



TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDER TO REVIEW THE LOCAL GOVERNMENT: COMPETENCY FRAMEWORK, COMPETENCY ASSESSMENT BATTERIES AND COMPETENCY DESCRIPTORS FOR SENIOR MANAGERS IN LOCAL GOVERNMENT FOR A PERIOD OF 24 MONTHS

1. Purpose of assignment

The purpose of these Terms of Reference (ToR) is to invite potential service providers or consortium of service providers to –

- 1.1 Review the Local Government: Competency Framework for Senior Managers;
- 1.2 Review the Local Government: Competency Assessment Batteries and competency requirements for senior managers; and
- 1.3 Review the Local Government: Competency Descriptors and achievement levels for senior managers for a period of 24 months.

2. Introduction and background

2.1 The new system of local government that came into effect in 2000 introduced significant changes to transform local government. An emphasis is made on the need to modernise the local public administration and human resource development in order to strengthen the capacity municipalities to perform their functions. Among these policy initiatives, included is the enactment of the Municipal Systems Act, 2000, (Act No.32 of 2000), as amended (the Systems Act) of which amongst others, section 72 empowers the Minister responsible for local government to make regulations or issue guidelines in accordance with section 120 to regulate or provide for matters listed in sections 67(1) and 72(1) and (2). These matters include *inter alia*:

- (a) Setting of uniform standards for municipal staff systems and procedures;
- (b) Capacity building within municipal administrations; and
- (c) Training, competency, and skills development of staff members of municipalities, including in-house training, subject to the requirements of the Skills Development Act, 1998 (Act No.81 of 1998), the Skills Development Levies Act, 1999 (Act No. 28 of 1999), and Municipal Finance Management Act.

2.2 As part of advancing the envisaged transformation agenda and in fulfilling the legislative obligations vested in the Minister, the Minister published the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (“the Regulations”) in Government Gazette No. 37245 of 17 January 2014. The Regulations set out the criteria for appointment/ minimum competency requirements, competency descriptors and achievement levels for senior managers.

2.3 The Regulations explicitly require a person(s) recommended for appointment to a senior manager position(s) in local government to undergo competency-based assessment. In order to give effect to this legal requirement, the promulgation of the Regulations was trailed by the design, development, pilot and validation of the competency assessment batteries/ tools for senior managers. The competency assessment batteries, consisting of competency simulation exercises and psychometric instruments, were developed for heads of the following municipal core functions/ departments:

- (a) Municipal Manager
- (b) Development Planning
- (c) Chief Financial Officer (Finance)
- (d) Technical Services
- (e) Corporate Services
- (f) Community Services

3. Problem statement

3.1 While the Regulations including the Competency Framework successfully brought about legal certainty in the sector, the following shortcomings in administering the implementation of the Regulations and the competency were identified:

- (a) The Competency Framework does not provide for functions specific/ technical competencies.
- (b) The Competency Framework is underscored by four (4) achievement levels namely; basic, competent, advanced and superior that act as benchmark and minimum requirements for human capital interventions but lacks the fifth achievement level range to describe "*not competent*".
- (c) The competency assessment batteries were designed and developed for six senior manager positions and do not adequately cover other strategic positions directly accountable to municipal managers.

3.2 In the current framework, the individuals falling within the Basic range are deemed unsuitable for a role of a senior manager, and caution should be applied in promoting and appointing such person/s. In this regard, this can be interpreted as not specific and as a result a candidate scored at this range may still be shortlisted. This limitation creates a situation where the recruitment process can be open to abuse and thus results in the appointment of incompetent candidates.

3.3 As a result of these challenges, it renders the enforcement of compliance with the regulations ineffective and poses legal challenges. Inadvertently, this shortcoming may result in an undesirable situation where a crop of incompetent leaders may be attracted to the sector, which contradicts the good intentions of the National Development Plan.

