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1. PURPOSE


The Gauteng Provincial Treasury (GPT) is seeking professional research services conduct research to establish a Local Government Support Grant (Capacity) for Gauteng Municipalities.

One of the responsibilities of the Municipal Fiscal Planning, Policy and Research (MFPP&R) is to provide socio-economic analysis and advice to local government on fiscal policy matters and budget allocations and that will include:

- Evaluating the responsiveness and implementation of municipal budgets; and
- Publication of regional Socio-Economic Profiles (SEP-LG's) to provide economic intelligence for evidence-based decisions to inform planning, budgeting and prioritisation of municipal services.
- Publication of the Municipal Economic Review and Outlook (MERO) for the provision of accurate economic data to Gauteng municipalities.

2. BACKGROUND AND MANDATE

- Technical support to municipalities stems from the provincial treasury's role and responsibilities as contained in the Constitution of South Africa and the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003). The MFMA aims to modernize and improve financial management practices in local government finances to maximize the capacity of municipalities to deliver services to communities.
- Currently, Section 139 of the MFMA interventions have only yielded minimum benefit. The purpose of the exercise is to establish a Local Government Support Grant with the aim of improving finance and governance institutions in municipalities rather than solely relying on Section 139 of the MFMA interventions.
- Local government plays a critical role as a first line of interaction between citizens and government. The Gauteng Province has long recognized the importance of supporting local government in its efforts to provide essential services and foster development within their communities. Several support grants have been established over the years, each aimed at addressing specific needs and challenges faced by municipalities. These grants have played a crucial role in enhancing service delivery, infrastructure development, and socio-economic growth. However, despite their successes, there remain significant gaps and evolving needs that necessitate the introduction of a new Local Government Support Grant.

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The purpose of the Grant is to:

- Streamline funding targeted towards programmes that aim to improve and promote sound financial Governance.
- Provide a reformed funding model that provides targeted solutions to accelerate financial management and administration to optimise revenue; contribute towards expenditure reduction; improving municipal audit outcomes and addressing institutional challenges.
- Increase citizens' access to quality municipal services.
- The grant to further support municipalities with long-term financial sustainability of the municipality, amongst other things to focus on sector plans of municipalities which have been deemed outdated and municipalities are not able to update their master plans etc.

3. OBJECTIVES

The overall objective of the Local Government Support Grant is to aid municipalities to improve and promote sound financial governance; financial management and administration to optimise revenue; contribute towards expenditure reduction; improving of municipal audit outcomes and addressing institutional challenges. Improved financial health of local government will ensure improved service delivery and economic activity.


Key objectives of the Local Government Support Grant include the following:

- a) Well-functioning municipalities with improved financial governance, financial management and administration.
- b) Improved municipal financial capacity to support sustainable fiscal resource management.
- c) Diverse Private-Public Partnerships leveraged improving service delivery.
- d) Mobilisation of resources and third-party capital investments through borrowing as municipal finances will be sustainable.
- e) Updating of municipal Sector Plans and municipal policies on Asset Management, Budget implementation policies, Cash Management and Investment policies, Credit Control and Debt Collection policy etc.

THE INTENDED OUTCOMES:

The project deliverables are as follows:

- 1) Gap analysis of existing funds.
- 2) Consultation and benchmarking.
- 3) Develop a grant framework.
- 4) Draft policy and guidelines.

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- 5) Approval and legal compliance.
- 6) LG Support Grant formulas.
- 7) Launch and promotion event.
- 8) Develop an application and selection process.
- 9) Implementation and monitoring tool.
- 10) Reporting and accountability.
- 11) Sustainability and future planning.


4. SCOPE OF WORK

PROJECT SCOPE

The appointed service provider will be required to prepare, enable and establish a grant, launch and promote the grant, develop an application, review and award structure, monitor and evaluate the grant funded projects to establish a Local Government Support Grant within Gauteng. The appointed Service Provider will deliver various components of the grant framing and establishment as follows:

The scope of work entails the following deliverables:

- a) Detailed project inception report and presentation that includes a stakeholder engagement report, agreement of roles and responsibilities, definition of objectives and scope of the grant, training plan, proposed grant application system.
- b) A methodology for project execution based on the scope, outlined in sub-section 4.2 below.
- c) Report on gap analysis and existing funds.
- d) Consultation and benchmarking report.
- e) Grant framework, draft policy, and guidelines.
- f) Approval and legal compliance.
- g) Launch and promotion of the program in collaboration with Gauteng Treasury.
- h) Provision of at least two (2) training sessions for municipal officials, from all eleven (11) municipalities within Gauteng, on the application process.
- i) An application portal and a technical support manual for applicants.
- j) Protocol for timely and transparent disbursement of funds, based on milestones achieved and grant conditions met.
- k) Templates for project progress reports and site visits.
- l) Evaluation criteria to measure the impact of the relevant projects.
- m) Template for municipalities to submit quarterly progress reports and final reports on project close-out, including financial accounting and impact assessment.
- n) Report on opportunities for additional funding or partnerships.
- o) Handover of all data, processes, reports or any other project related information to the Department before close-out to enable continuation of the grant by Gauteng Treasury

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PROJECT OUTLINE

4.1 GAP ANALYSIS OF EXISTING FUNDS

4.1.1 Identify existing funds

Conduct a comprehensive review of existing funds available for similar objectives, including but not limited to grants offered by National Treasury

4.1.2 Analyse Gaps

Identify gaps in the current funding landscape to determine areas where additional funds are needed.

4.1.3 Report Findings

Prepare a report detailing the gap analysis findings to inform the development of the new grant framework.

4.2 CONSULTATION & BENCHMARKING

Western Cape Provincial Treasury has established a similar grant planned for Gauteng. Preliminary consultations were conducted by Gauteng Provincial Treasury with the Western Cape, on how grant is managed for purposes of benchmarking and peer-learning. The appointed service provider will therefore be required to continue such engagements with the Western Cape and other governments for benchmarking purposes.

4.2.1 Municipalities

Facilitate engagements to obtain inputs from all municipalities within Gauteng in one-on-one sessions.

4.2.2 Western Cape Provincial Government


Facilitate at least two (2) engagements and obtain inputs on the development and establishment of a provincial grant from the Western Cape Provincial Government.

4.2.3 Existing grant frameworks

Facilitate engagements to obtain inputs from all grant management entities identified in 4.1.1.

4.2.4 Gauteng Department of Co-operative Governance and Traditional Affairs

Facilitate at least one (1) engagement and obtain inputs on the development and establishment of a provincial grant from Gauteng Co-operative Governance and Traditional Affairs (COGTA).

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4.3 DEVELOP GRANT FRAMEWORK

4.3.1 Establish eligibility criteria

- Establish and define eligibility criteria to determine which municipalities and projects qualify for funding.
- Set requirements for matching funds or in-kind contributions from municipalities and landowners.

4.3.2 Create evaluation criteria

Develop a scoring system to assess project proposals based on impact, feasibility, sustainability, community support, and potential to increase revenue.

4.3.3 Define funding mechanism

- Determine the total budget for the grant program and allocation per project/municipality.
- Outline the disbursement process (e.g., reimbursement, or milestone-based payments) in line with the Municipal Finance Management Act and Public Finance Management Act.

4.3.4 Conditional requirements

- Determine conditions for grant allocation aligned to the achievement of the grant objectives.
- Require municipalities to ringfence a budget specifically for grant related projects
- Ensure municipalities clearly report revenue generated in grant related activities and expenditure allocated to the grant related activities.

4.3.5 Test the Grant Framework with the Western Cape Model

- Facilitate at least one (1) engagement with Western Cape: Benchmark the draft model framework with the Western Cape and make necessary amendments.

4.4 DRAFT POLICY & GUIDELINES

4.4.1 Create policy document

Draft a comprehensive policy document outlining the grant program's objectives, eligibility, application process, submission requirements and evaluation criteria.

4.4.2 Develop application guidelines

Provide clear instructions on how to apply, required documentation, details to be contained in the application and submission deadlines.

4.4.3 Develop monitoring and evaluation methodology and criteria

Provide clear monitoring and evaluation methodology to evaluate project implementation progress and success.

4.4.4 Gauteng Provincial Treasury

Facilitate at least one (1) engagement and obtain inputs on the draft policy and guidelines for the establishment of a provincial grant from Provincial Treasury.

4.5 APPROVAL & LEGAL COMPLIANCE

4.5.1 Ensure legal compliance

Ensure the grant framework complies with local, provincial, and national laws and regulations.

4.5.2 Seek approval

Prepare the grant framework for presentation to the provincial administration and relevant legislative bodies for approval. Make necessary revisions based on feedback.

