



**ROOTED IN THE FUTURE**

**REQUEST FOR PROPOSAL FOR THE APPOINTMENT  
OF SHORT-TERM STRATEGIC INVESTOR FOR THE  
OPERATIONALIZATION OF LEBOWAKGOMO CHICKEN  
ABATTOIR.**

## **1. BACKGROUND**

The Limpopo Economic Development Agency (LEDA) is a state owned enterprise established in terms of the Limpopo Development Corporation Act 5 of 1994.

The Integrated Poultry Project (IPP) is comprised of four components namely, Breeder farms, Hatchery, Broiler farms and the Abattoir. Both the abattoir and the hatchery are owned by the LEDA while the Breeder and the Broiler farms are owned by individual farmers.

The abattoir is located in Lepelle-Nkumpi municipality, around Habakuk industrial area in Lebowakgomo. The slaughtering capacity of the abattoir has been increased to twenty thousand (20 000) chicken per day (on single shift).

It is against this background that proposals are called for the appointment of an investor for the operationalization of the chicken abattoir. The preferred investor/ operator will be expected to have relevant technical knowledge and the capability to raise capital, required to fund this project.

## **2. PROJECT DELIVERABLES**

The successful bidder will provide the following services:

- 2.1. Operationalization project plan with timelines for the chicken abattoir;
  - Detailed plan with costing and timelines for the operationalization of the abattoir (starting up equipment in production area)
- 2.2. Operationalization plan for 12 environmentally controlled broiler houses;
- 2.3. Sourcing plan for the acquisition of day old chicks and feed, with relevant letters of intent.
- 2.4. Sourcing plan for acquiring additional broilers around the province in order to operate the abattoir to its full capacity;
- 2.5. Marketing plan for all abattoir products with relevant letters of intent.
- 2.6. Comprehensive start-up plan with proper costing. This can be offset against the rental, limited to a maximum of 12 months.
- 2.7. Comprehensive maintenance plan for both building and equipment over the contract period of ten years (this should include replacement of equipment);
- 2.8. Financial projections for the entire contract period (ten years), viz:
  - 2.8.1. Balance sheet
  - 2.8.2. Income statement
  - 2.8.3. Cash flow projections

- 2.9. Funding plan for the entire contract period (***Letter of intent from financial institution clearly stating the total amount they intend to fund***);
- 2.10. Mobilization plan for the recruitment and placement of staff including the employment of the 66 abattoir workers.

### 3. MANDATORY REQUIREMENTS

Description of requirement	Indicate YES/NO	Comment or reference to proposal
a. Must submit a Company Profile, which details company information such as ownership, management structure, principal business activities, experience, previous projects and contactable references.		
b. Must submit Curriculum Vitae (CVs) with relevant working experience and proof of relevant qualification of management team, where applicable.		
c. Investors must submit Project plans on how they will operationalize the chicken abattoir and the funds or funding plan they have to execute/rollout the project, not proposals.		

I, ..... (name) .....  
 (Signature) am duly authorised by the bidder, and hereby confirm that I have read and completed the above mandatory requirements.

### 4. PROJECT DURATION

The duration of this project is ten (10) years.

### 5. EVALUATION FUNCTIONALITY CRITERIA

Evaluation of proposals will be conducted in two stages

#### 5.1. Evaluation stage one: Functionality criteria

The following criteria will be used for evaluating all proposals for functionality and investors are expected to obtain a minimum of **80** out of 100 points.

Below is a table of (5.2a) that shows how the 100 points of functionality will be allocated.

