



Contract No: PQ: 7G-31306

Development of Five Year Investment Promotion Strategy

This is a request for proposals for the Development of a Five Year Investment Promotion Strategy. This project falls within the scope of the Economic Development and Investment Promotion Unit.

Interested parties can collect the Terms of Reference document which outlines the requirements for this proposal from the Economic Development & Investment Promotion Unit offices on the 11th Floor, 41 Margaret Mncadi Avenue (Victoria Embankment) work days, from 26 October 2016 between 8:00 am and 16:00 pm, or can contact Mr Titus Mazibuko/ Ms Shivani Singh by e-mail for an electronic copy:

Titus.Mazibuko@durban.gov.za or Shivani.Singh@durban.gov.za

The document can also be downloaded from the Council website: www.durban.gov.za

Tel enquiries: 031-311 4227/ 031-322 2996.

The closing date for submissions of proposals is **11:00 am on 2 November 2016**.



Contract Number:

7G - 31306

Request for Proposals:

**Development of Five Year Investment Promotion
Strategy**

Economic Development and Investment Promotion Unit

eThekweni Municipality

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Project Title

Request for proposals: Development of a Five Year Investment Promotion Strategy.

Background Information

The Government of South Africa, through National Treasury, has instigated the Cities Support Program (CSP) as an initiative to address spatial inequalities and development challenges at the city-level across eight metropolitan areas of South Africa.

The World Bank Group (WBG) has been engaged by National Treasury to assist with the realisation of the objectives of the Cities Support Program through a number of channels providing advice on various aspects of the CSP.

A key focus area of the WBG's engagements with eThekweni Municipality is the role of local government in investment promotion.

In the week commencing May 9th 2016, a World Bank Group team consisting of Robert Whyte, George Bennett and Austin Kilroy, undertook a preliminary high-level review of the current investment promotion structures and activities in eThekweni, with particular reference to developing a report which includes a set of action recommendations to enhance and assist the Municipality in its investment promotion activities.

The WBG, in its report, comments that all successful investment winning locations - countries, regions and cities - have a clear strategy for investment development and attraction as part of the wider economic goals of the location. The strategic framework answers questions regarding the role of investment in contributing to the achievement of the location's goals, setting priorities and targets and articulating how investment generation sits within the wider economic development efforts.

The WBG team's observation is that eThekweni needs to have a clearer strategic investment vision and execution plan in order to optimise the existing and future resources of the Municipality towards attracting and developing the most appropriate types of investment. The WBG suggested that the Municipality needs to develop a formal and explicit investment strategy.

The WBG proposed a two-phased approach:

A high-level process of consultation and discussion designed to define the nature and level of support (political, administrative, and from external stakeholders) for an agreed vision for investment in eThekweni. The WBG felt that this vision would greatly assist in ensuring the more effective utilisation of scarce municipal resources, whilst simultaneously maximising the potential benefits from investment attraction (e.g. job creation, value chain support, etc.). This has been completed through the facilitation of high-level workshops by the WBG between 3rd and 7th October 2016, with key internal and external stakeholders, to assist in generating a common city focus on the contribution of investment attraction to the Municipality's economic goals; the identification of priority sectors for investment attraction; and the priorities for operational efforts to approach investors.

The second recommended component was the development of a detailed operational strategy for investment attraction. This request for proposals refers to this component.

Overall Objective of Project

The purpose and objective of this project is to build on best practices to develop a clear and viable Five Year Investment Promotion Strategy for eThekweni Municipality.

Scope of Project

The Five Year Investment Promotion Strategy is at the inception phase. The service provider will be required to work in support of the project working group/strategy development team, and will report to the chairperson of the project working group/strategy development team. The service provider is required to address the following elements:

Phase 1: Literature review

- Review relevant legislative and policy literature on investment promotion in South Africa and the Province of KwaZulu-Natal.
- Undertake a study of baseline performance data from Durban Investment Promotion, over the past five to 10 years, in terms of the number of projects, total investments, jobs, sectors, etc.).
- Identification and review of international cities' best practice investment strategy development and investment promotion.

Phase 2: Developing a sector prioritisation methodology

- The Five Year Investment Promotion Strategy will seek to prioritise five key sectors. The service provider will have to undertake an exercise to develop a sector prioritisation methodology (it is expected that the outcome of this exercise will be a prioritised matrix of the sectors). This methodology may should include an analysis of past, present and future performance of sectors in the eThekweni region; size of the sector in eThekweni by Gross Domestic Product (GDP) and Gross Value Added (GVA); the number of people employed in the sector in eThekweni; the current employment intensity of the sector (jobs per GDP or jobs for R 1 million of capital stock); the percentage of output in the sector destined for exports, and the destination of these exports; market attractiveness and growth (percentage change in GVA per sector); backward linkages, forward linkages and Global Value Chain (GVC) analysis; import leakage (percentage of intermediate inputs sourced from imports); multipliers (GDP; output; income; and employment); and a brief overview of sector skills requirements.
- The service provider may be required to undertake some field research in the form of conducting interviews with key stakeholders.