4. Scope of the assignment

- 4.1 Review existing literature from various sectors/ industries (i.e. international, private and public sector institutions) with a bias towards local government.
- 4.2 Review the Local Government: Competency Framework for Senior Managers, including insertion of additional functional areas that are omitted
- 4.3 Analyse existing job profiles and occupational categories/ career streams and validate information.
- 4.4 Review competency assessment batteries/tools to:

- (a) measure short term (current capability) job related capability, knowledge and application, work sampling, personality tests and psychomotor tests;
 - (b) measure long term (future capability) cognitive process profiling, vocational and career development; and
 - (c) identify typical assessment methods or tests to be utilised per occupational category or career stream.
- 4.5 Review the descriptors of competency assessments/ achievement levels of competency assessments.
 - 4.6 To conduct benchmarks on both public and private sector organisations assessment batteries to identify the suitable achievement levels.
 - 4.7 Pilot the competency assessment batteries/tools in identified three (3) metropolitan, sixteen (16) district and seventy-four (74) local municipalities before extending to candidates for employment to derive scores and validate. as per list of municipalities at Annexure A
 - 4.8 Investigate and establish mechanisms for administration and storage of competency assessment data.
 - 4.9 Develop an implementation plan for the roll-out of the Competency Framework.
 - 4.10 Develop a skills transfer plan for DCoG PMO, Provincial Coordinators
 - 4.11 Undertake training of assessors on the implementation and administration of competency assessment tools.
 - 4.12 Workshop the DCoG Project Management Office (PMO) and Provincial Coordinators on the implementation and monitoring of the reviewed Competency Framework.
 - 4.13 Compile and submit a closeout report.

5. Deliverables

- 5.1 Competency Framework for senior managers in local government.
- 5.2 A reviewed Competency Framework for senior managers for between six (6) – twelve (12) functional areas consisting of a set of three (3) assessment batteries.
- 5.2 Competency assessment batteries/tools for different senior manager positions in local government.
- 5.3 Piloted and validated (piloted) local government competence assessment batteries/tools in three (3) metropolitan municipalities and sixteen (16) district municipalities and their locals.
- 5.4 Data collected during the research must be packaged in a logical sequence, labelled and handed over to the DCoG. The report and all other documentation should be made available in both hard and soft copies. Soft copies should be produced in editable format/s and hard copies must be delivered.
- 5.5 Bidders should provide details (objectives, outputs, target dates, etc) of their proposed training and skills transfer programmes, the cost of which should be included in the tender prices.
- 5.6 A skills transfer plan, including an approach on transfer of skills and capacity building.
- 5.7 A report on the number of municipalities where the reviewed Competency Framework and competency assessment batteries were piloted.
- 5.8 A close-out report and implementation plan for the rollout of capacity building workshops on the implementation of the of the Competency Framework.

6. Skills and Knowledge requirements:

- 6.1 Detailed knowledge of competence modelling outlining competence sets built on the foundation of leadership, managerial and core competences, including knowledge, qualifications and experience.
- 6.2 A minimum of five (5) years working experience on the development of functional competence model/s that inform competence-based assessment of senior executives for recruitment and selection, performance management and training and development purposes.
- 6.3 Broad knowledge of general HR policies and practices to ensure that senior managers' competences are complementary to business/ HR strategy and goals.
- 6.4 A well-developed knowledge of human capital philosophies, strategies, practices, etc. in order to lead the most complex service delivery challenges.
- 6.5 Good understanding of all human capital and other related matters affecting local government in developed and developing countries.
- 6.6 Broad knowledge of local government sphere as a whole.
- 6.7 Ability to use technical and business understanding to create a vision of a developmental local government, including the problems and opportunities it may face.
- 6.8 Ability to develop innovative solutions, identify new areas of opportunity and analyse and address the appropriate risks to move the local government business forward.
- 6.9 Ability to utilise complex influencing strategies to leverage the local government transformation trajectory.
- 6.10 Proposed team members must be registered with the Health Professional Council of South Africa (HPCSA) and have at least a minimum number of five (5) years of experience after registration with the HPCSA.
- 6.11 Registered proof of application of the Cognitive Process Profile (CPP), Personality Assessment (15FQ+) as well as Workplace Behaviour assessment (Giotto).

7. Time frame

- 7.1 The contract with the successful service provider will be for a period of 24 months to complete.
- 7.2 The project will commence upon date of signing of the Service Level Agreement (SLA) between the DCoG and the Successful bidder/ service provider.

