



rural development & agrarian reform

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

EXPRESSION OF INTEREST: DM: 23/24-0356-0356

DEVELOPMENT OF A DATABASE OF DEMAND AGGREGATORS OF AGRICULTURAL PRODUCE TO EXPLOIT PUBLIC AND PRIVATE FOOD PROCUREMENT PROGRAMS

SERVICE PROVIDER:	
CSD NUMBER:	
LOGIS NUMBER:	
CLOSING DATE:	15 APRIL 2024
CLOSING TIME:	11:00 am

PREPARED BY:

SUPPLY CHAIN MANAGEMENT

DEPARTMENT OF RURAL DEVELOPMENT
AND AGRARIAN REFORM
PRIVATE BAG X0040
BHISHO
5605

CONTENTS

SECTION	CONTENT	PAGE
1	DEFINITIONS AND INTERPRETATIONS	4
2	PURPOSE OF THE REQUEST FOR EXPRESSIONS OF INTEREST	4
3	OBJECTIVES OF FOOD AGGREGATION	4
4	PRIORITY COMMODITIES	5
5	ELIGIBLE APPLICANTS	5
6	ENGAGEMENT MODEL / REQUIREMENTS	6
7	MONITORING AND EVALUATION	6
8	COMPILATION OF THE DATABASE	6
9	MAINTENANCE AND UPDATING OF THE DEMAND AGGREGATORS DATABASE	6
10	INCLUSION IN THE DATABASE	7
11	TERMS AND CONDITIONS	7
12	ASSESSMENT OF EXPRESSIONS OF INTEREST	7 -8
13	CONDITIONS OF THE EOI	9
14	COMPULSORY BRIEFING	9
15	APPLICATION DOCUMENTS	9
16	TIMELINE FOR APPLICATIONS	9
17	TIMELINE FOR SUBMISSION OF APPLICATIONS	9

EXPRESSION OF INTEREST



EXPRESSION OF INTEREST FOR DEVELOPMENT OF A DATABASE OF DEMAND AGGREGATORS OF AGRICULTURAL PRODUCE TO EXPLOIT PUBLIC AND PRIVATE FOOD PROCUREMENT PROGRAMS

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.

“**AAMP**” refers to the Agriculture and Agro-processing Master Plan.

2. PURPOSE OF THE CALL FOR EXPRESSIONS OF INTEREST

DRDAR seeks to facilitate and promote consumption of local produce through developing farmer-based/agro-entrepreneur demand aggregators that will distribute locally produced food products directly from smallholder and communal farmers for diverse markets.

In the Province, the Departments of Social Development (through SASSA, Early Childhood Centres), Health (hospitals and clinics), Education (schools), Correctional Services (correctional centres/prisons), South African National Defence Force (Military Bases) spend billions of Rands mainly to purchase food. However, that huge investment leaves the province in a matter of days, as almost all basic food is acquired outside the province. This is depriving the province the opportunity to develop the agriculture and agro-processing capabilities, employment opportunities and threaten food security as the food becomes costly when is bought outside the province.

Furthermore, the retail franchise stores across all the district and local municipality procure primary agricultural products mainly from the commercial farmers and largely from outside the province. The private sector is not investing on the primary and agro-processing infrastructure capabilities because a significant large quantity of their produce is acquired outside the province.

This situation requires new innovative ways to incentivise production and promote local consumption and increase the market share of locally produced food products. The market-driven aggregation of locally produced food products and distribution is critically in shifting the province from consumption to productive system.

The demand aggregators will be developed through an open and transparent process with respect to their specialised food products such as and distribute to public (for people to access to nutritious and affordable food), government and private markets. This programme will target 50% youth and women aggregators.

3. OBJECTIVES OF FOOD AGGREGATION

- Provision of smallholder producers with an opportunity of accessing markets.
- Commercialization of smallholder agricultural producers.
- Capacity development of the smallholder agricultural producers in the Eastern Cape.
- Observation of agricultural value chain regulations.

