



TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE RESEARCH AND MANAGE THE DEVELOPMENT OF A REPORT OF A REVIEW OF LOCAL GOVERNMENT BY END OCTOBER 2022

1. Purpose of assignment

To contract the services of a Service Provider to:

- 1.1. Contract and manage a panel of researchers to
 - 1.1.1. Conduct a comprehensive review of the local government system
 - 1.1.2. Deliver evidence-based research papers on identified issues and challenges affecting local government for the purpose of developing solutions.
 - 1.1.3. Ensure that the research papers will clearly outline and identify issues towards developing a rationalised future framework for a sustainable and developmental local government system.
- 1.2. Manage the participatory processes with relevant stakeholders on the review of the local government system.
- 1.3. Consolidate the research and inputs from the participatory processes into a review report of local government, that outlines what needs to be changed and how it needs to be changed to create an improved local government system.

2. Introduction and background

2.1 The role of local government as one of the three spheres of government is enshrined in the 1996 Constitution. Together with this new status, the Constitution gave local government a new development mandate in Chapter 7 (Section 153), namely that a municipality must “structure and manage its administration; budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

The White Paper for Local Government, 1998 had a vision for Local Government in mind. An **ideal municipality** in our system will strive to building the Developmental State in South Africa and draw from the constitutional and legal framework established. An ideal municipality would:

- i. Provide democratic and accountable government for local communities.
- ii. Be responsive to the needs of the local community.
- iii. Ensure the provision of services to communities in a sustainable manner.
- iv. Promote social and economic development.
- v. Promote a safe and healthy environment.
- vi. Encourage the involvement of communities and community organisations in the matters of local government.
- vii. Facilitate a culture of public service and accountability amongst its staff.
- viii. Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms.

In the establishment phase of Local Government, several laws were introduced, namely the Local Government Municipal Structures Act, 1998 (Act No. 177 of 1998); the Municipal Systems Act, 2000 (Act No. 32 of 2000); Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007); the Municipal Property Rates Act, 2004 (Act No. 6 of 2004); the Local Government Municipal Finance Management, 2003 (Act No. 56 of 2003), and the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005).

2.2 By 2009, the State of Local Government Assessment identified trends and signs that were undermining the progress and successes achieved thus far. The Local Government Turnaround Strategy (LGTAS) as approved by the Cabinet in 2009 was therefore aimed at counteracting those forces that were undermining the Local Government system. Root causes for some of these problems included:

- i. Systemic and Structural factors linked to model of local government.
- ii. Policy and legislative factors.
- iii. Political factors.
- iv. Weaknesses in the accountability systems.
- v. Capacity and skills constraints.
- vi. Weak intergovernmental support and oversight; and
- vii. Issues associated with the inter-governmental fiscal system.

2.3 By 2014, the Back to Basics (B2B) approach led to concentrated support for distressed municipalities across the country. The following are common to these struggling municipalities:

- i. Governance and administration instability and huge municipal debt.
- ii. Poor financial management (and performance).
- iii. Lack of capacity to plan, deliver, operate, and maintain infrastructure.
- iv. Service delivery backlogs.
- v. Poor quality of infrastructure.
- vi. Poor infrastructure carrying capacity.
- vii. Aged infrastructure.
- viii. Poor infrastructure operations and maintenance.

- ix. Low services reliability index.
- x. Fraud and corruption
- xi. Political Instability
- xii. Killing of councillors and officials
- xiii. Non-viable /dysfunctional municipalities
- xiv. Persistent apartheid spatial planning
- xv. Illegal municipal investment in VBS

2.4 By the end of the 2016-2021 term of local government, it became clear that a review of the core legislation and policies guiding and directing the system of local government is required.

3. Problem Statement

Established over twenty years ago, the current democratic local government system has contributed immensely to the quest of building a developmental local government in South Africa. Over the years, several progressive policies and legislation have been proposed and implemented with notable successes. However, there have also been challenges, of which some have been persistent since the establishment of the current local government system. Thus, the need arises to conduct a comprehensive review of the current local government system to develop an evidence-based proposal to improving the current situation.

Some of the key areas of challenge can be summarised as follows:

3.1 Differentiation

There is a massive variation in size and capacity of municipalities, with metro administrations having budgets larger than most government departments, while small rural municipalities are barely able to perform basic functions. Nearly 40% of the South Africa's population live in 8 single-tier 'Category A' metropolitan municipalities. Outside the metros, just over 60% of the South African population is governed by a two-tier system of District (Category C) and local (Category B) municipalities.

