



Sustainable Development & City Enterprises Economic Development Unit

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CONTRACT NO: 7N - 453

Terms of Reference ETHEKWINI BLUE OCEANS ECONOMY

Request for proposals from a Consultant/Service Provider/s to map out, analyze and present value proposition for the Blue Oceans Economy for the Blue Oceans Economy Framework

1. PROJECT DESCRIPTION

1.1 PROJECT TITLE

EThekweni Blue Oceans Economy value chain mapping, analysis and value proposition.

1.2 BACKGROUND

The term "Blue Economy" is being used interchangeably to mean the Oceans/Marine/Coastal Economy, although it is becoming increasingly recognised to mean the sustainable economic development blue oceans economy refers to the sustainable use of ocean and its resources for trade, economic growth, improved livelihoods, and job creation. The value of the blue ocean economy has been predicted to be as much as \$24 trillion according to a study done by the World Wide Fund for Nature (WWF). Therefore, it is imperative to consider the sustainable blue oceans economy eco – system for the economic activities to strive.

Developing countries are starting to put concerted efforts in developing and beneficiation of their Ecosystem in the blue oceans economy seeks to recognise the value that the blue oceans economy eco-systems hold. These economic services have been grouped into four broad categories:

- Supporting services, e.g. primary production and soil formation;
- Provisioning services, e.g. food and water;
- Regulating services, e.g. climate regulation and purification of water; and
- Cultural services, e.g. recreational use and heritage value.

The development and initiating economic activities in the ocean space is part of boosting economic activities for the developing countries. As a developing country, South Africa have identified and prioritised blue ocean economy as a strategic economic sector in the country. As a result of opportunities presented by the blue oceans economy, South Africa have adopted "Operation Phakisa" as one of the strategic mechanism to fast track the implementing Blue Oceans Economy in the country.

The primary objective of the Operation Phakisa - Blue Oceans Economy initiatives are:

- Marine transport and manufacturing activities (such as coastal shipping, trans-shipment, boat building, repair and refurbishment);
- Offshore oil and gas exploration;

- Aquaculture;
- Marine protection services and ocean governance;
- Small harbours; and
- Marine and coastal tourism.

The eThekweni Municipality as a coastal city and a host city for the Port of Durban which is a premier container port in the southern hemisphere. The city would like to ramp up, accelerate and support the blue oceans economy within its areas of jurisdiction. It is therefore imperative to first identify the pockets of excellence within the Durban area within the context of the National and provincial blue oceans economy current initiative. Therefore get a sense of the existing pockets of excellence to support the various sub sectors and create an enabling for striving blue oceans economy in the city. For the eThekweni Municipality as a coastal city to achieve sustainable blue oceans economy, it requires to take stock of its current blue oceans economy activities in and along its shores, then map out the value chain of the existing activities, then identify the gaps and the opportunities that needs retention, preservation support and development. This requires the services of competent and capable service assist the city to develop a road map for its blue oceans economy to strive.

1.3 PROJECT OBJECTIVES

The following are the project objectives and deliverables that the service provider/s are expected to deliver on as part of the project:

- 1.3.1 To develop baseline information in a form of stats, facts and current development within the Blue Oceans in Durban.
- 1.3.2 To identify and provide an outline of blue oceans economy activities in Durban.
- 1.3.3 To map out and the different stakeholders and clarify their roles.
- 1.3.4 To present spatial orientation of the state of the blue oceans economy in Durban by indicating geographic spread, location and concentration of blue oceans related activities nodes and corridors.
- 1.3.5 To map out value chain of each segment of blue oceans economy present in Durban.
- 1.3.6 To identify possible realistic economic opportunities within the various segments of the blue oceans economy.
- 1.3.8 To identify and engage stakeholders and develop a stakeholder engagement database and their different roles.
- 1.3.9 To develop value proposition for projects implementation for blue oceans economy based on the best practices and

1.4 SCOPE OF WORK TO BE UNDERTAKEN

Consultants/service provider/s are required to provide a detailed project proposal outlining a phased approach and methodology containing their understanding of the project terms of reference, deliverables and scope of work to be undertaken.