4. PRIORITY COMMODITIES

While not limited to the commodities or products listed below and informed by the specific requirements of the targeted markets (departments) the following are among the products to be considered:

Commodity	Minimum volumes per annum
Grains	400 tons
Vegetables	9 000 tons
Eggs	260 000 eggs
Poultry meat	260 000 birds
Beef	100 weaners
Mutton	1 000 sheep
Pork	2 000 pigs
Milk	120 000 liters
Fruit	4 000 tons
Bread	182 500 loaves

5. ELIGIBLE APPLICANTS:

Applicants eligible to submit proposals are majority black owned agri-businesses that include, while not limited to:

- Farmers
- Farming entities
- Private businesses
- NGO's
- Farmers Cooperatives / Associations
- Agriculture Enterprises / Businesses

6. ENGAGEMENT MODEL/ REQUIREMENTS

The expressions of interest for the demand aggregators must comply with the conditions as listed in Table 1 below. An applicant must submit a comprehensive business plan/concept note that will enable objective assessment of conditions as shown in the table.

Table 1: Conditions with respect to compliance

No.	Condition	Reference page/Annexure	Compliant	No-Compliant
1	Adherence to the expression of Interest objectives			
2	Clear governance structures and (inclusive of oversight board or equivalent, medium to long term land use rights or legal agreements with Eastern Cape smallholder farmers).			
3	The individual agro-enterprises must have a shareholding of at least 51% black-owned.			
4	Clarity on the business model and operations of the business for specific commodity.			
5	The agro-enterprise(s) must create new job opportunities.			
6.	The enterprise must be able to meet the minimum required volumes.			
7.	The enterprise must in compliance with the Food safety regulations.			

7. MONITORING AND EVALUATION

- Quarterly monitoring and evaluation sessions will be conducted to ensure achievement of the project objectives.
- Committee is composed of the different government departments (DRDAR, DEDEAT, OTP, Provincial Treasury, Health, Education, Correctional Services and SANDF)
- Site visits will be conducted to smallholder farmers and value adding/Agro-processing plant.
- Nonadherence to the rules of the demand aggregation rules will lead to the elimination of the businesses from the database.

8. COMPILATION OF THE DATABASE

- The **Department** must annually advertise for **Demand Aggregators** to register into the database. The advertisement will appear in at least one provincial Tender Bulletin.
- The invitation process will be fair, transparent, and competitive.
- The invitation to register will set out the responsive criteria.

9. MAINTENANCE AND UPDATING OF THE DEMAND AGREEGATORS DATABASE

- Each Demand Aggregator will be registered for a period of three years.
- A **Service provider** can be removed from the database if the requirements are not maintained, or for any other reason that causes the **Service provider** to have become ineligible after placement on the database.

- Applications for renewal of registration of the database will undergo the same validation process as set in the document.
- Those **Service providers** who fail to renew their registration will be removed from the database after three years. Upon re-application later, and if successful, the **Service provider** will be placed in the database.

10. INCLUSION IN THE DATABASE

The database that will be developed will be shared by the Department of Rural Development and Agrarian Reform (DRDAR) to all the provincial and national department that procure food for their respective needs. 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.
- Inform organizations /entities in writing of their inclusion in the database.

11. TERMS AND CONDITIONS

- DRDAR reserves the right to enter into a contractual engagement with more than one demand aggregator from the database in each commodity.
- DRDAR reserves the right not to enter into contractual engagements with a demand aggregator included in the database.
- The partnership contractual engagements shall be for periods of development, depending on the objectives 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.
- The development partner will enter into a contractual engagement with the Eastern Cape smallholder producers/agro-entrepreneurs for the period of the development.

12. ASSESSMENT OF EXPRESSIONS OF INTEREST

Expressions of Interest for inclusion in the database of demand aggregators of agricultural produce will be assessed against specified conditions and evaluated against evaluation criteria, the categories of which are summarized in Table 3 below.