Phase 3: Developing the Five Year Investment Promotion Strategy

- Consolidating the findings of the literature review and sector prioritisation methodology, to develop a sector-driven strategy to drive investment promotion in eThekweni Municipality.
- Selection and prioritisation of the sectors. The reasons and matrix for selection of these sectors to be targeted for investment promotion should be clear, reasonable and realistic.
- The Five Year Investment Promotion Strategy should include a factual study of the current investment climate and its opportunities and challenges, and to this end should include clear sector investment opportunities and implementable value propositions.
- The Five Year Investment Promotion Strategy should distinguish Durban from other South African cities.
- The service provider will be required to make recommendations on the implementation vehicle which would be used to drive the implementation of the strategy. Please note that following the completion of the Five Year Investment Promotion Strategy, an additional appointment will be made to acquire a service provider to conduct consultation sessions with key stakeholders, on the Five Year Investment Promotion Strategy, and consolidate commentary. In addition, this additional appointment will seek to develop a realistic implementation plan and budget.

Tasks, Duties and Responsibilities

The deliverables/end product includes:

- i. Inception report (within one week of appointment)*
 - This should contain details on the overall research approach, including any research methodologies to be applied, as well as details of the project team that will be responsible for execution of each stage of the project. Key timelines must be outlined in the inception report.
- ii. Preliminary report (within four to six weeks of appointment)*
 - This should contain the full literature review and sector prioritisation methodology and a draft outline of strategy components
- iii. Draft final strategy and presentation*
 - Final Five Year Investment Promotion Strategy and PowerPoint presentation.
 - Please note that the service provider is also responsible for design and layout of the Investment Promotion Strategy, and any relevant infographics.
 - Please also note, that the service provider may be called-upon (at the most, on three occasions) to present the Five Year Investment Promotion Strategy to an audience of key internal and external stakeholders, including the WBG.

Milestones and Timeframes

The service provider is expected to commence with the project immediately after appointment. The project is to be completed in three (3) months from the date of commencement. The timeframes for the various phases will be discussed upon appointment.

End Products and Format

Please note that three hard copies of the Final Five Year Investment Promotion Strategy, in colour, and three soft copies on CDs must be presented. One summary report (not exceeding 10 pages must also be submitted, as well as one Powerpoint presentation.

Copyright on Documents

Please note that as a requirement of this project, all output and copyright thereof will become the property of eThekweni Municipality. The findings and results from this project shall by no means be used by any other sources. In the event of termination of this appointment, the Economic Development and Investment Promotion Unit reserve the right to use all or any parts of the documentation for completion of the project.

Project Team Requirements

The project team will be required to possess the following knowledge and/or experience:

- i. Team leader
 - Post-graduate qualification in Economics, or Development Studies;
 - Five to seven years' experience in economic research, economic modelling/forecasting and economic strategy development;
 - A minimum of five years' project management experience;
 - Extensive knowledge of key economic sectors in the eThekweni region;
 - Extensive knowledge of industrial development;
 - Extensive knowledge of investment development, promotion and facilitation methodologies;
 - Extensive experience in strategy formulation and development; and
 - Available for the duration of the project
- ii. Researcher
 - Degree or diploma in Economics, or Development Studies;
 - Five to seven years' experience in economic research, economic modelling/forecasting and economic strategy development;
 - Economic strategy development skills; and
 - Available for the duration of the project
- iii. Desktop publisher
 - Three to five years' experience in desktop publishing; and
 - Available of the duration of the project.

The successful bidder will also need to meet the following basic criteria:

- Production of a valid tax clearance certificate.
- Re-registration on eThekwini Municipality's Supplier Database.
- Proposals will be considered from individuals, companies and groups of professionals.

Tender Submission Details

The deadline for submissions is: **2 November 2016**

These must be submitted for attention: **Titus Mazibuko** of the Economic Development and Investment Promotion Unit, and labeled: **Development of Five Year Investment Promotion Strategy.**

Documents must be placed in a sealed envelope, and submitted to the eThekwini Municipality Materials Management Building, 166 Archie Gumede Place, Old Fort Place, Durban, 4000, before 11:00am.

