



RAY NKONYENI MUNICIPALITY

SUBJECT:	Terms of Reference: Appointment of a service provider to operate and manage the Marburg Motor Mechanic Workshop for a period of three (03) years.
BID NUMBER	8/2/RNM 0509
DATE:	JULY 2024.

Definitions of acronyms

RNM:	Ray Nkonyeni Municipality
RMI:	Retail Motor Industry Organization
DPS:	Development Planning Services
MIWA:	Motor Industry Workshop Association
IDP:	Integrated Development Plan
KZN:	KwaZulu-Natal
LED:	Local Economic Development
PSC:	Project Steering Committee
SMME:	Small, Medium and Micro enterprise
SAMBRA:	South African Motor Body Repairer's Association
SDBIP:	Service Delivery and Budget Implementation Plan
TORs:	Terms of Reference
POE:	Portfolio of Evidence
RPL:	Recognition of Prior Learning.
MOA:	Memorandum of Agreement
MOU:	Memorandum of Understanding

1. BACKGROUND INFORMATION

Locating the LED Unit and LED Programme

The Local Economic Development (LED) Unit is located within Development Planning Services department. In line with its mandate, the Unit was established to stimulate and support sustainable economic development. Its programme is designed to support local stakeholders in addressing market failures, human and institutional capacity limitations that act to exclude general citizens from the mainstream economy and thus perpetuate unemployment and poverty. In summary, the focus of the LED Unit is thus to create an enabling environment for growth of existing businesses and establishment of new businesses whilst at the same time empowering rest of local stakeholders in their quest to create employment opportunities and local economic stability.

Problem statement & project rationale

The Ray Nkonyeni Municipality's local economic development facilitation is mainly guided by the IDP, Local Economic Development Strategy and the municipality's 20-year Strategic Growth and Development Plan. There are, however, other supporting plans and policies that seek to aid the implementation of the afore-indicated core strategies. The municipality's Local Economic Development (LED) Strategy identified eight (08) LED Strategic Focus Areas. One such Key Focus Area is SMME, Co-operatives & Informal Economy Development. Further, the municipality's 20-year Growth & Development Strategy proposes and advances diverse and inclusive economy, which can be attained through SMME development. Recently (2022), the KZN Department of Economic Development, Tourism & Environmental Affairs approved the township and Rural Economies Revitalization Strategy (TRERS), whose core objective is to drive township and rural economic development, thus ensuring inclusive economic participation. In accordance with the mandate of diverse and inclusive economy, the municipality successfully applied for funding to establish a motor mechanic / automotive workshop, mainly targeting small and emerging motor mechanics that are informally operating in the town of Port Shepstone and surrounding Marburg. The objective of the initiative is to develop the project into a fully-fledged RMI-compliant facility. In alignment with the project objective, the municipality is now seeking to appoint a capable service provider that will operate the facility and ensure that the 17-member auto mechanic cooperative is fully capacitated to provide professional services in the facility.

Purpose of the Terms of Reference

The purpose of the Terms of Reference is thus to specify to the prospective Service Providers the technical and methodological requirements for the execution of this project.

2. OBJECTIVES

Overall objective

The project seeks to support the Marburg Motor Mechanic Workshop & in particular the Ray Nkonyeni Auto Mechanics Co-operative by establishing a fully resourced mechanical workshop in order to formalise the business. Further, in line with the project business plan, the overall objective of this project is to ensure a fully functional motor mechanic workshop that responds to the five (05) key outcomes as associated with the project, namely:

- To develop the facility & co-operative into a fully-fledged motor mechanical operations to service the community of Ray Nkonyeni Municipality and beyond;
- To ensure that the Co-operative is skilled enough to provide professional service as per industry standards;
- To ensure that the workshop is fully marketed & it competes with other businesses in the industry;
- To ensure that the operation is profitable; and
- To ensure that the workshop is properly registered and complies with industry bodies and standards

