



TERMS OF REFERENCE / PRESCRIBED FORMAT

FOR

NGQUSHWA LOCAL MUNICIPALITY

PROJECT:

**EXPRESSION OF INTERESTS FOR VARIOUS DEVELOPMENT
OPPORTUNITIES**

REFERENCE NOS: SCM-01/03/18; SCM-02/03/18 & SCM-03/03/18

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NAME OF BIDDER: _____

PROJECT OF INTEREST _____

AMOUNT: _____

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INVITATION / REQUEST FOR EXPRESSION OF INTEREST PROPOSALS FOR THE DEVELOPMENT OF A PETROL FILLING STATION OPPOSITE NOMPUMELELO HOSPITAL IN PEDDIE & A CULTURAL VILLAGE OPPOSITE NOMPUMELELO HOSPITAL IN PEDDIE (PORTION OF ERF 93); DEVELOPMENT OF A SHOPPING CENTRE AND MIDDLE INCOME HOUSING BEHIND NCUMISA KONDLO HALL IN PEDDIE (PORTION OF ERF 1379 TOWNSHIP)

1.0 INTRODUCTION

In line with sections 14 & 90 of the Municipal Finance Management Act 56 of 2003, the municipality wishes to lease various portions of land within Peddie Town for development opportunities with the main aim being job creation, revenue generation and the upliftment of the socio-economic well-being of the Ngqushwa community. Prospective developers are hereby invited to submit expression of interest proposals for the development of a petrol filling station opposite Nompumelelo hospital in Peddie; development of a cultural village opposite Nompumelelo hospital in Peddie; development of a shopping centre and middle-income housing behind Ncumisa Kondlo hall in Peddie. This development is in line with the

Municipality's mandate and vision 2057 to facilitate development and improve service delivery.

In terms of vision 2057, this development responds directly to three overarching objectives which are set out as follows:

- Transform Ngqushwa into an industrialised region of equal opportunities, which could be regionally, and nationally competitive, realising its maximum growth potential on a sustainable basis, with improved quality of life for all in Ngqushwa.
- Ensure the development of Ngqushwa's 'natural capital' and its sustainable utilisation, for the benefit of the region's social, economic and ecological well-being.
- Accomplish the transformation of Ngqushwa into a knowledge-based, competitive, industrialised and eco-friendly region, with sustainable economic growth and a high quality of life.

Ngqushwa Local Municipality falls within the jurisdiction of the Amathole District Municipality (ADM) which is situated in the Eastern Cape Province. Ngqushwa Local Municipal area covers 2245 square kilometres which amounts for 10% of the ADM district. The administrative seat of the Ngqushwa Local Municipality finds itself in Peddie and the municipal area is divided into 12 wards. The municipality consists of two main towns being Peddie and Hamburg and a portion of King Williams Town villages with a total of 108 villages. The estimated population of Ngqushwa Municipality is 66 227 (Stats SA: 2016 figures). Compared to the previous census figures before 2011 the number of Ngqushwa population has decreased by 8.1%. One of the main reasons for the decrease in population is lack of employment opportunities and proper socio-economic opportunities within the municipality.

Provided hereunder is contextual background information, pertinent site characteristics, planning underpinnings, broad development guidelines, the nature of development expected by the Municipality on the sites and some basic requirements from the prospective developers.

2.0 BACKGROUND

In line with vision 2057 and the municipality's IDP, the Municipal Council approved that a number of development opportunities be created and suitable developers invited to express their interest on these opportunities. As highlighted above, the main aim being job creation, revenue generation and the upliftment of the socio-economic well-being of the Ngqushwa community. The subject land portions to be developed are listed below in **Table A**, with each site showing its zoning (land use rights) and approximate extent. All the sites are not affected by flooding, and are currently vacant. Surrounding land uses around the areas earmarked for development include single residential, retail, offices and a hospital. The development of the sites will contribute towards the improvement of socio-economic well-being of the residents and those who work within the Ngqushwa Municipal area. Furthermore, it will support and encourage the concept of creating a quality urban fabric in where people can live, work and get opportunities in a short travelling distance. The envisaged developments are also expected to contribute to the aesthetic improvement of the area.

