



RAY NKONYENI MUNICIPALITY

Subject:	Terms of Reference: RNM Local Economic Development Strategy Review
Date:	September 2023
Bid	8/2/RNM 0465

1. **BACKGROUND INFORMATION**

Definitions of acronyms

RNM:	Ray Nkonyeni Local Municipality
DPS:	Development Planning Services
GIS:	Geographic Information System
IDP:	Integrated Development Plan(s)
RNM:	Ray Nkonyeni Local Municipality
KZN:	KwaZulu-Natal
LED:	Local Economic Development
PSC:	Project Steering Committee
SMME:	Small, Medium and Micro enterprise
TORs:	Terms of Reference

1.1 **Overview – LED Unit and LED Programme**

The Local Economic Development (LED) Unit, which is located within the Development Planning Services (DPS) department, was established to stimulate and support sustainable economic development at a local level. Its programme is designed to support local stakeholders in addressing market failures, human and institutional capacity limitations that act to exclude citizens from the mainstream economy and perpetuate unemployment and poverty. In summary, the focus of the LED Unit is on generating a pipeline of sustainable economic development projects that:

- Creates a better local economic development enabling environment,
- Empowers local government and other local stakeholders,
- Induces business development and,
- Supports employment creation and fosters private investment.

1.2 Project Background

The current LED Strategy of the municipality was approved and adopted by Council in April 2018, and as such it has served its full five years, hence a need and a requirement for a revised strategy to take into consideration new and emerging trends in terms of economic development. Further, the existing strategy was adopted before the finalization of the current National LED Framework, and thus a need to ensure alignment amongst other key matters. Critical though, several projects and initiatives have been implemented since the adoption of the current strategy in 2018, and as part of the review it becomes critical to review implementation and thus ascertain levels of accomplishment and strengthening where needed. In line with changes in micro and macro environments, the review process will also seek to analyse various sectors in order to enable research-driven implementation.

1.3 Purpose of the Terms of Reference

The purpose of the Terms of Reference is to specify to the prospective Service Providers the technical requirements for execution of this project. The Terms of Reference specifies the objectives of the project and the activities to be undertaken in the course of project implementation; and further tabulates the milestones and the methods of verification against the desired outputs.

2. OBJECTIVES

2.1 Overall objective

The overall objective is to compile and complete an LED Strategy review that will highlight areas that the Municipality need to concentrate on to ensure that it creates an enabling environment for the businesses within Ray Nkonyeni Local Municipality to thrive. Further, as an outcome of the reviewed LED Strategy, the framework needs to act as a catalyst that shall drive and propel economic development, spatially guide private investment and essentially become a development guide for the entire municipality.

2.2 Specific objectives

- To perform a detailed situational analysis to understand the current dynamics of the RNM, taking into consideration the social, economic and environmental factors. The detailed situational analysis should also take into account the issues of the active and inactive sectors that contribute to the economy within the RNM.
- To perform a SWOT analysis within the municipal area; and to determine in the municipal areas of intervention and thus enable the Service Provider in conjunction with the RNM stakeholders to identify and recommend appropriate market interventions that will lead to economic development of the area.
- To identify relevant stakeholders and perform public participation exercises, using various tools, to enable the stakeholders of RNM to come up with strategies, programmes and projects to address the issues from the SWOT analysis.
- To assist the Municipality to review its institutional and operational issues in order to be able to carry out the recommendations as per LED Strategy review. This will include the development of a Monitoring and Evaluation tool that will ensure that there is continuous implementation and refinement of the LED Strategy.
- To produce a revised LED Strategy with sub-strategies, programmes and projects that will be linked to the Municipal IDP.
- To produce a monitoring and evaluation (M&E) mechanism(s), which shall be employed to monitor the implementation of the strategy from time to time and also evaluate the effectiveness of the strategy at a pre-determined time.

3 KEY & CRITICAL ACTIVITIES

3.1 Key tasks

The appointed Service Provider will be expected to execute the following as deliverables and outcomes:

3.1.1 Project Inception

- (a) The Service Provider is required to meet the Technical Committee as soon as possible following notification that the tender was successful to refine and finalise all matters that need to be addressed to a greater degree of detail following from the tender process to finalise the contract of appointment.
- (b) The Service Provider is required to provide a detailed inception report noting detailed activities, timeframes, and associated resource allocations to successfully complete the project for incorporation in the Service Level Agreement between the parties.