Technical Evaluation 60 points threshold

Technical evaluation, the first stage will be the evaluation of bids on functionality **and during this stage bids that do not meet the minimum threshold of 60 points on the functionality score will be disqualified, and will not be considered for the second stage of evaluation i.e. price and preference points**

TABLE 3: Evaluation Criterion of the Expression of Interest

No	A. CRITERIA FOR FUNCTIONALITY	MAXIMUM POINTS AWARDED - 100	MEANS OF VERIFICATION	REFERENCE PAGE IN BIDDERS PROPOSAL
1	<p>Legality of the entity</p> <ul style="list-style-type: none"> Legal entity (Registration certificates) (Score = 3) Committee, Trustees or Board members (Score = 2) Constitution/Memorandum of Incorporation/Trust Deeds (Score = 1) <p>If bidder attaches all the documents they get score of 5</p>	5	<ul style="list-style-type: none"> Company registration documents 	
2	<p>Ownership of the entity</p> <ul style="list-style-type: none"> 100% black owned entity (Score = 5) 60/40% share partnership and more but less than 100 (Score = 4) 51/49% share partnership and more but less than 60/40% (Score = 3) Less than 50% black ownership (Score =2) 	5	<ul style="list-style-type: none"> Company / Organizational Registration documents showing ownership 	
3	<p>Business Model</p> <p>Project proposal that meets the</p> <ul style="list-style-type: none"> 5-7 points in Table 1 above (Score = 10) 4-3 points in Table 1 above (Score = 5) 2-1 points in Table 1 above (Score = 2) 	10	<ul style="list-style-type: none"> Proposed/ Existing operating model 	
4	<p>Existing Production/ Supply Capacity</p> <ul style="list-style-type: none"> 5 year performance records (Score = 30) 4 year performance records (Score = 24) 3 year performance records (Score = 18) 12 year performance records (Score =2) 1 year performance records (Score =6) 	30	<ul style="list-style-type: none"> Production volumes and times Aggregated volumes / Outsourced production capacity 	
5	<p>Certification/ Accreditation</p> <p>Crop Producers</p> <p>SA GAP and HACCP accreditation (Score = 20)</p> <p>SA GAP accreditation (Score=15)</p> <p>HACCP accreditation (Score=10)</p> <p>Meat Producers</p> <p>Meat Safety Act 40 of 2000 and Relevant regulations compliance (10)</p> <p>DOH Regulation R 638 compliance (10)</p>	20	<ul style="list-style-type: none"> SA Good Agricultural Practices Food Safety Compliance 	
6	<p>Land use rights or legal agreements</p> <ul style="list-style-type: none"> 100% Land use rights (Score=30) 90% agreements with Eastern Cape smallholder farmers (Score = 24) 80% agreements with Eastern Cape smallholder farmers (Score = 18) 70% agreements with Eastern Cape smallholder farmers (Score = 12) 60% agreements with Eastern Cape smallholder farmers (Score = 6) 	30	<ul style="list-style-type: none"> Land use rights (Title-deeds, lease agreements/letter from authorities confirming land use rights) Legal agreements with Eastern Cape smallholder farmers for supplies outside own production Legal agreements with other suppliers 	
Total		100		

N.B.: *The minimum score required for functionality in order to qualify for further evaluation = 60 points out of 100 points*

13. CONDITIONS OF THE EOI

- The demand aggregator must have a foot-print in the Eastern Cape.
- The final score achieved by each entity will be determine inclusion in the database

14. COMPULSORY BRIEFING

A compulsory briefing session will be held in various districts.

15. APPLICATION DOCUMENTS

Proposals must be submitted with the application template annexed to these guidelines (Annexure 1).

16. TIMELINE FOR SUBMISSION OF APPLICATIONS

Application Submission due date: before 11:00 am on 15 April 2024

The opening and registration of all proposals received will take place at 11:00 am on **15 April 2024** at: **Head Office: Bisho:** Department of Rural Development and Agrarian Reform, **Office No 45,1st Floor Indwe House, Bisho**

The opening and registration of proposals will be open to the public.

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

Enquiries

Head Office	Contact name/telephone/email
Dukumbana building, 8 th floor, Bisho, 5605	Ms Vuyiseka Majola @083 579 4836 Vuyiseka.Majola@drdar.gov.za Ms Lelethu Zepe @ 066 451 9364 Lelethu.Zepe@drdar.gov.za Mr Siyabulela Jakavula @ 079 505 6024 Siyabulela.Jakavula@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 Demand Aggregators 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.