3.2 Structural challenges

3.2.1 Coalition Councils

After the 2016 local government elections, South Africa's politics has entered largely uncharted terrain. The local government elections have produced 27 municipalities without an outright majority. This list includes some of the largest municipalities in the country, such as Johannesburg, Tshwane, Ekurhuleni, Nelson Mandela Bay and Rustenburg. Several political parties initially cooperated to elect Democratic Alliance

(DA) mayors in three hung metropolitan councils, however all these mayors were subsequently replaced as a breakdown of relationships took its toll. International experience of coalition politics shows that instability is never far away. Political parties in South Africa are clearly struggling to cope with the delicate demands and dilemmas of coalition politics. Coalitions are also inherently adversarial. It is necessary that parties work together, to make coalitions work. The examples of Johannesburg and Tshwane is that minority governments are likely the most insecure and fragile form of coalition governance.

3.2.2 Spatial challenges and Demarcation

Despite the highlights and gains of the democratic state, the challenges still facing South Africa are immense, with poverty, inequality and unemployment still affecting vast sections of the people.

Given the argument that spatial legacies impact municipal capabilities, over the past few years, it has become clear that there could be three root causes for distress in local government:

- i. A municipality that finds itself in distress due to failures in governance, financial management and administration (all of which allows, even facilitates, corruption) (i.e., the institutional performance context);
- ii. A municipality that finds itself in distress because it spatially and socio-economically was and always will be a financially non-viable entity (i.e., the socio-economic context);
- iii. A municipality that finds itself in distress because of systemic issues around powers and functions, fast growth in urbanization with expansion of capital infrastructure to fulfil increasing demand and an inability to grow operational revenue concurrent to ensure sufficient maintenance and operation of the infrastructure.

The manifestation of these root causes is however complex and often difficult to pinpoint. Distress could be a result of all three root causes or a combination of any two.

National Treasury found that by 2018/19, several of the re-demarcated municipalities:

- Had insufficient cash coverage to fund operations and obligation;
- Had insufficient cash and investments to pay for current obligations (liquidity ratio);
- Were consistently and grossly underspending on repairs and maintenance of infrastructure;
- Were spending less than required on capital expenditure as a percentage of total expenditure;
- Took longer than 30 days to collect debt from customers after issuing the bill;

- Had outstanding creditors that continued to grow while it took more than 30 days of receiving the invoice to pay creditors;
- Were borrowing less given the cash flow challenges;
- Were classified as financially distressed;
- Were underspending on conditional grants; and
- Had Eskom debt that escalated after amalgamation in many cases.

3.3 Systemic Issues

There are serious systemic issues underlying the weak performance of the local government system, some of which are beyond the control of individual municipalities. These include duplication of structures and functions between spheres and districts and local municipalities; misaligned or inappropriate devolution of functions; municipalities performing functions which are not their core competency; unfunded or under-funded mandates e.g., library and primary health services; and the impact of amalgamations etc.

3.3.1 Legislative Environment

The legislative environment in local government is complex. The immediate post-1994 period saw the promulgation of a set of new legislation and policies, intended to deracialise local government, and make it accountable to all communities. This legislation includes the Municipal Demarcation Act of 1998, the Municipal Structures Act of 1998, the Municipal Systems Act of 2000 (MSA) and the Municipal Finance Management Act of 2003 (MFMA). The process of Integrated Development Planning (IDP) was introduced by the MSA in 2000.

3.3.2 Municipal powers and functions

The South African Constitution allocates legislative powers between central and provincial governments based on the subject matter of the legislation. Over and above a plethora of legislation relating to the various functions of municipalities from electricity provision to roads to environmental health, the nine provincial legislatures in South Africa are entitled to legislate, inter alia, on the specific subject or 'functional areas' listed in Schedules 4 and 5 of the Final Constitution. This results in different provincial legislations being applicable to municipalities. A further implication is that municipalities have to report to national sectors, provincial sectors as well as the provincial and national departments of Cooperative Governance on progress with implementation of the legislative prescripts.

A municipality has the executive authority and the right to administer the local government matters set out in Parts B of Schedules 4 and 5 and functions assigned to it. These functional areas include electricity gas reticulation, municipal health services, municipal public transport, potable water supply, domestic wastewater, and

sewage disposal (Schedule 4B), and municipal roads, public places and refuse removal (Schedule 5B). The Constitution further prescribes specific objects and duties for local government to add to the developmental role of municipalities, but these are not in themselves additional functions.