3.0 MUNICIPAL DEVELOPMENT OBJECTIVES RELEVANT TO THE ENVISAGED DEVELOPMENTS

The envisaged development should contribute to achievement of the following objectives.

- To provide affordable middle-income housing with a range of prices within the reach of households of varying financial capacity.

- To promote community wellbeing through better provision of housing to meet diverse community needs and to ensure that all those who work in Peddie, also live in Peddie.
- Promote the integration of social, economic, institutional and physical aspects of land development;
- Promote the availability of employment opportunities in close proximity to the residential areas;
- To promote land development along strategic routes and roads of significance.
- Establishing mixed and diverse land uses within the urban edge;
- Contribute to the growth and development of the Ngqushwa Municipality;
- Promote accessibility of quality goods and services;
- To promote the diverse culture and knowledge of the area with its reach history and tourism opportunities.
- To promote Ngqushwa as a one-stop node where passer-by's can stop, spend and continue with their journeys at greater convenience.
- Improve the aesthetics of the area and
- Ensure clustering of various activities at strategic locations which are in line with the principles of sustainable human settlements (i.e. work, shopping, live, play and pray).

4.0 THE SITE IN CONTEXT

4.1 Locality

Ngqushwa Local Municipality falls within the jurisdiction of the Amathole District Municipality (ADM) which is situated in the Eastern Cape Province. Ngqushwa Local Municipal area covers 2245 square kilometres which amounts for 10% of the ADM district. The administrative seat of the Ngqushwa Local Municipality finds itself in Peddie and the municipal area is divided into 12 wards. The municipality consists of two main towns being Peddie and Hamburg and a portion of King Williams Town villages with a total of 108 villages.

The subject sites are both located along the N2 Highway linking the Eastern Cape towns with Port Elizabeth and the Kwazulu Natal as well as the Western Cape.

LOCALITY MAP



4.2 Property descriptions

The subject properties are described as per **Table A** below:

PORTION OF ERF 93, PEDDIE		PORTION OF ERF 1379, PEDDIE	
Land Use	Vacant	Land Use	Vacant
Zoning	Undetermined	Zoning	Varied
Location	Opposite Nompumelelo, Peddie Urban Edge	Location	Behing Kondlo Hall, Peddie Urban Edge
Extent	Approx 10 000m ²	Extent	Approx 37.3855Ha

4.3 Land Ownership

All subject properties are registered in the name of Ngqushwa Local Municipality and are owned by the municipality.

4.4 Availability of Services

4.4.1 Water and Sewer

Water and Sewer is not available to the proposed sites and the cost of connection will be determined per municipal by-laws, however infrastructure networks for bulk services is nearby the shopping centre and middle-income housing sites. The filling station will have to consider the sewer option between septic tanks or extension from the ADM municipal sewer, which is quite a distance.

4.4.2 Roads and Storm water

The subject sites do not have roads existing however there are existing tarred streets feeding to the subject properties. The successful developer is responsible for the construction of the internal streets if required and or other options of road construction maybe arranged with the municipality.

4.4.3 Electricity

Ngqushwa Local Municipality is not an Electricity service authority therefore electricity is provided by Eskom. Developers will be liable of providing electricity.

5.0 EXISTING LAND USE AND ZONING

All sites to be developed are currently vacant with natural vegetation.
All the sites have various zonings as indicated on table A above.

6.0 TERMS OF REFERENCE (TORs)

6.1 Prescribed Format for Expression of Interest Proposals

Comprehensive report with detailed concept plan design clearly demonstrating all phases of development in a hard copy and may include digital format together with tender documents.

All shortlisted developers will be required to make a presentation to the relevant municipal Committees and other relevant stakeholders if necessary.