3.1.2 Participation and Consultation

- (a) Determine the perceived and anticipated interests of identified interested and affected parties and incorporate the anticipated roles and responsibilities that persons and interest groups would have in this project;
- (b) Initiate and maintain a practical public participation and consultation process through the subsequent phases:
 - To gather information as well as to give feedback regarding the project;
 - That seeks to empower stakeholders and generate an interest amongst interested and affected parties; and
 - That facilitates participants' informed and meaningful participation in the decision-making process.

3.1.3 Situational Analysis

- (a) Conduct a desktop study of the relevant legislation, policies, strategies and plans that will affect the area of Local Economic Development within the RNM area, including the existing LED Strategy;
- (b) Undertake a stakeholder analysis and identify their roles and responsibilities within RNM
- (c) Identify present market conditions, relevant sectors, trends and patterns, needs and key challenges and possible solutions and
- (d) Review existing institutional plan, if any with the aim of creating a strategic unit that is fully trained and capacitated to implement the recommendations of the LED Strategy.

3.1.4 LED Strategy

- a) Perform a Situational Analysis with regards to the detailed analysis that incorporates the key economic, social and environmental factors that impact on RNM;
- b) Perform a SWOT analysis and identify the proposed strategies, together with the stakeholders, to address the identified issues;
- c) Provide a detailed understanding of the impact of the proposed developments to the local economy based on the market conditions, assumptions and performance of the sectors;
- d) Identify and prioritise programmes and projects that emanate from the strategies. Allocate time frames and possible funders for the identified projects and
- e) Assess the existing capacity of RNM's management and administrative systems and provide recommendations and tools to ensure effective implementation, evaluation and monitoring of the project.

3.2. Outputs and Deliverables

- Inception Report that details the projects that will be the focus of support as well as the associated outputs, the support that will be provided, the detailed methodology that will be followed, all logistical arrangements, a detailed activity based work-plan as well as any other deliverables.
- Situational Analysis that provides a detailed economic analysis identifying present market conditions and constraints in economic development within the municipal area. The information will be expressed geographically, using Geographic Information Systems.
- Economic Profile that will provide information on the proposed sectors to be investigated further. This information will be sourced from the Situational Analysis.
- Revised LED Strategy that will show the competitive advantage of RNM and outline the projects to be considered, taking into consideration the overall social, economic and environmental aspects.
- LED Strategy Implementation Plan which in the main shall indicate projects to be implemented and further detail the entire proposed implementation plan.
- LED Strategy Monitoring and Evaluation Tool, which must indicate how the implementation of the LED Strategy shall be monitored to ensure that strategy objectives are realised in full.

4 SCOPE OF WORKS

- (a) Perform a detailed situational analysis to understand the current dynamics of the RNM, taking into consideration the social, economic and other environmental factors.
- (b) Perform a SWOT analysis within the municipal area; and to determine in the municipal areas of intervention and thus enable RNM stakeholders to identify and recommend appropriate interventions that have the potential to drive economic development of the area.
- (c) Identify relevant stakeholders and perform public participation exercises, using various tools, to enable the stakeholders of RNM to come up with strategies, programmes and projects to address the issues from the SWOT analysis.
- (d) Assist the Municipality to review its LED institutional and operational capacity.
- (e) Produce a revised LED Strategy with sub-strategies, programmes and projects that will be linked to the Municipal IDP.
- (f) Produce a monitoring and evaluation (M&E) mechanism(s), which shall be employed to monitor the implementation of the strategy from time to time and also evaluate the effectiveness of the strategy at a pre-determined time.
- (g) Align the current LED Strategy with the National LED Framework in order to ensure that the reviewed strategy is in compliance with the framework and its policy objectives.