The Schedules create overlapping functional areas, which gives rise to two kinds of problems. In the first case, some functional areas are distinguished only by the term provincial or municipal. A second kind of overlap is where the municipal functional area is covered by a broader provincial functional area. Many functional areas are affected by this kind of overlap; thus, uncertainty continues to be a major complication in practice.

3.3.3 Cooperative Governance

Encouraging inter-sphere cooperation is an internationally recognised standard practice. The principle of co-operative **government** is embedded in chapter 3 of the Constitution of the Republic of South Africa.

The Intergovernmental Relations Framework Act of 2005 (IGRFA) sought to formalise cooperation in the three-sphere system of government, and in so doing to implement section 41 of the constitution.

Several challenges have been identified in the implementation of the IGRFA:

- The need for ***continued strengthening of intergovernmental planning around common national objectives.***
- Complexity of structural reform.
- The need to clarify revenue and expenditure assignment in a dynamic context.
- Addressing uneven capacity and capability in the provincial and local spheres of government.
- Co-ordinating policy issues that cut across traditional policy fields, portfolios and mandates located in several institutions.
- ***Co-ordinating intergovernmental planning in the local government sphere.*** The Act is non-obligatory which makes it difficult to enforce Inter Governmental issues. It is experienced that there is no obligation (i.e., legislative enforcement for implementation) on sector government departments towards the development and implementation of municipal integrated development plans.

3.4 Service Delivery Challenges

Despite impressive overall progress with the delivery of infrastructure services in the last 25 years, inadequate maintenance of infrastructure and increasing demand has led to the following service delivery challenges, for example:

Eastern Cape	<ul style="list-style-type: none"> • Breakdown in service delivery, poor maintenance, and inadequate skills • Water supply challenges • Poor project implementation • Aged infrastructure • Electricity challenges
Free State	<ul style="list-style-type: none"> • Capacity to spend the Municipal Infrastructure Grant • Maintenance of roads
Gauteng	<ul style="list-style-type: none"> • Sanitation Infrastructure Maintenance • Water Infrastructure • Waste management
KZN	<ul style="list-style-type: none"> • High electricity losses • High water losses • Inadequate spending on operations and maintenance of infrastructure
Limpopo	<ul style="list-style-type: none"> • Capacity to spend the Municipal Infrastructure Grant • Challenges to provide services on land that is not proclaimed for development and occupied illegally • Water and electricity losses due to ageing infrastructure, vandalism, and illegal connections • Inadequate maintenance of municipal roads
Mpumalanga	<ul style="list-style-type: none"> • Limited water sources are exacerbated by a lack of water master plans that enable the sharing of resources at regional/district levels. This translates into poor planning for bulk water supply infrastructure against the available quantity of water resources (dams and rivers) as well as planning for storage facilities such as reservoirs and upgrading of Water Treatment Works has been a challenge. This requires an in-depth analysis of WSA's powers and functions. • Excessive water losses due to: <ul style="list-style-type: none"> ○ leakages and constant pipe bursts due to aged infrastructure for example asbestos pipes ○ A scourge of illegal connections and unauthorised connections to the bulk infrastructure resulting in water losses • Maintenance of existing infrastructure and adequate provision of financial resources impacted maintenance and resulted in sewer spillages and overflowing of wastewater treatment works
Northern Cape	<ul style="list-style-type: none"> • Inability to spend Municipal Infrastructure Grant • Water provision and the related costs to provide services through a third party as cost of the service per capita is unaffordable to the communities e.g., in Nama Khoi the cost of water per kl is R19.00 • Dilapidated bulk and internal infrastructure add to revenue losses
North West	<ul style="list-style-type: none"> • Poor functionality of Wastewater Treatment Works • Poor roads and stormwater infrastructure • Aging infrastructure • Division of powers and functions between Water Services Authorities and Water Services Providers (WSP's)

Western Cape	<ul style="list-style-type: none"> • Municipalities still struggle to provide services adequately due to challenges related to: • Immigration of people, • An increase in land invasions, vandalism, and copper theft in some areas. • Illegal electricity connections in the informal areas also add to these challenges
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Several issues related to improved service delivery need to be addressed:

- i. Technical capacity to do the required repairs and maintenance of infrastructure
- ii. The funding model for infrastructure delivery and maintenance
- iii. Water and Electricity losses (both through infrastructure failure and theft)
- iv. Land release for human settlement development

3.5 Disaster Management

In recent years, South Africa has reflected an increasingly diverse spectrum of urban risks, which include impacts partly attributable to growing urban populations, changing settlement patterns and climate variability. Municipalities need to focus on managing climate change risks and the consequences of changing weather patterns.