PHASE 1 Submission

A) Ngqushwa in context (with focus in Peddie)

B) Land Information

- Site Location
- Site Analysis
- Development process imperatives
- Timeframes

C) Background and experience of the company / individual

- Tax Clearance or Tax Compliance Certificate from SARS
- Company Registration documents
- Proof of address for the company and directors
- Latest Rates statements from the Municipality (where the company is situated)
- Curriculum Vitae of Directors
- Short CV's of Project team
- Detailed Company profile with projects of similar nature
- List and short profile of current and potential partners
- List of current and potential funders

- Services offered by the company
- Brief introduction to your partners ➤ Declaration of conflict of interest

B) Capacity to undertake the development within the stipulated time frame

- Financial Capacity
 - Proof of funding and potential funders from accredited financial institutions or own bank guarantee.
 - Liquidity confirmation
 - Funding Mechanisms and Structure
 - Availability of funding
 - Timeframes for availability of funding
- Work Related Capacity
 - Understanding of Municipal needs
 - Project planning and implementation methodology
 - Involvement of local contractors
 - Use of local content
- Human Capital and Company Resource
 - Knowledge and Skills
 - Expertise and experience
 - Staff component (consortia component)
 - Necessary resources required to carry the project

C) Work schedule and estimated cost

D) Special experience / expertise relevant to this development

E) Addressing the Socio-Economic Development (SED) Requirements of the Development

- Local Socio – Economic Development design
- Community Engagement and Facilitation
- Enterprise and Supplier Development
- Skills Training and Development
- Psychosocial Training for locals using facility
- Local Community Empowerment
- Monitoring and Evaluation

- Operational Philosophy
- Summary of Key Project Experience in local economic development and empowerment
- Technical Capacity Building
- Socio-Economic Development

F) Project Approach

- The Technical Strategy Approach
- Approach to concept design and two sketch proposals
- Approach to Black Economic Empowerment
- Project Management and Work Plan Approach
 - Inception Phase
 - Planning Phase
 - Execution Phase
 - Close-out Phase
- Resource Plan

G) Design Philosophy

- Background & Introduction
- Client focused organisational strategy
- Creativity

H) Facility Design

- Current Situation
- Facility Requirements
- Facility Design Logic

I) Financing Elements

- Proof of Current and Potential Funders
- Funding Mechanisms and Structure
- Availability of funding
- Timeframes for availability of funding

6.1.1 DELIVERABLE

NB: A complete expression of interest proposal which covers the profile of the company, all supply chain requirements, availability of funding, partners, proven track record on the development opportunity of interest, understanding of the facility to be developed, capability and capacity to undertake the development within reasonable timeframes.

6.2 Format for the Competitive Bidding process and presentation of proposals

This phase will entail a detailed submission for the competitive bidding process and will require the shortlisted companies to provide full portfolio and concept development as well as detailed designs, drawings and financial models etc.

PHASE 2 Submissions and presentation

A) Bidder Financials

- Audited Financial Statements
- Liquidity statements/reports
- LED and Community Empowerment
- Credit record/rating of the company by a registered financial institution ➤ Social Responsibility approach

B) Addressing the Socio-Economic Development (SED) Requirements of the Development

- Local Economic Development and Empowerment
- Social Responsibility
- Job Creation Statistics
- Municipality Revenue Benefits

C) Project Approach

- The Technical Strategy Approach
- Financial Analysis and Business Case Approach
- Preparing a high-level concept stage financial model
- High Level Risk Analysis
- Approach to Black Economic Empowerment
- Project Management and Work Plan Approach
- GANTT Chart
- Resource Plan
- Timeframes for commencement and delivery

Facility - Proposed Solution

- Summary of proposed solution
- Proposal Viability Assumptions
- Municipality Revenue Benefits

E) Financing Elements

- Funding Mechanisms/Types
- Funding Structure
- Timeframes for delivery

F) Facility Design Logic

G) Design Philosophy

- Client focused organisational strategy
- Empowerment

H) Design Elements

- Engineering Services
- Value Engineering
- Green Design
- Refurbishment Program
- Facility Management

I) Facility Construction ➤

Type of facility

- Time Frames for construction
- Labour Pull
- Usage of local material

J) Detailed Conceptual Design

- *Proposed Structure*
- *Aesthetics*
- *Access*
- *Parking and loading*

- *Greening*
- *Anchor tenant location*

K) Operational and Administrative Philosophy & Socio Economic Benefits

- Background
- Operational Philosophy
- Safety
- Well maintained property
- Furnished
- Onsite management
- Strict facility rules
- Relationships with institutions
- Compliance to local requirement for construction
- Community
- Social Skills Development
- Operational management
- Social media, collaboration and communications ➤ Community Involvement and upliftment