- (h) As part of the review process, ensure that the revised strategy takes into consideration the 2022 Local Government Summit - LED Resolutions and as part of the implementation plan ensure that such resolutions are appropriately incorporated.
- (i) In line with the review process, conduct a comprehensive analysis of local economic sectors, including their contribution to the local economy.
- (j) As part of the review process, the service provider will be expected to conduct value chain analysis – analysing value chain opportunities as unveiled by key economic sectors, both downstream and upstream opportunities.
- (k) The service provider will also be expected to identify green economy opportunities and further propose implementable interventions that can be implemented or facilitated.
- (l) As part of the broader review process, the service provider will be expected to identify targeted support towards the informal economy & further propose implementation mechanisms.
- (m) Align the strategy with the municipality's Growth and Development Plan to ensure that the revised strategy takes into consideration the municipality's vision 2036 objectives.
- (n) Ensure that the revised strategy is responsive to the Township and Rural Economies Revitalization Strategy (TRERS) and further recommend appropriate implementable interventions to effectively implement TRERS.
- (o) Align the reviewed strategy with One District Plan and further ensure that the strategy takes into consideration programmes and projects as identified in District traditional Council Plans.
- (p) As part of the review process, ensure that the revised strategy identify areas that require continuous research to assist businesses and Council with research-driven data to enable better informed decision making.
- (q) Ensure that the revised strategy incorporates Ease of Doing Business / Red Tape Reduction matters and further propose projects that can be implemented in this regard.
- (r) As part of the review process, the revised LED Strategy must also identify sectors with potential for employment creation and further propose interventions that need to be implemented to realize job creation objectives.
- (s) As part of the review process, the service provider will be expected to identify unused and underutilised municipal infrastructure that can be repurposed for local economic development *initiatives
- (t) Integrate and incorporate Social Labour Plans as led by all mining houses that are located and operating within RNM.

5 ANTICIPATED TIME FRAMES

The proposed timeframe for the project is six (6) months.

6 Personnel 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.

7 Reporting

7.1 Reporting Requirements

The service provider is expected to present an inception report within three weeks from the commencement of the contract. The draft reports will be submitted to the LED Manager (or nominated representative) after approval or acceptance by the Technical Committee or Project Steering Committee.

7.2. Reporting Procedures

The appointed Key Expert shall report to the municipality's Local Economic Development Manager (or his nominated representative). All reports with their accompanying invoices for payment must be submitted to the Manager: Local Economic Development, who shall thereafter recommend to the Head of Department pertaining to approval for payment purposes.

7.3 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. Further, the Service Provider shall also issue meeting notices and accompanying agendas at least seven days (7) before the sitting of the meeting.

8. TECHNICAL PROPOSALS

Service Providers are required to describe in detail their understanding of the brief and terms of reference.

9. EVALUATION CRITERIA

Service Providers will be assessed according to the criteria as indicated below. The procedure for evaluation of responsive tenders will be: Financial Offer, Preferences and Quality (functionality). Evaluations of tenders will be done in two stages. Firstly, eligibility and quality (functionality) will be assessed; where after tenders with a minimum of 70 percent of points will be evaluated using the 80/20 Preference Point System for Financial Offer and Preference. The Preferential Procurement Policy Framework (PPPFA) (as amended) applies to this tender. The total score for functionality shall be as follows:

Aspect	Possible Full Points	Verification documents
Company Experience	20	Letters of appointment
Project Leader: Qualifications and experience	10	Certified copies of qualifications and CV with verifiable contacts.

Aspect	Criteria	Possible points	Verification documents
Company experience	5 or more LED Strategies formulated or reviewed in the past five years	20	Five (05) letters of appointment from clients (municipalities)
	3 – 4 LED Strategies formulated or reviewed in the past five years	15	Three (03) letters of appointments from clients (municipalities)
	1 – 2 LED Strategies formulated or reviewed in the past five years.	10	One (01) letter of appointment from clients (municipalities)
	Zero LED Strategies formulated or reviewed in the past five years.	0	Zero (0) letter of appointment from clients (municipalities)
Project Leader: Qualifications and experience	Degree in: Commerce, Economics, Development Studies, Town Planning or Business Administration and 1 – 2 years experience in strategy formulation for municipalities.	5	Certified copies of qualifications and CV with verifiable contacts
	Post-Graduate Degree or Post-Graduate Diploma in: Commerce, Economics, Development Studies, Town Planning or Business Administration and 3 – 5 years experience in strategy formulation for municipalities.	10	

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.

B-BBEE Status Level of Contributor	Verification	Number of Points for Preference
	SANAS-approved BBEE certificate or affidavit.	
1		10
2		9
3		8
4		5
5		4
6		3
7		2
8		1
Non-compliant contributor		0
Promotion of local businesses		
<ul style="list-style-type: none"> ▪ Enterprise located within Ray Nkonyeni Municipality = 100 % = 10 points ▪ Enterprise located within Ugu District Municipality = 50 % = 5 points ▪ Enterprise located within South Africa = 25 % = 3 points 	Verification	Points allocation
	Proof of company address.	10

Financial evaluation:

Financial evaluation will be conducted by the municipality's Supply Chain Management, which shall consider the technical evaluation that shall be provided by the user department.

10. TECHNICAL ENQUIRIES

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