality.
Consolidated stakeholder consultative report	<ul style="list-style-type: none"> • Consolidate information from different sources and stakeholders. • Engagement sessions with key public and private sector stakeholders • Hold Stakeholder Consultative workshops and develop a consolidated report.
Present Final draft to council	<ul style="list-style-type: none"> • Develop a consolidated Action Plan with clearly defined targets, cost estimates and timelines. • Present to Council



8. COMMUNITY AND STAKEHOLDER ENGAGEMENT

Community and stakeholder engagement will be a key component of the LED strategy development process. The strategy will adopt a participatory approach, ensuring active involvement of local communities in planning and implementation. Regular stakeholder workshops will be conducted to gather input and feedback, ensuring the strategy reflects the needs and aspirations of the community.

9. OTHER CONSIDERATION OF THE CONTRACT

- An inception report is expected within two weeks of awarding of the contract outlining a detailed work plan to be agreed by the Project Steering Committee before implementation.
- Payment will be in accordance with each deliverable and should be clearly spelt out on the bid (project milestones) for effective cash flow management
- A Project Steering Committee will be established where the service provider is expected to report in scheduled meetings on progress made.
- A schedule of meeting and workshops will be agreed upon by the steering committee
- Progress will be monitored through steering committee meeting where progress report will be presented.
- Service provider shall whenever so be required by the representative, furnish the representative with particulars in writing regarding the service provider's arrangements for the execution of work.
- All documents, database or any other material in any format prepared by service provider in relation to the work shall be delivered to municipality on request
- Service provider shall be responsible for its own computer and technical literature to adequately perform functions.
- The responsible person to liaise with within the Municipality is Ms. A Mtimba who is the Manager for Local Economic Development
- Planning and Development in particular LED section will be responsible for coordination throughout the project.
- The Service Provider is expected to produce both a hard and electronic copies of the strategy. Must provide 10 colour printed hard copies.
- Final draft is to be presented to the municipal leadership.
- Close out project: last day of 31 March 2025

10. SERVICE PROVIDER REQUIREMENTS

The following items are required in submission from the bidder in order for bids to qualify for evaluation in the following order:

ITEM	DESCRIPTION
1. COVERING LETTER	<ul style="list-style-type: none">• Name and contact details of bidder.• Valid Tax Clearance Certificate• Any special conditions (if any)
2. Technical Proposal	<ul style="list-style-type: none">• Brief understanding of the project and the project components• Possess and exercise all reasonable skill, care, and diligence in the execution of the work.



	<ul style="list-style-type: none"> • Have proven record in strategic planning for the Local Economic Development Industry • Comply with all key regulatory frameworks set in the industry • Be prepared to attend meetings with the municipality whenever required for the purposes of obtaining information/advice in regard to the work and assignment or any matters emanating from the project.
3. COST SCHEDULE	To contain a breakdown of professional fees as per indicated section
4. TIME SCHEDULE	Draft Action Plan and expected delivery dates/s per deliverable

DELIVERY TIME FRAME

- The successful service provider will be expected to deliver by 31 March 2025 after the date of accepting the appointment letter.
- The Bids will be evaluated on the **80/20** preferential points system

Failure to submit the following document(s) may render the bid null and void:

- A copy of Entity Registration Documents.
- Detailed Company Profile (with relevant past experience)
- Certified ID Copy(ies) of Director(s) (not older than 3 months)
- Entity Tax Compliance Status PIN & Entity Tax Reference Number (in writing, either on the company profile or any entity document with a letterhead or as issued by SARS (With clear expiry dates)
- Declaration of Interest MBD4, MBD 8 and MBD 9
- Billing Clearance Certificate or Statement of Municipal Accounts or Directors proof of residence from Ward Councillor for non-rate payers (not older than 3 months)
- Original Tender Document
- Completed data base registration form (if not currently registered with Nyandeni Local Municipality)
- In case of a joint venture (JV), Entity Tax Compliance Status PIN & Entity Tax Reference Number of both partners should be submitted as well as a JV agreement signed by both parties
- **Registration on the Central Supplier Database (CSD) is compulsory.** Please attach **CENTRAL SUPPLIER DATABASE REPORT** (for specific goals purposes) and not the SUMMARY REPORT – Not older than 3 months.
- Failure to submit a full **CENTRAL SUPPLIER DATABASE REPORT** (with a medical certificate for disability where applicable) will result in points for Specific Goals not being awarded.

will also be evaluated on functionality as follows:

bids will also be evaluated on functionality as follows;



No.	CRITERIA	REQUIREMENT	Max Possible Points	Weight	MAX VALUE 1-5
1.	CAPACITY AND EXPERTISE				
	Attach relevant qualifications in Development Studies Commerce and Economics NB: 0 points will be claimed where the above is not attached and submitted	NQF Level 10	50	10	5
		NQF Level 9			4
		NQF Level 8 and 7			3
		0			0
	TOTAL		50		
2.	EXPERIENCE				
	Reference letters from satisfied previous clients that have been serviced in the past should be provided, the submission must be on the relevant client's letterhead and signed. Landline telephone details of clients should be also provided Signed NB: 0 points will be claimed where submitted clients/ references cannot be contacted	5 Clients and above	30	6	5
		3-4 Clients			4
		1-2 Clients			2
		0 Clients			0
	TOTAL		30		
3.	METHODOLOGY				
	Gantt Chart and/ or detailed project implementation plan	Methodology and approach are fully adequate to meet the requirements of the assignment relating to the	20	4	5



		deliverables required by these terms of reference			
	TOTAL		20		
	GRAND TOTAL		100	100	

re: 1=Poor, 2= Fair, 3 = Acceptable, 4 = Good, 5 = Excellent

should score a minimum of 60% for functionality in order to be considered for further evaluation.

bids will be evaluated at 80/20 preferential points system.

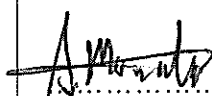
Functionality :80
Specific goals :20

Formal written price quotations should be submitted in a sealed envelope, clearly marked "**QUOTATION NLM 42/2024 – LED STRATEGY REVIEW**" will be placed in the quotation box at Nyandeni Local Municipality, BN Nomandela Drive, Libode, 5160 before 12h00 on **Wednesday, 30 October 2024**.

For technical enquiries, please contact Mr.G.N. Cekwana at (047) 555 5006 during working hours.

All bidders who are not registered in the Nyandeni Local Municipality database should submit their database registration forms upon quotation submission.

No late or incomplete quotations will be considered. The only or lowest quotation submitted shall not necessarily be accepted.



.....
Mr. S. Mvunelo
MUNICIPAL MANAGER
Nyandeni Local Municipality
Private Bag x 504
LIBODE, 516