Specific objectives & output

The appointed Service Provider shall be required to, amongst other things execute the following tasks:

- Manage and operate the facility into a fully-fledged facility, ensuring that the facility operates in compliance with industry standards as required by various bodies, such as RMI, SAMBRA etc.
- Formulate a marketing strategy and ensure that the Marburg Motor Mechanic Workshop is fully marketed & that it competes with other businesses in the industry;
- Perform a detailed analysis of all seventeen members of the co-operative to ascertain their levels of education and competency in relation to their trades;
- Conduct thorough assessment for each mechanic to ascertain their levels of competency that can be accredited in terms of Recognition of Prior Learning;
- Facilitate the enrolment of all motor mechanics to the National African Association for Automobile Services Provider (NAAASP) programme as offered by RMI;
- Propose and recommend a capacity building programme for each mechanics in order to ensure that the workshop is RMI and MIWA compliant;
- Ensure that the workshop is properly registered and complies with statutory requirements and other requirements as required by industry bodies.

3. SCOPE OF WORK & ACITIVITIES TO BE EXECUTED

Project Inception

- (a) The Service Provider is required to meet the department as soon as possible following notification that the tender was successful to refine and finalise all matters that need to be addressed.
- (b) Project scope and activities to be executed are as per the objectives as set out under the objectives above.

(c) OUTPUTS & DELIVERABLES

The outputs are as per objectives above & a Service level Agreement shall be entered into with the appointed service provider, which shall tabulate specific outcomes & their associated time frames.

(d) ANTICIPATED TIME FRAMES

The appointment os the service provider is for a period of three (03) years.

(e) TEAM REQUIREMENTS

Personnel / company requirements

The Service Provider must comprise a team that includes experts & staff with requisite skills. The specific requirements are as per specified in the functionality requirements.

(f) REPORTING

Reporting Requirements

The service provider is expected to present an inception report within one (01) month from the commencement of the contract. The draft reports thereafter will be submitted to the LED Manager or nominated representative in line with agreed-upon time frames as per inception report.

Reporting Procedures

The Project Leader shall report to the municipality's Local Economic Development Manager (or nominated representative).

Project Steering Committee

The Municipality will be responsible for setting up the Project Steering Committee (PSC) and its Terms of Reference. The Service Provider will be expected to provide PSC secretariat, and the minutes of the PSC meetings will be prepared by the Service Provider and circulated to all PSC members at least seven (7) days after the meeting. PSC composition shall be discussed and agreed-upon with the appointed service provider.

(g) TECHNICAL PROPOSALS

Understanding of the project context and the assignment

Prospective service providers are required to describe in detail their understanding of the brief and terms of reference.

Methodology

Bidders should clearly state the approach and methodology for achieving the project objectives. The methodology should respond to overall and specific objective points. They should also explain why their preferred approach is appropriate for achieving the TORs. Methodology should also detail how the bidder will organise itself to deliver on the TOR. The methodology should specify risks associated with the achievement of the assignment & how the service provider intends to mitigate against those risks.

9. EVALUATION CRITERIA & BREAKDOWN OF TOTAL SCORES

Service Providers will be assessed according to the criteria as indicated below. The procedure for evaluation of responsive tenders will be: Functionality and Financial Offer. Evaluations of tenders will be done in two stages. Firstly, eligibility and quality (functionality) will be assessed; whereafter tenders with a minimum of **60** percent of points will be evaluated further for Financial Offer and Preference. The Preferential Procurement Policy Framework (PPPFA) (as amended) applies.