4.6 LAUNCH & PROMOTION

4.6.1 Launch the program

- Officially announce the grant program through a launch event and press releases, in collaboration and compliance with the communication protocols and standards of Gauteng Provincial Treasury.
- Provide at least two (2) training sessions for municipal officials, from all eleven (11) municipalities within Gauteng, on the application process.

4.6.2 Promote the Grant

Use various communication channels (e.g., social media, newsletters, local media) to promote the grant program to potential applicants, in collaboration and compliance with the communication protocols and standards of Gauteng Provincial Treasury.

4.7 APPLICATION & SELECTION PROCESS

4.7.1 Applications portal

Create an application portal and provide technical support manual for applicants.

4.7.2 Review and select projects

- Establish a review and evaluation process based on the predefined criteria that include interviews with applicants and site visits.


4.8 IMPLEMENTATION & MONITORING

4.8.1 Project implementation

- Provide protocol for timeous and transparent disbursement of funds, based on milestones achieved and grant conditions met.

4.8.2 Monitoring and evaluation

- Provide templates for project progress reports and site visits.

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- Define evaluation criteria and to measure the impact of the projects on grant related areas and expanding the revenue base in line with the evaluation methodology and criteria developed.

4.9 REPORTING & ACCOUNTABILITY

4.9.1 Final reporting

Provide a template for municipalities to submit quarterly progress reports and final reports on project close-out, including financial accounting and impact assessment.

4.10 SUSTAINABILITY & FUTURE PLANNING

4.10.1 Plan for sustainability

- Explore opportunities for additional funding or partnerships.
- Handover of all data, processes, reports or any other project related information to Department before close-out to enable continuation of the grant by GPT.

4.11 ROLES AND RESPONSIBILITIES

GPT (Grant Champion):

- Overall responsibility for the grant program.
- Co-ordination of all stakeholders.
- Ensures the program meets its objectives.
- Appoint internal project manager.
- Set out RFQ for service provider to assist with drafting, advise and implementation support.
- Receive project proposals and appoint service provider.
- Feedback to service provider to refine the action plan.
- Checks legal issues related to the grant and transfer of funds.
- Manages administration of funds.

Service provider:


- Respond to RFQ by providing a refined action plan by means of a project proposal.
- Appointed service provider amends action plan, incorporating feedback from GPT.
- Advises Gauteng GPT on grant objectives and conditions.
- Facilitates workshops and brainstorming sessions to inform the drafting of the grant framework.
- Performs a secretarial role for the process.
- Organises delegation visits to the Western Cape for benchmarking.

GPT

- Checks policy related issues related to the grant.

Municipalities

- Involved in the further development of the grant framework.

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- Responsible for implementing and reporting on funded projects.

4.4 Bidders must submit a **COMPREHENSIVE PROJECT PLAN** in line with the criteria below:

- Must include milestones and targets.
- Must include resource allocation.
- Must cover the time-period of the project.
- Must include monitoring and evaluations and issues of risk management.
- Must include the close-out report to GPT.

5. THE LIST OF MUNICIPALITIES

No.	Municipality	District
1.	Emfuleni Local Municipality	Sedibeng
2	Lesedi Local Municipality	Sedibeng
3	Midvaal Local Municipality	Sedibeng
4	Sedibeng District Municipality	Sedibeng
5	Merafong City Local Municipality	West Rand
6	Mogale City Local Municipality	West Rand
7	Rand West City Local Municipality	West Rand
8	West Rand District Municipality	West Rand
9	City of Johannesburg	Metropolitan
10	City of Ekurhuleni	Metropolitan
11	City of Tshwane	Metropolitan

6. PROJECT TIMELINES

The appointed service provider will be required to prepare, enable and establish a grant, launch and promote the grant, develop an application, review and award structure, monitor and evaluate the grant funded projects to establish a Local Government Support Grant within Gauteng. The appointed Service Provider will deliver various components of the grant framing and establishment as follows:

- Gap Analysis 1 month
- Consultation 1 month
- Grant Framework 6 weeks
- Draft Policy and Guidelines 6 weeks
- Approval and Legal compliance
- Launch and Promotion event 1 month
- Application and selection process 1 month
- Implementation and monitoring tool 1 month
- Reporting and accountability process 3 weeks
- Handover 2 weeks

The TOR provides Provincial Treasury (hereafter referred to as the Client) the discretion to extend the contract to 2025/26 FY.