8. Performance Measurement/ Reporting

To facilitate the performance of Service Providers 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 deliverable.
- 8.3 Establish a Project Steering Committee to manage, monitor and oversee the project. This committee will ensure that:
 - (a) Services are rendered timeously;
 - (b) Timeframes as far as possible are not extended;
 - (c) Will render a quality assurance function; and
 - (d) 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 and in terms of 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

- 9.1 Bidders are required to complete the official bidding documents in all respects and to attach a valid tax clearance certificate in an original format as issued by the South African Revenue Services. In addition to this requirement, bidders are also requested to attach the following documents in support of their bids:

- (a) Proposal:

- (i) Bidder's understanding of these terms of reference, with particular focus on the scope of the assignment, its plan for accomplishing each of the deliverables and frequency of reporting against deliverables, and the methodology proposed by the bidder specifying short-term, medium-term and long-term implementation plan/ deliverables.
- (ii) Bidder's previous and current contracts awarded to the bidder as well as client references.
- (iii) The team proposed by the bidder and the *curriculum vitae* of each team member with emphasis on academic qualifications and proven track record in similar projects.
- (iv) Bidder's demonstrated ability to deliver the project within the set timeframe.
- (v) Bidder's proposed programme for the transfer of skills and knowledge to the **DCoG** officials.

- (b) Pricing of the proposal, inclusive of:

- (i) Fee rate of each team member on hourly and daily basis. The proposal should provide a fixed price including expenses and costs as well as VAT for the entire work. Cost must be presented per deliverable
- (ii) Estimated number of hours to be spent on the assignment by each member
- (iii) Administrative costs (offices, telecommunication, travelling, etc. to be specified and priced)
- (iv) Break-down of cost per proposed activity.
- (v) Any other costs (to be specified)
- (vi) Value added tax
- (vii) Ceiling price (all-inclusive capped total).

- (c) BEE/Preferential procurement:

- (i) Names of the owners of the bidding company, names of owners who are historically disadvantaged individuals, their designation as well as their proposed involvement in the performance of the services.
- (ii) Names of BEE companies that will be sub-contracted if the bid is successful, the particular services that will be sub-contracted, and the value of such sub-contracts as a percentage of the contract price.

- (iii) Procurement from BEE companies and/or SMMEs and the value of such procurement as a percentage of the total value of the bidder's annual procurement spend.
 - (iv) Development of human resources and the amount spent on skills development as a percentage of the company's wage bill.
 - (v) Upliftment of communities through housing, transport, schools, infrastructure, donations, etc., and the average contribution per annum for the past three years as a percentage of the total turnover.
- (d) The successful tenderer will be required to sign the necessary contract within 7 days of appointment.

9.2 Bidders must include **a detailed work-plan/methodology** with the **detailed** budget reflecting all costs and the implementation plan as per 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 to be viewed as invalid and therefore rejected.**

9.3 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/ deliverables as outlined in the scope of work.
 - Well defined timelines for each of the activities and deliverables.
 - Allocation of Human Resources & Cost-breakdown of each of the 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.
 - The establishment of a project management team inclusive of the service provider and the DCoG team.
 - Provision of secretariat support for the governance structures that will be established.
 - Skills Transfer Plan developed in line with the Terms of Reference.
- (c) Previous and current similar contracts awarded to the bidder as well as client references.

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

10. Bid Prices

10.1 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 principle 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 Regulation 2017 and approved CoGTA Supply Chain Management Policy 2017. The evaluation will be done as follows.

STAGE 1

SCORECARD FOR FUNCTIONALITY

- (b) The following criteria will be applied for functionality to assess all the bidders who complied with minimum requirements:

No.	CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
1.	Understanding of the Terms of Reference with a detailed approach and methodology	Bidder's understanding of the Terms of Reference and provided a detailed Project Plan and methodology with clearly articulated deliverables and /or milestones, including the resources to be deployed with each activity)	<ul style="list-style-type: none"> • Restating the scope of the ToR with a less understanding and detailed approach and methodology = 1 • Approach, methodology and project plan submitted does not sufficiently meet the scope of the work and outcomes as set out in these ToR = 2 • Approach, methodology and project plan submitted meet the scope of the work and outcomes as set out in these ToR = 3 • Detailed approach, methodology and executable plan submitted significantly meet the requirements and outcomes as set out in the ToR. = 4 • Detailed approach, methodology and executable plan submitted comprehensively meet the requirements as and outcomes as set out in these ToR, with suggested value-add and innovation = 5 	5 x 6	30%
2.	Capacity of bidders' and proposed team members registered with the HPCSA	Proven track record and experience in developing Competency Frameworks and assessment batteries after registration with the HPCSA.	<ul style="list-style-type: none"> • 1–2 team members with 0-1 years' experience in developing Competency Framework and assessment batteries = 1 • 3–4 team members with 2-4 years' experience in developing 	5X 6	30%

No.	CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
			Competency Framework and assessment batteries = 2 <ul style="list-style-type: none"> • 5–7 team members with 5 – 6 years' experience in developing Competency Framework and assessment batteries = 3 • 8–10 team members with 7 – 8 years' experience in in developing Competency Framework and assessment batteries = 4 • 9 and more team members with 10 and more years' experience in developing Competency Framework and assessment batteries = 5 		
3.	Experience of the proposed team members	Bidders will be evaluated on the combined experience of the core team to manage the project Attach Curriculum Vitae and certified copies of qualifications, including professional practice certificate/ authorisation from HPCSA, application of the Cognitive Process Profile (CPP), Personality Assessment (15 FQ+) and Workplace Behaviour (Giotto), of the following team members: <ul style="list-style-type: none"> - Key accounts manager/ Senior Psychologist/s and/ or - Psychometrists 	0 – 2 years = 1 3 – 4 years = 2 5 – 7 years = 3 8 – 9 years = 4 10+ years = 5	5 x 6	30%
4.	Approach on transfer of skills	Detailed plan for transfer of skills and capacity building programme to DCoG PMO	<ul style="list-style-type: none"> • Skills transfer plan include 1 of the outlined 	5 x 2	10%

No.	CRITERIA	SUB-CRITERIA	SCALE	WEIGHT	HIGHEST POSSIBLE SCORE
	and capacity building	and Provincial coordinators should include the following: <ul style="list-style-type: none"> • A training manual • Number of targeted DCoG PMO and Provincial coordinators • Clear duration of training • Competency assessment of the DCoG PMO and Provincial coordinators • Support system after training up to 3 months 	5 criteria - 1 points = Poor • Skills transfer plan include 2 of the outlined 5 criteria - 2 points = Basic • Skills transfer plan include 3 of the outlined 5 criteria = 3 points = Acceptable Skills transfer plan include 4 of the outlined 5 criteria - 4 points = Good Skills transfer plan include 5 of the outlined 5 criteria - 5 points = Very Good		
TOTAL POSSIBLE SCORE					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:

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

(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

(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 10 points for B-BBEE.

<i>B-BBEE Status level of contributor</i>	<i>Number of Points</i>
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
<i>Non-compliant contributor</i>	0

Note: No preference will be awarded without submitting of a valid B-BBEE certificate 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.

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 bidders’ 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 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 general project management and management related projects.

13. Briefing session and presentations by shortlisted bidders

The briefing session date and time are indicated in the tender advertisement and bid documents. The briefing session is not compulsory. Due to current COVID-19 regulations, the department cannot physically accommodate the expected number of bidders and the briefing will therefore be conducted online.

Date:17 February 2022

Time: 10:00am

Venue: Bidder must request the link to the virtual non-Compulsory Briefing or Copy the link from DCOG website under COGTA tenders.

14. Enquiries

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		
Name:	Mogoma Sekgothe	
e-mail:	MogomaS@cogta.gov.za	
ENQUIRIES		
Name:	Busisiwe Masilela	
e-mail:	BusisiweM@cogta.gov.za	
ENQUIRIES		
Name:	Petunia van Wyk	
e-mail:	PetuniaW@cogta.gov.za	
ENQUIRIES		
Name:	Kgaugelo Tselana	
e-mail:	KgaugeloT@cogta.gov.za	
ENQUIRIES		
Name:	Nomvula Ntuli	
e-mail:	NomvulaN@cogta.gov.za	