

NTABANKULU CANNABIS DEVELOPMENT



TERMS OF REFERENCE FOR FACILITATION OF CANNABIS PERMITS

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1. Background and Purpose

NLM aims to assist growers to produce and process their biomass into usable products as well as lock potential markets and offtake agreements.

The initiation of a cannabis industry in Mpondoland is driven by the Ntabankulu Local Economic Development on behalf of the Ntabankulu LM, for the benefit of the Mpondo historic cannabis growers. It is essentially the association of Marijuana growers from all 18 municipal wards that is to drive the proposed business model as it requires as many hundreds of hectares' worth of biomass as possible to produce for commercial benefit. Small scale farmers are expected to cultivate and process the same product in mass as this is the only way in which the operation can make economic sense. The biomass is needed in volumes of at least 1000 ha to produce enough biomass for commercial gain. The aim for NLM to initiate a cannabis industry in Ntabankulu is to alleviate the high levels of poverty. The long history of cannabis cultivation in the area makes it exceptionally easy for the collective communities to realise a solid industry. The focus for NLM is to create meaningful partnerships with communities to facilitate training and to put trading systems in place. Creating opportunities: It is no secret that unemployment in the entire Eastern Cape is at its highest and continues to rise. This reason should inspire thinking out of the norm and dedicating time and effort to assessing what is critical and needed most by the communities within the administrative area of Ntabankulu.

1.1. EMPLOYEMENT BY SECTOR

SECTOR	NUMBER
Agriculture	249
Mining	38
Manufacturing	120
Electricity	19
Construction	589
Trade	1,020
Transport	479
Finance	538
Community services	3,110
Households	894
Total	7 050

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2. Scope of Work

The project needs project facilitator who will facilitate permits on five wards which are ward01, ward02, ward07, ward 08 and ward 09 that produces cannabis also train the farmers on the products that can be produced through cannabis. Facilitates registration of entities in line with current legislation. The facilitation should go further to the establishment of the governance structures and their orientation (Community Trusts).

Deliverables:

1. Analyze seeds per regional placing (collect seed from neighboring villages, by the local people's demarcation references, e.g emaCwerheni, a name that the local people use to identify their areas, not by the wards because wards chop and change with elections for government)
2. Register the seeds with the Department of Agriculture under the relevant Acts
3. Give training to communities regarding the use of stalks and leaf biomass to prepare the growers for their following harvests.
 - Decortication
 - Processing into fiber
 - Seed processing to extract oil
 - Compost, folia sprays for feeding, grooming & pest control
 - Cosmetics manufacturing (making soap and body lotions)
4. Assure offtake agreements for fiber (if we can secure a buyer for the fiber, then the Ntabankulu Cannabis Community has a direct market for their biomass)
5. FACILITATION OF COMMUNITIES must be BRING FORTH -
 - a. Cannabis permits for 5 wards (1, 2, 7, 8, 9)
 - b. Registered Primary cooperatives in each of five wards (1, 2, 7, 8, 9)
 - c. CV of team members in each of five wards (1, 2, 7, 8, 9)
 - d. Project profile of each cooperative in each of five wards (1, 2, 7, 8, 9)
 - e. One Secondary Coop registered affiliating all five cooperatives
 - f. One Overall entity registered on CIPC Companies and Intellectual Property Commission
 - g. One Overall entity registered on BBEEE certificate or affidavit.
 - h. One Overall entity registered on Valid tax clearance certificate or pin code.
 - i. Letters of intent or offtake agreements if any.
6. Identify Concept processes and product prototypes under development.
7. Provide Clear description of the type of technical assistance required prioritized in terms commercial market per Village

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3. Agreement

The Services will be rendered in accordance with the terms and conditions of a Service Level Agreement issued by the NLM.

4. Financial Arrangements

- Bidders are solely responsible for their own costs in preparing the tender.
- Payments for all services covered by this tender shall be made upon receipt of appropriate invoices and the satisfactory completion of each milestone as indicated in the SLA.
- The terms of payment are thirty (30) days from the date of receipt of a valid invoice by the municipality.

5. Compliance and Criteria

Service providers are requested to attach these requirements for their bids on the pages indicated in the document

- Valid SARS Tax compliance certificate and SARS compliance pin
- Proof of company registration
- Certified ID copies for the entity owners.
- Valid original or certified copy of BBBEE Verification Certificate or Sworn Affidavit to claim Preferential points
- Proposed delivery period
- Proof of municipal rates clearance or a signed lease agreement by both parties and confirmation that there is no billing where the entity is based
- All prospective service providers are required to apply on Central Supplier Database in order to do business with all organs of the State in the Republic of South Africa at <https://secured.csd.gov.za>. Non registration will be regarded as non-responsive and be disqualified from the bid.