- 1.4.1 Develop baseline information in a form of stats, facts and current development within the Blue Oceans in Durban.
- 1.4.2 Identify and provide an outline of blue oceans economy activities in Durban.
- 1.4.3 Map out and the different stakeholders and clarify their roles
- 1.4.4 Present spatial orientation of the state of the blue oceans economy in Durban by indicating geographic spread, location and concentration of blue oceans related activities nodes and corridors.
- 1.4.5 Map out value chain of each segment of blue oceans economy present in Durban.
- 1.4.6 Identify possible realistic economic opportunities within the various segments of the blue oceans economy identified value chain.
- 1.4.7 Develop value proposition and road map for realistic and innovative new projects to be implemented to capitalise on opportunities in the blue oceans economy in Durban.

1.5 PROJECT DELIVERABLES

Service providers/consultant is expected to add, through their experience and sector competencies and deliver the following deliverables:

- 1.5.1 **Literature Review** to include baseline status quo information in a form of state of blue oceans economy stats, facts and current development within the Blue Oceans in Durban to include matrix outlining private and public driven initiatives at all spheres (Nationally, Provincially and Locally).
- 1.5.2 **Stakeholder Engagement** to include (meetings and workshops Plan) and Database outlining their roles and contact details.
- 1.5.3 **Map of Durban** to depicting spatial orientation of the state of the blue oceans economy in Durban and indicating geographic spread, location and concentration of blue oceans related activities along the eThekweni economic nodes, corridors and regions.
- 1.5.4 **Value Chain mapping and Gap Analysis** (using info-graphics) to depict the identified existing and potential blue oceans economy initiatives in Durban. Identify existing and potential markets and opportunities for the realistic and measurable economic opportunities within the various segments of the blue oceans economy.
- 1.5.5 **Develop Value Proposition and Road Map** for the implementation of the identified projects to be implemented as part of the EThekweni Blue Oceans Economy.

3. Individual/Professional Team

The consultant / consortium appointed would need to have related expertise, experience and qualifications in the following key knowledge areas: Marine /Maritime Economics/Logistics, Value Chain and Maritime Industry Development.

The successful consultant/consortium must submit a detailed comprehensive proposal that they have sufficient proficiencies, expertise and experience in conducting impact assessments, business plan development especially value proposition, research, and stakeholder engagements and demonstrate show an understanding of maritime industry issues and relevant stakeholder and an ability to deliver the work within stipulated time and budgets.

The consultant/consortium must be pro-active, driven and be goal orientated.

A valid code EB driver's license and computer literacy is essential. The individual/team should have at least 5 years relevant experience in industrial development – maritime sector.

This brief is subject to any changes, which may stem from a negotiation of final terms with the successful bidder for the project. Any changes communicated and agreed upon must be in writing and must be included in the inception report.

This report must be deemed as strictly confidential and while it may be necessary to consult with various entities for the study, no information garnered during and after the study may be divulged without the concern of the eThekweni Municipality.

4. PROJECT COMMENCEMENT AND TERMINATION DATES

Economic Development Unit will provide the appointed consultant with any relevant information at its disposal as a basis to start the work.

The estimated project time is **4 months** after the appointment letter. Once the appointment has been made the consultant has **5 working days to hand in the inception report** detailing the scope of work, methodology and deliverables etc. for the duration of the project.

5. EVALUATION CRITERIA

In making an awarding, the 2011 National Treasury Preferential Procurement Regulations will be applied. Hence, all prospective service providers need to submit an Empowerment Rating Certificate from an organization accredited by National Treasury, in order to claim preference or empowerment points.

The adjudication of this Request for Proposals will be in terms of a two stage tender process. Stage 1 will be based on functionality and stage 2 on price/cost/financial implications and empowerment. Only respondents who obtain above 75 points in the functionality stage will be eligible for the price and empowerment evaluation stage.

The **80/20** formula is used in the points allocation of adjudication criteria with a 20% proportion of the points allocated to the 'empowerment' categories focusing on PPG and gender status of the individual team members nominated to undertake the work, the physical location of the business premises of the respondent, the ownership profile of the respondent's company, or the companies participating in the consortium, as rated by the Municipality's Procurement Office. The adjudication criteria and weighting that will be applied are as follows:

CRITERIA FUNCTIONALITY	MAX SCORE
STAGE 1	
1. Response to the brief	20
<p>Does the proposal clearly demonstrate good understanding of the brief and its methodology i.e. does it clearly articulate the theme, expectations and key outputs of the project? Have all key deliverables been distinctly identifies and adequately addressed?</p> <p><i>The above points will be further be interpreted as follows.</i></p> <ul style="list-style-type: none"> ○ Nil – No submission ○ Poor (score 40%) – The proposal shows limited understanding of the brief and project, has not adequately dealt with the key challenges. ○ Satisfactory (score 70%) – 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. ○ Good (score 90%) – the proposal clearly demonstrates an understanding of the project's vision and the brief. All key components are adequately addressed. ○ Very good (score 100%) - 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. 	
2. Relevant expertise and experience	25
<p>Does the service provider have relevant and sufficient experience and expertise in maritime/marine or similar nature and scale? Relevant and sufficient experience (not less than 5) years in similar project/s with supporting documents indicating overall performance on previous contracts of a similar nature.</p> <p><i>Points will be interpreted as follows.</i></p> <ul style="list-style-type: none"> ○ Nil – No submission ○ Poor (score 40%) – The team has limited (less than one year relevant experience in projects of similar nature. The company is unlikely to deliver within the specified time frame. ○ Satisfactory (score 70%) – The tenderer has (more than three years relevant experience) in projects of similar nature but has not directly undertaken a project of this magnitude. ○ Good (score 90%) – The tenderer has (more than five years extensive experience) in projects of similar nature and has directly undertaken similar projects. ○ Very good (score 100%) – The tenderer has (more than 10 years outstanding experience) in projects of similar nature and has taken many such projects. Key personnel allocated to the project have outstanding relevant experience. 	

3. Capacity and capability to deliver	15
<p>Has the service provider submitted Project organogram their detailed resource allocation, in line with the work breakdown structure indicating sufficient resources with necessary skills, capacity and capability to carry out the project?</p> <p><i>Points will be interpreted as follows.</i></p> <ul style="list-style-type: none"> o Nil – No submission o Poor (score 40%) – The project plan is sketchy, there is no clarity in terms of human resources allocation aligned to the project. o Satisfactory (score 70%) – Project resource allocation provided is detailed, human resource are in line with the project plan key milestones/deliverables. o Good (score 90%) – Projects resources have been defined and allocated and have aligned with the project deliverables and clearly articulate what each resource will be responsible for and provided their CV, relevant work experience. Very good (score 100%) – Besides meeting "good" rating, the plan make provision for every eventuality. and supporting referral letters confirming their experience in similar projects. 	
4. Proposed Work Plan and Approach	40
<p>Does the service provider have a proposed approach in relation to the scope of work and outputs, project execution plan in a form of a Gantt Chart indicating deadlines and clear practical and work plan with each task and sub activities, timeframes and budgets?</p> <ul style="list-style-type: none"> o Nil – No submission o Poor (score 40%) – service provider has provided a project work plan and approach that is sketchy, with no clarity in terms of resources and alignment to the project. o Satisfactory (score 70%) – service provider has provided a project Gantt chart that is complete & reasonably detailed. Resources appear adequate. o Good (score 90%) – besides meeting „satisfactory“ rate, the service provider has provided a Gantt Chart which is clearly defined with timeframes and makes provision for key risk areas. o Very good (score 100%) – service provider has provided Gantt Chart with the project work plan and is fully comprehensive, detailed with timeframes and meets the key deliverables of the project and supporting information and documentation. 	
TOTAL	100
THE MINIMUM THRESHOLD OF THIS FUNCTIONALITY IS 70 OUT OF 100 POINTS. ANY BID WHICH FAILS TO MEET THIS MINIMUM THRESHOLD WILL BE DISQUALIFIED. ONLY BIDS SCORING 60 AND ABOVE WILL PROCEED TO STAGE 2	
STAGE 2	
Price: overall budget of the project	80
BEE: empowerment status	20
GRAND TOTAL	100
Stage 2: PRICE/COST AND BEE OF PROPOSAL	Maximum
Price/Cost Implications	80
Cost of Proposal	80
BEE score as determined by the Municipality's Procurement Office	20
BEE score for the respondent and any sub-contracted entities	20
GRAND TOTAL	100

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

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

Non-compliant contributor	0
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This brief is subject to any changes, which may stem from a negotiation of final terms with the successful bidder for the project.