Tenders must include:

- The location of the firm's offices.
- A proposal responding to the above terms of reference, including:
 - The Service Provider's response to this brief and scope of work.
 - A proposed plan and method for delivery.
 - A detailed timeframe for completion of the project, including key milestones and deliverables.
 - The quotation (to be included with the proposal) consisting of total cost, VAT and disbursements as separate figures. A schedule of projected time and financial cost per phase, and per staff member must be provided.
 - Descriptions of and references for, previous work of a similar nature as per the requirements outlined above.
 - A demonstration of the required level of experience as stipulated in the terms of reference, including the two page CVs on each member.
- Proof of registration on eThekwini Municipality's Supplier Database.
- A valid Tax clearance certificate.
- Original BBBEE certification.
- Completed and signed MBD 9 Forms (Found in the Appendix):
 - Original Declaration of Interest

- Original Declaration of Municipal Fees
- Original Certificate of Independent Bid Determination

In the event that consortia respond to this request for proposals, each company forming part of the consortium are to fill out all of the supporting documentation in full.

Please note that the appointment will be made in terms of the council's procurement policy.

The quotation must include total cost, VAT and disbursements as separate figures. A schedule of projected time and financial cost per phase, and per staff member must be provided.

These terms of reference are subject to any changes which may stem from a negotiation of the final terms with the service provider, as well as any additional budget which may be allocated to the project.

Adjudication

The adjudication of this Request for Proposals will be in terms of MFMA Circular 53 (Municipal Finance Management Act No. 56 of 2003), whereby FUNCTIONALITY is included in this bid as a criterion (Stage 1) and will be assessed in terms of the evaluation criteria detailed in the table below. Any bid which fails to meet the minimum threshold of 70 out of 100 points for functionality will be disqualified. Thereafter, only qualifying bids will be evaluated in terms of the 80/20 preference points system (Stage 2) where 80 points is used for price only and 20 points are used for BEE points. The adjudication of this Tender will be in terms of the criteria presented below and be in compliance with the scope, purpose, and methodology of the intervention.

CRITERIA	MAXIMUM SCORE
STAGE 1	
1. Response to the brief	30
<p>1.1. Does the proposal clearly demonstrate good understanding of the brief? All key deliverables are distinctly identified and adequately address.</p> <ul style="list-style-type: none"> ○ <i>Nil – No submission</i> ○ <i>Poor (score 40%; 6 points) – The proposal shows limited understanding of the brief and project, has not adequately dealt with the key challenges.</i> ○ <i>Satisfactory (score 70%; 10.5 points) – The brief is well understood, clearly articulated, and key components are adequately addressed. The proposal reflects necessary concepts but has insufficient detail for it to be distinctive.</i> ○ <i>Good (score 90%; 13.5 points) – the proposal clearly demonstrates an understanding of the project’s brief. All key components are adequately addressed. It also reflects sufficient vision and detail to be distinctive.</i> ○ <i>Very good (score 100%; 15 points) - A unique proposal that is strongly aligned to and identifiable with the project. It identifies and deals well with all the brief criteria and has the potential to leave a broader legacy.</i> <p>1.2. Is the methodology innovative, detailed to adequately address all elements of the project and the technical approach stating how each will be executed?</p> <ul style="list-style-type: none"> ○ <i>Nil – No submission</i> ○ <i>Poor (score 40%; 6 points) –The technical approach and the methodology is poor/ is unlikely to satisfy the project objectives or requirements. The tenderer has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of it. The methodology is unacceptable.</i> ○ <i>Satisfactory (score 70%; 10.5 points) – The approach is generic and not tailored to address the specific project objectives and methodology. The</i> 	

<p><i>approach does not adequately deal with the critical characteristics of the project. The quality plan, manner in which risk is managed is too generic.</i></p> <ul style="list-style-type: none"> ○ <i>Good (score 90%; 13.5 points) – The approach is specifically tailored to address the specific project objectives and methodology and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan and approach to manage risk etc. is specifically tailored to the critical characteristics of the project. The methodology is reasonable.</i> ○ <i>Very good (score 100%; 15 points) – Besides meeting the “good” rating, the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of the state-of-the-art approaches. The methodology is comprehensive.</i> 	
<p>2. Expertise and experience</p>	<p>35</p>
<p>Does the service provider and team members have relevant and sufficient experience and expertise in projects of similar nature and scale? Does the service provider have capacity and experience to raise specified sponsorship?</p> <ul style="list-style-type: none"> ○ <i>Nil – No submission</i> ○ <i>Poor (score 40%; 14 points) – The team has limited relevant experience in projects of similar nature and has not taken a project of this magnitude. The proposed team is weak in important areas and is unlikely to deliver within the specified time frames.</i> ○ <i>Satisfactory (score 70%; 24.5 points) – The tenderer has relevant experience in projects of similar nature but has not directly undertaken a project of this magnitude. Key personnel allocated to the project have reasonable relevant experience.</i> ○ <i>Good (score 90%; 31.5 points) – The tenderer has extensive experience in projects of similar nature and has directly undertaken similar projects. The key personnel allocated have extensive relevant experience.</i> ○ <i>Very good (score 100%; 35 points) – The tenderer has extensive and outstanding experience in projects of similar nature and has taken many such projects. Key personnel allocated to the project have outstanding relevant experience.</i> 	