On 15 March 2020, Cabinet resolved to declare a national state of disaster in consideration of the magnitude and the severity of the Covid – 19 Pandemic.

The management of the above and municipal capacity to deal with disasters need to be assessed.

3.6 Financial Challenges and LG funding model

There is a high degree of stress in the local government financial system, partly because of the operating costs associated with this infrastructure. Signs of financial strain amongst municipalities grew after the 2008 financial crisis and have further intensified as a result of Covid-19. The number of municipalities identified by National Treasury as being in financial distress for the 2018/19 financial year, was hundred and sixty-three (163) or 64% of municipalities.

The Financial and Fiscal Commission indicated in their submission to the Division of Revenue Act, 2020/21 that the sustainability of municipalities continues to be at risk, because of the following factors:

- i. Poor financial management.
- ii. Profiting from procurement has become endemic.
- iii. Declining or stagnant “own revenue:
- iv. Slow growth of transfers.
- v. Unhealthy balance between core and non-core municipal services.
- vi. Poor asset management.

vii. Weak municipal accountability and oversight institutions.

3.7 Governance and Administration

There is a challenge with accountability because both legislative and executive powers lie within councils. There is no separation of powers in Local Government.

There are also serious staffing issues, including a high proportion of vacancies, absence of suitably competent senior managers and CFOs, and bloated organizational structures that take up most of the budgeted expenditure.

The lack of appropriate skills levels and **high levels of vacancies for technical directors** for example, is a material problem in all the municipalities. It is not only on the management level that challenges are experienced. The increasing salary costs result in municipalities often following a strategy not to fill vacancies to foot the salary bill.

In summary, the challenges facing local government continue to undermine its capability to discharge its constitutional mandate. This is despite many solutions put forward over the years by many stakeholders. It points to inadequate policy and legislation and therefore a comprehensive policy review is required.

4. Scope of the assignment

This project will involve extensive research and evidence gathering within the framework of the factors introduced above, and other areas that may arise. Research outputs need to be discussed in extensive stakeholder participatory processes which should focus on solution development and documented, and lastly the review report should be finalised outlining a framework for local government change including implementation trajectories (legislative amendment/regulatory approaches and administrative levers).

The summary of the scope of the review is as follows:

- i. Project period or timeframe
 - a. The project should deliver the final project deliverables by end October 2022.
- ii. Project management
 - a. Develop the project business plan.
 - b. Conclude a Service Level agreement with CoGTA.

- c. Identify, appoint, and manage a consortium/panel of subject specialists/researchers.
- d. Develop clear product descriptions for each of the research papers.
- e. Day-to-day management of the activities of the project.
- f. Ensure adequate capacity to manage and support the research work.
- g. Quality assurance of the completed research.
- h. Project documentation management and control.
- i. Regular progress reporting (monthly at a minimum).

iii. Research

Evidenced-based research on the impact of legislation and policy currently impeding effective and efficient local government that will support solutions towards the creation of an effective, efficient developmental local government.

iv. Facilitation and reporting on participation

Facilitation of focus groups discussions, round tables, peer group evaluations of research and other participatory processes, e.g., interviews. Documentation and reporting of the outcomes of such processes.

5. Deliverables

- i. Project Business Plan, outlining work approach, envisaged research methodologies and implementation schedules.
- ii. Project Service level agreement and inception report.
- iii. Monthly progress reports through-out the project with a close-out report.
- iv. A consolidated problem statement report on identified local government challenges. The report must take into consideration that this is the first of a multi-phase project and must thus, indicate clear recommendations on the way forward.
- v. The appointment of a research panel.
- vi. Product descriptions of each of the envisaged research outputs.
- vii. Research Reports for each of the identified issues.
- viii. A detailed stakeholder participation plan.
- ix. Participatory process reports

- x. A review report consolidating the research, proposed solutions emanating from the participatory processes and a framework for local government change.
- xi. A report outlining key actions required by government to implement the framework for local government change.
- xii. A power point presentation of the consolidated problem statement report.