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Functionality will be evaluated based on the following criteria and bidders who failed to score a minimum functionality assessment of 70 points will be considered non-responsive and will not be evaluated further

Criteria	Points	Maximum Points
COMPANY PROFILE <ul style="list-style-type: none"> ▪ Business profile with Postal and Physical address, landline, cell phone number, email address , fax (optional) 		20 points
EXPERIENCE The bidder is required to provide proven experience in the involvement or usage of indigenous plants and other related products, or similar scope of work in the form of appointment letters. <ul style="list-style-type: none"> ▪ 2 projects ▪ 1 project NB: ATTACH SIGNED APPOINTMENT LETTERS	20 points 10 points	20 points
EXPERTISE CV and Qualification of the project team members must be attached. Qualification in any of the following relevant qualifications <ul style="list-style-type: none"> ➤ Degree and above ➤ National Diploma ➤ Certificate NB: ATTACH PROOF OF QUALIFICATION	20 points 15 points 10 points	20 points
METHODOLOGY <ul style="list-style-type: none"> ➤ Clear project milestone outlining the implementation plan and phases with time frames. ➤ Training of beneficiaries orientation on usefulness of cannabis and other indigenous plants ➤ Proposal on governance structures or business entities to be established ➤ Cost analysis 	10 points 10 points 10 points	40 points
TOTAL		100 points

6. Instructions for Supplying Pricing Information

- You are requested to submit a breakdown of your pricing and cost components for items and Services set out by the NLM.
- Prices and costs included in this financial proposal must cover all your costs, including but not limited to, transportation cost, installation charges, service charges

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- Should you not provide a particular Product or Service, please indicate this as set out in the Tender. You will not be excluded from the evaluation of those products and services that you do offer.

7. Cost for Preparing Bids

No costs incurred by the bidder in preparing and submitting the bid shall be reimbursable. All such costs shall be borne by the bidder. In particular, if proposed key members were interviewed, all costs shall be borne by the bidder.

8. Evaluation of Bids

8.1 Evaluation of technical offers

The quality of each technical offer will be evaluated in accordance with the evaluation criteria and the associated weighting as detailed in this bid dossier. No other award criteria will be used. The evaluation criteria will be examined in accordance with the requirements as indicated in the Terms of Reference

8.2. Evaluation of financial offers

The Financial Offer will be evaluated concurrent to the Technical Offer.

8.3. Confidentiality

The entire evaluation procedure, from the drawing up of the shortlist to the signature of the contract, is confidential. The Evaluation / Adjudication Committee's decisions are collective, and its deliberations are held in closed session. The members of the Evaluation / Adjudication Committee are bound to secrecy.

The evaluation reports and written records, in particular, are for official use only and may be communicated to neither the bidders nor to any party other than the Contracting Authority.

9. Ethic Clauses / Corruptive Practices

- a) Any attempt by a bidder to obtain confidential information, enter into unlawful agreements with competitors or influence the Evaluation / Adjudication Committee or the Contracting Authority during the process of examining, clarifying, evaluating, comparing and adjudication bid will lead to the rejection of its bid and may result in administrative penalties.
- b) The bidder must not be affected by any potential conflict of interest.

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- c) Ntabankulu Local Municipality reserves the right to suspend or cancel funding to this project if corrupt practices of any kind are discovered at any stage of the award process or during the implementation of a contract, if the Contracting Authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Contracting Authority.
- d) Bids will be rejected, or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Failure to comply with one or more of the ethics clauses may result in the exclusion of the bidder or contractor from other Community contracts and in penalties.

10. Signature of Contract

Within 14 days of receipt of the contract already signed by the Contracting Authority, the selected bidder shall sign and date the contract and return it to the Contracting Authority.

Failure of the selected bidder to comply with this requirement may constitute grounds for the annulment of the decision to award the contract. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.

The other candidates will be informed that their bids were not accepted, by means of a standard letter.

11. Cancellation of the Bids Procedure

In the event of cancellation of the bid procedure, bidders will be notified of the cancellation by the Contracting Authority. If the bid procedure is cancelled before the envelopes of any bid has been opened, the unopened and sealed envelopes will be returned to the bidders.

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Cancellation may occur when:

- The bid procedure has been unsuccessful, i.e., not qualitatively or financially worthwhile bid has been received or there is no response at all;
- The economic or technical data of the project has been fundamentally altered.
- Exceptional circumstances or *force majeure* render normal performance of the contract impossible.
- All technically compliant bids exceed the financial resources available.
- There have been irregularities in the procedure, where these have prevented fair competition.

In no event shall the Contracting Authority be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a bid even if the Contracting Authority has been advised of the possibility of damages.

The publication of a procurement notice does not commit the Contracting Authority to implement the programme or project announced

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