6. APPOINTMENT OF SERVICE PROVIDER

The selection and appointment of a service provider will be according to the MFMA Circular 53 (Municipal Finance Management Act No. 56 of 2003), and proposals must be submitted in the following format:

- a) Full name of company.
- b) Physical address.
- c) Full contact details, including cell phone number of contact person.
- d) Valid Tax clearance certificate (ORIGINAL COPY) by the date of evaluation.
- e) EThekwini Municipality database registration number.
- f) Duration of the contract i.e. from the date of appointment to the final date of the event
- g) A clear & complete proposal. Take note of information requested above, in order to adhere to the requirements.
- h) Budget.
- i) Schedule of Experience
- j) **NB: All returnable documents are obtainable from eThekwini SCM Website MUST be completed and returned with the proposal, failing which; your proposal will be disqualified.** This means that it will not be evaluated on functionality. Those documents include the following:
 - i. Annexure A - Checklist Tender Returnable
 - ii. Official Tender Form
 - iii Declaration of Interest
 - iii. Declaration of Municipal Fees
 - iv. General Enterprise Information
 - v. Certificate of Independent Bid Determination
 - vi. A proposal
 - vii. BEE Certificate or equivalent correspondence.

Failure to adhere to the above requirements will disqualify your proposal.

Special attention is drawn to the general conditions of tender/ contract. Please read and make sure you understand.

On appointment of the most responsive service provider, they will be notified and advised of the full schedule of adherence in delivering the required service.

7. PROJECT BUDGET AND REIMBURSEMENT

The budget is subject to the range of costs as quoted by consultants for similar studies and is expected to cost up to **R200 000 (Including VAT, and disbursements)** for the full scope of deliverables. The consultant must provide a full budget breakdown and final costs to undertake all work pertaining to this project the full scope of deliverables.

The final report must include an Executive Summary, detailed report, implementation plan and road map.

The consultants will be required to undertake Stakeholder workshops if required and will include stakeholders from all the key sectors and the value-chains as well as workshops with intergovernmental stakeholders-in order to provide industry and government input into the development of the study. The consultants/consortium will also need to make presentations to

industry stakeholders, the Stakeholder Committee and the Council or specific committees/bodies as decided by the Steering Committee-for input before finalization of the study.

8. REPORTING

The consultant service provider/s will report to Programme Manager Nomalanga Sokhela for the duration of the project. The consultant service provider/s must be available for meetings and progress reports as and when required and will report to the Steering Committee made up of stakeholder representatives. On completion of each stage of the project, a full color hard copy report and a word format soft copy and PowerPoint presentation will be submitted with invoices.

8. METHOD OF PAYMENT

Payment will be made 30 days after submission of invoice with supporting report and documentation in the following proportions:

- | | |
|---|--------------|
| • Inception Report | Stage 1: 10% |
| • Literature Review and Stakeholder Engagements and Workshops | Stage 2: 20% |
| • Project Value Proposition and Business Plan Packaging | Stage 3: 20% |
| • Mapping of Durban Blue Oceans Economy Activities | Stage 4: 10% |
| • Value Chain Mapping and Gap Analysis | Stage 5: 10% |
| • Value Proposition and Road Map | Stage 6: 20% |

Final payment will be made after the final report with all supporting documents has been handed in and the Steering Committee determines the project complete in all aspects.

9. TAX CLEARANCE CERTIFICATE

Tenderers are to include with their tender submission a **valid tax clearance**, or obtain one prior to evaluation of submissions, which has sufficient validity to ensure the process is adequately covered.

10. MUNICIPAL FEES

All tenderers are to complete and sign the attached declarations wherein they declare that all municipal fees are in order, or proper arrangements have been made with the municipality, and include the relevant account numbers in the declaration.

11. ACCOUNTABILITY

The client is eThekweni Municipality: Economic Development and Investment Promotion Unit: the Task team under the leadership of the Head or any other nominated official is responsible for the implementation of the project. The service provider is accountable to the Head of Economic Development: Mr. Shunnon Tulsiram.

12. NON APPOINTMENT

The eThekweni Municipality reserves the right not to appoint.

The eThekweni Municipality reserves the right to award the tender to the most responsive and not necessarily the lowest bidder.

13. FOR FURTHER INFORMATION, PLEASE CONTACT:

Nomalanga Sokhela

Tel: 031-311 4227 or email to:-E-mail: nomalanga.sokhela@durban.gov.za

14. SUBMISSION OF TENDER DOCUMENTS:

Closing date for submitting the proposals is the **20th of February 2019 not later than 11h00 am.**

Sealed proposals (including all required documentation) must be submitted as follows:

They must be hand delivered and marked: **“CONTRACT NO: 7N- 453” ETHEKWINI BLUE OCEANS ECONOMY.**

The must be deposited into: **THE TENDER BOX AT MATERIALS MANAGEMENT BUILDING, CORPORATE PROCUREMENT, ARCHIE GUMEDE PLACE, DURBAN.**