6. Skills and Knowledge requirements

To execute this project, the service provider must put together a team that possess the following knowledge, expertise, and skills:

6.1 Local Government Knowledge

- Minimum of 10 years' relevant local government or public sector experience;
- In-depth knowledge of local government legislation and policies as well as sector legislation and policies that impact local government
- Knowledge of municipal powers and functions, the complexities of the two- tier system of Local government in relation to powers and functions, service delivery and governance related issues in the South African local government sector.
- Research background in local government particularly experience in conducting public sector evaluation research;
- Minimum of 8 years' experience in data gathering, collating, analysis, and management in the local government sector;
- Ability to access relevant data sets that will support evidence-based research outputs; and
- Experience in producing concise, focused research outputs.

6.2 Skills

- Research project management skills and capacity
- Comparative and targeted research;
- Legislative research and drafting;
- Report writing and presentation;
- Communications and stakeholder management; and
- Analytical thinking.

6.3 Essential experience

- Research Project Management experience (a minimum of 5 years);
- Relevant local government experience: Knowledge of municipal powers and functions, service delivery and governance related issues in the South African local government sector;
- Review of local government legislation
- Report writing;
- Data management; and
- Quality assurance.

6.4 Capacity

- Capacity to appoint and manage the envisaged panel of researchers
- Capacity to arrange, manage and report on stakeholder participatory processes

7. Time frame

- 7.1 The contract with the successful service provider will be up to end November 2022. The report must be finalised by end October 2022.
- 7.2 The project will commence upon date of signing of the Service Level Agreement (SLA) between the DCoG and the successful service provider.

8. Performance measurement / Reporting

To facilitate the performance of the Service Provider and monitor their scope of work, the DCoG will:

- 8.1 Enter into a Service Level Agreement (SLA) that will govern the relationship between DCoG and the service provider.
- 8.2 The SLA will include project assignments that will address each of the project deliverables.
- 8.3 Establish a Project Steering Committee to manage, monitor and oversee the project. This committee will ensure that:
- Services are rendered timeously;
 - Timeframes as far as possible are not extended;
 - Will render a quality assurance function; and
 - Will ensure that additional costs are not incurred unnecessarily.

- 8.4 The Service Provider will be expected to table progress reports for each deliverable contained in the implementation plan as agreed to and as per the SLA.
- 8.5 Monitor the payment schedule that will be attached to the SLA. Payments will therefore only be approved and processed on the basis of the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks.
- 8.6 These deliverables and related payments will be recommended by the Project Manager and approved by the Project Steering Committee.

9. Form of Proposal

Bidders are required to complete the official bidding documents in all respects. In addition to this requirement, applicants are also requested to attach the following documents in support of their submission:

(a) Functionality

- Methodology to be applied in the implementation of the project. The methodology should outline the following:
 - a. Implementation approach,
 - b. Envisaged topical /issue approach,
 - c. Research methodologies, and
 - d. Stakeholder participation approach
- Bidder's knowledge, skills, and experience relevant to the assignment and references for previous projects completed, where applicable.
- Team members' knowledge, skills, and experience relevant to the assignment and references for previous projects completed, where applicable.
- Proven record of accomplishment in executing similar projects (documented references).

(b) Pricing

- Cost per deliverable (excl. VAT)
- Value Added Tax per deliverable
- Ceiling Price (all-inclusive total tender price).

- 9.1 Bidders must include a detailed work-plan/methodology with the detailed budget reflecting all costs and the implementation plan as per the proposal in their bid. Failure to submit the detailed work-plan with implementation plan and budget containing cost-breakdowns according to the deliverables (as per the proposal) together with the bid will result in the bidder's bid being viewed as invalid and therefore rejected.

The following information must be included in the work plan:

- (a) Project implementation Plan that indicates the following:
 - Clearly defined milestones that are 100% aligned to each of the key objectives as well as each of the expected outputs/products/deliverables as outlined under the deliverables and in the scope of work.
 - Well defined timelines for each of the activities and deliverables.
 - Allocation of Human Resources for each of the project management activities and deliverables.
 - Cost-breakdown for each of the project management activities and deliverables.
- (b) Proposed Governance Arrangements to support project implementation which may include but not limited to:
 - The establishment of a project steering committee.
- (c) Previous and current similar contracts awarded to the bidder as well as client references.