Aspect	Criteria	Possible points	Verification documents
Company experience	10 years' experience & above in in operating and managing government-supported or funded auto mechanics incubation facility.	20	Submitted MOU, MOA or Partnership Agreements with any South African Government Institution (National, Provincial or Local), reflecting 10 years or above of experience in relation to operating or managing an Auto mechanics incubation facility.
	More than 5 years' experience but less than 10 years' experience in operating and managing government-supported or funded auto mechanics incubation facility.	15	Submitted MOU, MOA or Partnership Agreements with any South African Government Institution (National, Provincial or Local), reflecting 5 years or above, but less than 10 years of experience in relation to operating or managing an Auto mechanics incubation facility.
	More than 3 years but less than 5 years' experience in operating and managing government-supported or funded auto mechanics incubation facility.	10	Submitted MOU, MOA or Partnership Agreements with any South African Government Institution (National, Provincial or Local), reflecting 3 years or above, but less than 5 years of experience in relation to operating or managing an Auto mechanics incubation facility.
	1 to 3 years' experience in operating and managing government-supported or funded auto mechanics incubation facility.	05	Submitted MOU, MOA or Partnership Agreements with any South African Government Institution (National, Provincial or Local), reflecting 1 years or above, but less than 3 years of experience in relation to operating or managing an Auto mechanics incubation facility.
	Zero (0) years' experience in operating and managing government-supported or funded auto mechanics incubation facility.	0	Submitted none (zero) MOU, MOA or Partnership Agreements with any South African Government Institution (National, Provincial or Local), reflecting experience in relation to operating or managing an Auto mechanics incubation facility.
SEDA Auto Incubation Funding Support Programme	Existing MOA - SEDA Auto Incubation Funding Support Programme	15	Submitted current & valid MOA with SEDA in relation to SEDA Auto Incubation Funding Support Programme
	Previously partnered (MOA) with SEDA towards SEDA Auto Incubation Funding Support Programme	10	Submitted previous or expired MOA with SEDA in relation to SEDA Auto Incubation Funding Support Programme
	Never partnered or entered into an agreement with SEDA towards SEDA Auto Incubation Funding Support Programme	0	Neither submitted current & valid nor expired MOA with SEDA in relation to SEDA Auto Incubation Funding Support Programme
Qualified Artisan: Motor mechanic (Project Leader)	Trade-tested & qualified artisan: motor / auto mechanic.	10	Submitted a MERSETA-issued, certified Trade Test certificate: Motor Mechanic for the proposed mechanic / project leader to oversee quality assurance.
	Non-trade test qualified artisan: motor mechanic.	0	Submitted none (zero) MERSETA-issued, certified Trade Test certificate: Motor Mechanic for the proposed mechanic / project leader to oversee quality assurance.

Scoring for preference points is to be calculated using the following guide: Where:

In line with the objectives of the Ray Nkonyeni Municipality Preferential Procurement Policy (2022/2023), it is the intention of Council to promote local economic development and increase participation by Small, Medium and Micro Enterprises (SMMEs) in the municipality's procurement processes. Further, a combination of Broad-Based Black Economic Empowerment Scorecard (B-BBEE) and Reconstruction & Development Programme (RDP) will be used, which will be assessed as follows.

	SPECIFIC GOALS	POINTS	VERIFICATION
1.	Broad Based Black Economic Empowerment:		
1.1	BBBEE Level 1	10	Sworn affidavit or SANAS Approved Accredited BBBEE Certificate
1.2	BBBEE Level 2	5	
1.3	BBBEE Level 3 – 8	3	
2.	Promotion of Local Business (s)		
2.1	Enterprise Located within Ray Nkonyeni Municipality	10	Proof of company address
2.2	Enterprise Located within Ugu District Municipality	5	Proof of company address
2.3	Enterprise Located within South Africa	3	Proof of company address

Financial evaluation:

Financial evaluation will be conducted by the municipality's Supply Chain Management, which shall consider the Technical Evaluation Report as provided by Development Planning Services Department.

10. TECHNICAL ENQUIRIES

Technical enquires can be submitted to the Manager: Local Economic Development:

Philani C. Khambule

Manager: Local Economic Development

Ray Nkonyeni Local Municipality

10 Connor Street

Port Shepstone

4240

Tel.: (039) 688 2272 / Cell: 072 328 4315 / Email: Philani.khambule@rnm.gov.za