## 5.2a. Functionality criteria

CRITERIA		MAXIMUM POINT TO BE AWARDED
<b>FUNCTIONALITY</b>		<b>100</b>
<b>Funding strategy &amp; Financial capability to undertake the assignment</b>	<b>25 points</b>	
• Letter of intent from financial institutions or funder stating initial amount capital investment		
• Projection plan		
• Funding plan		
<b>Operations</b>	<b>10 points</b>	
• Operationalization plan		
• Initial start-up of production area		
<b>Marketing expertise</b>	<b>20 points</b>	
• Letters of intent from potential customers/clients		
• Marketing plan		
• Marketing infrastructure		
<b>Company profile</b>	<b>20 points</b>	
• Proven track record of the company		
• Trade references		
• Structure of the operational team		
• Experience of management team		
<b>Maintenance plan</b>	<b>10 points</b>	
• Equipment service plan		
• Equipment replacement plan		
<b>Personnel</b>	<b>10 points</b>	
• Recruitment plan		
• Total number of jobs to be created		
<b>Risk management</b>	<b>5 points</b>	
• Risk management plan		

## 5.2. Evaluation stage two: Presentations

Three (3) shortlisted investors will be expected to make a 30 minute presentation that will be followed by questions of clarification if necessary.

## 6. PROPOSAL RESPONSES

Investors are requested to submit detailed operationalization proposals with the following documents:

- a. Original and Valid tax Clearance Certificate;
- b. Company Registration certificate;
- c. Certified copies of ID documents of all members of the business entity (certification should not be more than 3 months old);
- d. CV's and qualification of management team;
- e. Commitment letter from the Financial Institution or/ Funder clearly stating the amount of money to be funded for the project;
- f. Letters of intent for the market from potential customers/clients
- g. Company profile;
- h. Operationalization Project Plan;
- i. Broiler house Management Plan;
- j. Comprehensive Maintenance Plan;
- k. Financial projections.

## 7. SPECIFIC CONDITIONS

- a. All proposals in response to this invitation, whether successful or unsuccessful, will become the property of LEDA.
- b. LEDA reserves the right not to award this contract.
- c. All proposals must be valid for a period of 90 days after the closing date.
- d. The Investor may be required to provide further information or clarification.
- e. Service Level Agreements will be concluded with the successful Investors.
- f. The successful Investor must sign the Contract Grower Agreement (CGA) / Supply Agreement (SA) with broiler farmers.
- g. The successful Investor must be able to employ 66 employees who are the potential beneficiaries of the abattoir.
- h. Wages of the employees must be in accordance with the gazetted rates as per the industry and region.
- i. Investors must comply with LEDA security clearance (due diligent process).
- j. Investors must be willing to sign confidentiality agreement.
- k. Sealed proposals marked “ **THE APPOINTMENT OF SHORT-TERM STRATEGIC INVESTOR FOR THE OPERATIONALIZATION OF LEBOWAKGOMO CHICKEN ABATTOIR**” must be submitted during office hours, Monday to Friday between 08:00 and 16:30, to LEDA reception at 6 Platinum Street, Ladine, Polokwane on or before the closing time and date.

- l. The investor will be expected to allocate 26% of equity to empower the workers and grower farmers.
- m. The investor will be expected to pay all cost for establishment of the operating company.

## **8 Compulsory Site Visit**

**A Compulsory briefing session** will be held as follows:

Date : 4<sup>th</sup> May 2015  
Time : 10h00  
Venue : Lebowakgomo Abattoir, No. 12 Lebowakgomo  
Industrial Site, Habakuk,

**Failure to attend will result in disqualification.**

- 8.1 Any Investor wishing to bid must attend the compulsory briefing session in person or send a representative.
- 8.2 For Request for proposals from a Consortium or Joint Venture, a representative of at least one of the organizations must attend the compulsory briefing session.
- 8.3 Request for proposals from individuals, organizations or consortia of organizations that did not attend the **Compulsory briefing session** will not be considered.

## **9 Clarification / queries**

- 9.1 The process of clarification required by the Investor regarding the meaning or interpretation of the Request for Proposals, or any other aspects concerning the bid will be done in writing (letter, facsimile or e-mail).
- 9.2 Telephonic requests for clarification will not be considered.
- 9.3 The reference number should be quoted in all correspondence.

9.4 The contact persons are as follows:

Administrative Enquiries : Mr Huma I  
Enterprise Development and Finance  
Tel : 015 287 3000

Technical enquiries : Mr.M P Ngoasheng  
Agri business Development  
Tel : (015) 296 3543