7. SKILLS AND EXPERTISE OF THE SERVICE PROVIDER OR RESOURCE TEAM.

- a) The bidders or resource team must have at least 3 - 5 years' experience in conducting grant management and project management.
- b) The service providers must meet the following requirements:

EXPERIENCE OF THE SERVICE PROVIDER: -


- Background of Policy development and or policy review (preferable Loc Gov)
- 3 -5 years' experience in legislation review, policy amendments (**Division of Revenue Bill (2024 for example, MFMA Amendments, DORA, Grant framework (schedule 5b for example)**)
- 3 - 5 experience/background in research, economic policies etc
- Knowledge of National and Local Government etc.

QUALIFICATION:-

- Degree/master's in financial management/public administration/economics
- Qualification with Legal background

OTHER AREAS OF CONSIDERATION

- Relevant experience in Infrastructure finance, Infrastructure Assets valuations and project management
- Legal advisor with relevant demonstrable legal advisory service experience, public policy, project finance and transactional advisory
- Relevant experience in planning and executing a grant establishment process by working with the finance team to work within the annual budget, support program staff in researching funding opportunities, managing documents and deadlines, track and guarantee results
- Built environment professional with experience in infrastructure planning and development

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- Professional with experience in infrastructure planning and development
- Professional with experience in architecture and urban design
- Professional experience in spatial planning and land use management
- Financial Management, auditing, or internal audit
- Proven CVs of consultants should be attached.

8. REPORTING

The Gauteng Provincial Treasury will employ normal project management principles, and monitoring and evaluation will include amongst other:


- Providing a comprehensive project implementation plan to the Gauteng Provincial Treasury within two weeks after appointment and changes to the project implementation plan is only to be done with the consent of the Gauteng Provincial Treasury.
- The successful service provider will be required to report progress for the project to GPT and Project Steering Committee monthly in a form of a word version report and powerpoint presentation. Progress will be monitored according to the agreed schedule and details contained in the project plan.
- Project Steering Committee will manage, monitor, and oversee the project. This committee will monitor the progress and ensure that services are rendered timeously and render a quality assurance function.
- To facilitate the performance of Service Providers and monitor their scope of work, GPT will enter into a Service Level Agreement (SLA) that will govern the relationship between GPT and the service providers. The SLA will include project assignments that will address each of the project deliverable.
- Payments will only be processed based on the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks.
- A comprehensive close-out report to the Gauteng Provincial Treasury as per the project scope.

OTHER REQUIREMENTS:

- Bidders may ask for clarification on these Terms of Reference or any of its Annexures up to close of business 48 hours before the deadline for the submission of bids. Any request for clarification must be submitted by e-mail to:**

Technical Enquiries: GPT.Quotations@gauteng.gov.za

- Bidders must submit a list of awarded projects over the past five years relevant to this bid as well as Reference letters of successful competed project(s)**

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EVALUATION CRITERIA

STAGED APPROACH WHICH WILL BE APPLIED IN THE EVALUATION OF BIDS.

STAGE ONE
a) Administrative Compliance
b) Functionality/Technical evaluation

STAGE TWO evaluation will be based on Price and Preference points only.
Price = 80 points
Preference = 20 points

STAGE 1A: ADMINISTRATIVE COMPLIANCE

- Submission of completed and signed personal information processing form.
- Submission of completed and signed Standard Bidding documents (SBD) 1, 4 and 6.1.

NOTE: Bids that do not comply with the above requirements shall be eliminated and be regarded as non-responsive.

Required Documents:

1. Tax Compliance Status /TCS Pin code issued by the South Africa Revenue Services / SARS.
2. Certified copies of Valid B-BBEE Certificate/ sworn affidavit/ or a copy of ID document
3. Valid copy of the Company and Intellectual Property Commission / CIPC Certificate.
4. Full Central Supplier Database / CSD report

Note: The successful service provider must sign a non-disclosure agreement with relevant stakeholders.

STAGE 1B: DESKTOP EVALUATION

- A total of **100** points is allocated for stage 1B.
- This information will be used for evaluation prior to the pricing and preference point's evaluation.

The threshold for this part of the evaluation is **60 points**; any bidder who fails to meet this minimum requirement shall be deemed nonresponsive and be eliminated from any further evaluations.