3. Capacity to deliver and capability	20
<p>Has the operational plan and resources clearly explained?</p> <ul style="list-style-type: none"> ○ <i>Nil – No submission</i> ○ <i>Poor (score 40%; 8 points) – The operational plan is vague, and there is no clarity in terms of resources aligned to the project. It is unlikely that the plane will deliver all outcomes on time and within budget.</i> ○ <i>Satisfactory (score 70%; 14 points) – Operational plan is complete and reasonably detailed. Resources appear adequate. The plan will deliver all outcomes on time and within budget.</i> ○ <i>Good (score 90%; 18 points) – Besides meeting the ‘satisfactory’ rating, resources have been clearly defined and make provision for key risk areas.</i> ○ <i>Very good (score 100%; 20 points) – Besides meeting the ‘good’ rating, the plan makes provision for every eventuality.</i> 	
4. Cost Breakdown	15
<p>Are the costs of work streams in proportion to their contribution to the end products? Is the cost breakdown clear i.e. cost per item?</p> <ul style="list-style-type: none"> ○ <i>Nil – No submission</i> ○ <i>Poor (score 40%; 6 points) – unacceptable proportion</i> ○ <i>Satisfactory (score 70%; 10.5 points)– adequate proportion</i> ○ <i>Good (score 90%; 13.5 points) – reasonable proportion</i> ○ <i>Very good (score 100%; 15 points) – fully in proportion</i> 	
TOTAL	100
STAGE 2	
Price: overall budget of the project	90
BEE: empowerment status	10
GRAND TOTAL	100

Broad Based Black Economic Empowerment Points will be awarded to bidders in accordance with the following table:

B-BBEE Status Level of Contributor	90/10 Point System	80/20 Point System
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2

Project Budget

The consultant is to prepare a detailed budget, which is not to exceed R 200 000, inclusive of disbursements and VAT.

Council Contact Persons and Details

For any other queries, please contact:

Mr Titus Mazibuko

TITUS.MAZIBUKO@durban.gov.za

Tel: 031 311 4227

Or

Ms Shivani Singh

Shivani.Singh@durban.gov.za

Tel: 031 322 2996

Appendices

A) DECLARATION OF INTEREST

Any legal person, including persons employed by the principal, or persons having a kinship with persons employed by the principal, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favoritism, should the resulting bid, or part thereof, be awarded to persons employed by the principal, or to persons connected with or related to them, it is required that the bidder or his/her authorized representative declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where-

- The bidder is employed by the principal; and/or
- The legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Are you or any person connected with the bidder, employed by the principal? YES / NO

2.1.2 If so, state particulars.

2.2 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the principal and who may be involved with the evaluation and or adjudication of this bid? YES / NO

2.2.1 If so, state particulars.

2.3 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any person employed by the principal who may be involved with the evaluation and or adjudication of this bid? YES / NO

2.3.1 If so, state particulars.

DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS CORRECT. I ACCEPT THAT THE PRINCIPAL MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

SIGNATURE

DATE

POSITION

NAME OF BIDDER

B) DECLARATION OF MUNICIPAL FEES

I/We do hereby declare that the Municipal fees of _____ (company name) are, as at the date of the tender closing, fully paid up, or arrangements have been concluded with the Municipality to pay the said fees:

ACCOUNT

ACCOUNT NUMBER

ELECTRICITY

WATER

RATES

JSB LEVIES

OTHER _____

I acknowledge that should it be found that the Municipal fees are not up to date, the Council may take such remedial action as is required, including termination of contract, and any income due to the Contractor shall be utilized to offset any monies due to the Council.

Name

Signature

Designation

Date

C) CERTIFICATE OF INDEPENDENT BID DETERMINATION

This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.

Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

- Take all reasonable steps to prevent such abuse;
- Reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
- Cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

MBD 9 CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;

For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- Has been requested to submit a bid in response to this bid invitation;
- Could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- Provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. 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 consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- Prices;
- Geographical area where product or service will be rendered (market allocation)
- Methods, factors or formulas used to calculate prices;
- The intention or decision to submit or not to submit, a bid;
- The submission of a bid which does not meet the specifications and conditions of the bid; or;
- Bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. 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.

10. 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.

.....

Signature

.....

Date

.....

Position Name of Bidder

.....

Date

³ 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.