Failure to include the above stated information together with the bid document on the closing date and time will invalidate the bid.

10. Bid Prices

Bidders must express prices for their services in South African currency (Rand). All prices must be inclusive of Value Added Tax and costs to be incurred that are necessary for the execution and completion of the contract in accordance with the bid document. Prices will remain firm for the duration of the contract.

11. Bid evaluation system

11.1 All bids duly lodged will be evaluated to determine compliance with bid requirements and conditions. Bids with obvious deviations from the bid requirements/conditions of bid and not acceptable to the evaluation committee will be eliminated from the adjudication process i.e., will not be shortlisted. All bid proposals submitted will be evaluated in accordance with the 80/20 preference point system and the evaluation criteria should be as follows:

(a) Functionality scoring:

The system comprises the following elements:

- (i) Functionality.....100

- (ii) Price.....80
- (iii) BEE Contributor.....20

Phase 1: Compliance with minimum requirements of bid

(i) All bids duly lodged will be evaluated to determine compliance with requirements and conditions of the bid. All proposals that do not comply with the requirements/conditions of the bid will be disqualified.

(ii) All bids that comply with the administrative requirements/conditions of the bid will be evaluated in two stages - **First Stage**: Functionality will be assessed as per Scorecard and then **Second Stage**: The qualifying bidders in the **First Stage** will be evaluated further on price and BEE Contributor Level using **80/20** preference point system as prescribed in Preferential Procurement Policy Framework Act 2000, Preferential Procurement Regulations, 2017 and approved CoGTA Supply Chain Management Policy 2017. The evaluation will be done as follows.

(b) The following criteria and weights will be applied when submissions are assessed in terms of **functionality**:

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
Bidder's understanding and interpretation of the requirements of the Terms of Reference	Bidder's detailed work plan and methodology with clearly defined deliverables, milestones, and an indication of resources to be deployed	<ul style="list-style-type: none"> • Poor scope of work = 1 • Re-stating the scope of work = 2 • Demonstrating a limited understanding of the scope of work = 3 • Demonstrating a substantial understanding of the scope of work = 4 • Demonstrating an advanced understanding of the scope of work based on substantial experience with added value & innovation = 5 	7	5X7=35
Project management team members and leader's experience	Appropriate experience of the proposed team members' and the team leader in delivering large scale multi-functional government projects (attach CVs of	<ul style="list-style-type: none"> • 0 to 2 years' experience = 1 • 3 to 5 years' experience = 2 • 6 to 10 years' experience = 3 	3	5X3=15

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
	proposed team highlighting relevant experience)	<ul style="list-style-type: none"> • 11 to 15 years' experience = 4 • More than 15 years' experience = 5 		
Bidder's capacity to appoint and manage researcher teams	Evidence of the service provider's capability to work with teams of researchers and academics	<ul style="list-style-type: none"> • Proposed research team consist only of the service provider's organisation = 1 • Proposed research team consist of 2 additional organisations = 2 • Proposed research team consist of 3 additional organisations = 3 • Proposed research team consist of 4 additional organisations = 4 • Proposed research team consist of 5 additional organisations = 5 	3	5X3=15
Bidder's capacity to deliver participatory process	The experience with facilitation and documentation of participatory processes with a variety of stakeholders	<ul style="list-style-type: none"> • The TOR provides confidence through evidence of and references to 2 participatory events managed = 1 • The TOR provides confidence through evidence of and references to 3 participatory events managed = 2 • The TOR provides confidence through evidence of and references to 4 participatory events managed = 3 • The TOR provides confidence through evidence of and references to 5 participatory events managed = 4 	3	5X3=15

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
		<ul style="list-style-type: none"> The TOR provides confidence through evidence of and references to 6 or more participatory events managed = 5 		
Bidder's capacity to deliver the project	The knowledge base of the research panel (attach CVs of proposed team highlighting relevant qualifications and experience)	<ul style="list-style-type: none"> The proposed panel has knowledge of municipal and public administration = 1 The proposed panel has experience of municipal and public administration, and legislative drafting = 2 The proposed panel has experience of municipal and public administration, legislative drafting, and local government finance = 3 The proposed panel has experience of municipal and public administration, legislative drafting, local government finance and infrastructure delivery in the municipal environment = 4 The proposed panel has experience of municipal and public administration, legislative drafting, local government finance, infrastructure delivery in the municipal environment and human resource management in the local government environment = 5 	4	5x4=20

CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
TOTAL POINTS				100

(c) Bids will be rated in respect of each criterion on a scale of **1–5** i.e., **1 = Poor, 2 = Acceptable, 3 = Good, 4 = Very good and 5 = Excellent**. The maximum possible score that can be achieved for functionality is 100.