L) Costing

- Actual cost of the development
- Operational costs
- Management costs
- Maintenance costs
- Proposed lease figures
- Proposed lease period

7.0 CONDITIONS THAT WILL BE APPLICABLE TO THE SUCCESSFUL DEVELOPER

- Prior to the submission of the final conceptual plans approval, the developer shall submit, for consideration to Municipal departments a set of preliminary drawings showing the designs and elevations of the proposed buildings and a detailed report on the uses to be provided and any further information that Council may require.
- Development shall take place strictly in accordance with the development plan as approved by the Council and any addition to or amendments or changes of such plan shall not take place without the written permission of Council first being obtained. The omission of any use shown on the approved development plan during the actual development of the property shall not be permitted without the approval of Council first being obtained.

- Prior to the appointment of prospective developer, the Municipality will conduct a due diligence to verify all the information submitted and bidders will be subjected to provide a signed affidavit that submitted information is true. Should any bidder be found to have submitted false information under oath, the **law** will take its course.
- The disposal of all capital assets will be dealt with in accordance with the provisions of Section 14 of MFMA 56 of 2003.
- The adjudication of this process will be conducted in terms of the Preferential Procurement Policy Framework Act (PPPFA) and the Broad Based Black in line with Economic Empowerment Act (BBBEE) No. 53 of 2003.
- All costs pertaining to the land development process shall be borne by the buyer, e.g. survey, advertisement, valuation, rezoning, relocation or provision of services where necessary, etc. Council may, however, waive its right to claim the costs should it be to its advantage to bear the cost. Where necessary, a deposit to cover the costs may be required.
- Where applicable, existing services must be relocated or secured by means of the registration of servitude in favour of the municipality and costs shall be for the account of the buyer.
- The buyer is expected to have constructed the applicable structure within a period as stated in the contract/agreement.

8.0 LEASE OPTIONS TO BE CONSIDERED BY THE MUNICIPALITY

Petrol Filling Station, Shopping Centre and

- a) Type of Lease - Lease agreement with an option to buy, subject to Council approval upon expiry of the existing lease.
- b) Period of Lease - Long-term between 10 & 30 years with option to extend in line with MFMA.
- c) Value of the Lease - Two options to consider being **1. Value of land** OR **2. Net Income**.

Middle Income Housing

- a) Land availability agreement to the developer.
- b) A reasonable percentage share on sale and transfer of each property to individual owners.

Cultural Village

- a) Public Private Partnership.

9.0 CONCLUSION

- Each proposal should cover at minimum the above headings in the terms of reference in order to obtain the maximum number of points.
- Enclosed herewith is the Layout plan depicting the proposed sites, as annexure A and the scorecard as annexure B.
- **NB: A Non-disclosure agreement will be signed by the municipality together with any developer who wishes to, committing not to share the developer's proposal information that contains ideas of the author of the proposal to any third party except for verification of information with relevant authorities and in the case of legal proceeding.**

ANNEXURE A
SITE AND LOCALITY PLAN

ANNEXURE B
SCORE CARD FOR EVALUATION

NGQUSHWA LOCAL MUNICIPALITY

DEVELOPMENT PROPOSAL FOR LAND NLM SITES/ BID No:

NAME OF BIDDER:.....

Description	Points allocation	Points scored	Comments
1. Empowerment credentials in terms of the Construction Sector BEE Charter.	20		
2. Appropriateness and impact of the development concepts;	20		
3. Experience/Quality/ Capability to undertake the development	20		
4. Financial and technical ability to implement the proposed concepts	20		
4. Use of local content: labour and material	10		
5. Program Gantt Chart: program is linked to methodology and activities are clearly define	10		
Total Points	100		

NB: For Bidders to be considered for the next phase of evaluation, a minimum of 70% under functionality must be achieved thereafter the Municipality will refer the bids for further evaluation as per its supply chain management process. It should be noted that the Municipality is not obliged to appoint the Bidder who obtains the highest points.