CRITERIA	COMMENTS	POINTS
EXPERIENCE OF THE SERVICE PROVIDER: - <ul style="list-style-type: none"> • Background of Policy development and or policy review (preferable Loc Gov) 	BIDDER SHOULD HAVE COMPLETED 3 TO 5 PROJECTS OF SIMILAR NATURE GRANT FRAMEWORK DEVELOPMENT AND/OR IN LOCAL GOVERNMENT FORMULATON AND REVIEW STRATEGIES <ul style="list-style-type: none"> • More than 3 reference letters [35 Points] • 2 - 3 reference letters [25 Points] 	35

CRITERIA	COMMENTS	POINTS
<ul style="list-style-type: none"> 3 - 5 completed projects in legislation review, policy amendments (Division of Revenue Bill (2024 for example, MFMA Amendments, DORA, Grant framework (schedule 5b for example)) Experience in designing and implementing public sector budgets, especially involving earmarked or conditional funding. Familiarity with financial reporting standards, tracking fund disbursement, and ensuring compliance with grant conditions. Experience working with audit frameworks and ensuring funds are used appropriately. 	<ul style="list-style-type: none"> Less than 2 reference letters [0 Points] <p>Verifiable Reference letters indicating the scope and the period must be attached.</p>	
<p>The Project leader must demonstrate thorough understanding of the Regulatory Environment, especially Laws governing local government finance, grants and procurement (MFMA, DoRA) Understanding of grant agreements, MOUs and related legal instruments.</p>	<p>Demonstrable experience in the application and interpretation of legislation applicable in Local Government Finance Policy Framework</p> <ul style="list-style-type: none"> More than 5 years [15 Points] 3 - 5 years [10 Points] Less than 3 years [0 Points] <p>CV with contactable references of the project leader indicating the years of experience in the specified Regulatory Environment must be attached</p>	15
<p>2-5 years Grant Management experience post qualification. Relevant experience in planning and executing a grant establishment process by working with the finance team to work</p>	<p>The resource team ought to have an average of 2 years and above experience in grant management and grant framework as per Division of Revenue Act (DORA)</p> <ul style="list-style-type: none"> Average of more than 4 years' experience [30 Points] 	30

CRITERIA	COMMENTS	POINTS
<p>within the annual budget, support program staff in researching funding opportunities.</p> <p>Experience in working with intergovernmental fiscal systems (e.g., national-to-local transfers).</p> <p>Ability to design grant structures that align with national development goals and local implementation capacities.</p>	<ul style="list-style-type: none"> • Average of 3-4 years' experience. [20 Points] • Average of 2-3 years' experience. [10 Points] • Average of less than 2 years' experience. [0 Points] <p>CVs of the resource team with contactable references indicating the years of experience must be attached</p>	
<p>3-5 years stakeholder engagement and capacity building.</p> <p>Experience in coordinating between national ministries, local governments, civil society, and donors.</p> <p>Experience in building the capacity of local government staff to manage grants effectively.</p>	<p>3-5 years in stakeholder engagement and capacity building</p> <ul style="list-style-type: none"> • More than 5 years [20 Points] • 3 - 5 years [15 Points] • Less than 3 years [0 Points] <p>CV with contactable references of the project leader indicating the years of experience in stakeholder engagement and capacity building must be attached</p>	20
TOTAL SCORE		100


NB: Bidders who score below the minimum threshold of 60 out of 100 points on technical evaluation will be eliminated from further evaluation.

STAGE 2: PRICE AND PREFERENCE POINTS

The contract will be awarded in terms of Regulation 4: Preferential Procurement Regulations, 2022. Bids will be adjudicated in terms of 80/20 preference point system in terms of which points are awarded to bidders based on:

Area	Points
Price	80
Preference	20
Total	100

Preference points

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Specific Goal/s	Points Allocated
Black Owned Enterprises	20

- Points for the above specific goals will be measured by calculating the pro-rata percentage of ownership of the bidding company which meets this criterion. E.g., Company A has five shareholders each of whom own 20% of the company. Three of the five shareholders meet the criterion, i.e., they are women/ PwD/youth. Therefore, this bidder will obtain 60% of the points allocated for the goal and the resultant number will be rounded off to two decimal places.
- A tenderer must submit applicable returnable documents as stipulated in order to be awarded points.

Specific Goal	Evidence required
Black Owned Enterprises	Identity document / Valid B-BBEE certificate/ sworn affidavit/ Full CSD report

- Bidders must complete and sign SBD 6.1 to claim points.
- A tenderer failing to submit supporting document for the specified goal/s as per the above Table will not be disqualified, but-
 - shall only score points out of 80 (eighty) for price; and
 - shall scores 0 (zero) points out of 20 (twenty) for specific goal/s.
- The points scored by a tenderer for specific goal will be added to the points scored for price.