(d) The percentage scored by a bidder for functionality will be calculated as follows:

$$\frac{\text{Total score achieved for functionality}}{\text{score that can be achieved}} \times 100 \text{ Maximum possible}$$

(e) The average score is calculated for each bid by adding the individual scores awarded by the members of the Bid Evaluation Committee and dividing the total by the number of members. Bids that do not achieve a minimum score of **70** (out of 100 for functionality) will not be shortlisted and evaluated further for price and preference points.

(f) Points for price will be calculated only for shortlisted bidder/s as follows:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for competitive price of bid or offer under consideration.

P_t = Competitive price of bid or offer under consideration; and

P_{\min} = Competitive price of lowest acceptable bid or offer

The maximum possible score that can be achieved for price is 80 points.

(g) **The maximum possible score that can be achieved for price is 80 points**

NB: Bidders are required to, together with their bids submit original and valid B-BBEE status level verification certificates or certified copies to substantiate their B-BBEE rating claims. A bid will not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contribution nor is a non-compliant contributor. Such a bidder will score 0 out of maximum of 20 points for B-BBEE.

<i>B-BBEE Status level of contributor</i>	<i>Number of Points</i>
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2

Non-compliant contributor	0
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Note: No preference will be awarded without submitting of a valid B-BBEE certificate sword affidavit or a consolidated B-BEE Certificate in case of a Joint Venture, Trust or Consortium and total points scored will be calculated by adding points scored for price and B-BBEE Contributor Level (copy must be certified).

12. Awarding of Bid

The bid will be awarded to the bidder who scored the highest total number of points as prescribed in the PPPFA, SCM Policy of 2017 and Preferential Procurement Regulations of 2017.

In exceptional cases the bid may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points. Reasons for such decision must be approved and recorded for audit purposes and must be justifiable in the court of law (as prescribed on the Preferential Procurement Regulations 2017).

(a) Joint Ventures, Consortiums and Trusts:

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. DCoG will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.

The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

(b) **Sub-contracting:**

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.

The following is an extract from the PPPFA Act:

- (i) “A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.”
- (ii) “A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.”

IN EVALUATING THE TECHNICAL INFORMATION CONTAINED IN THE BID, THE EVALUATION COMMITTEE WILL BE GUIDED BY THE FOLLOWING:

- Bidder’s understanding of the brief – The bid provides a clear indication that the bidder fully understands the purpose and scope of the work and the bidder’s own roles and functions in this regard. (Methodology)
 - Capability and experience – The BID provides a clear indication that the bidder’s team comprises people with the necessary qualifications, experience, skills, knowledge and required to ensure the efficient and effective generation of the required deliverables to the highest standards of quality.
 - Track Record – The bid provides clear information on previous, relevant projects that confirm that the bidder has the required experience and success track record in the area of research project management and management of related projects.
- 13.** The General Conditions of Contract issued by the National Treasury as part of Supply Chain Management Practice Note 1 of 2003, will apply. A copy is available from the Directorate: Procurement Services. The Contract Form for the Rendering of Services (SBD 7.2) will be used when a contract is entered into between CoGTA and the successful bidder.

The following aspects which are not provided for in the General Conditions of Contract will be included:

- Quarterly assessment of the performance of the service provider. Unsatisfactory performance on any of the agreed time frames and deliverables will constitute breach of contract
- Provision for amendments that might be required in the TOR during the contract period.
- Provision for the termination of the contract for reasons **other** than poor performance, breach of contract, etc.
- Communication with the appointed CoGTA contract officer.
- All deliverables will be copyrighted to CoGTA and become the intellectual property of CoGTA.

14. Briefing session

A **non- compulsory virtual** briefing session will be held as stated on the cover page of the bid document.

- 15. Contact information:** Prospective bidders may not under any circumstances make contact with or engage any DCOG officials other than the officials indicated below on any matter related to this tender. Enquiries must be sent to all the officials below. Enquiries sent to the DCOG officials below will be routed to the relevant employees and responses will be coordinated and provided by the officials indicated below.

ENQUIRIES		
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