



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **TERMS OF REFERENCE**

### **1. PROJECT TITLE:**

**NT007-2025: APPOINTMENT FOR A PANEL OF SERVICE PROVIDERS FOR A PERIOD OF THREE YEARS TO ASSIST THE MUNICIPAL FINANCIAL RECOVERY SERVICES UNIT WITH THE PREPARATION OF FINANCIAL RECOVERY PLANS AS AND WHEN REQUIRED**

**CLOSING DATE: 04 JULY 2025**

### **2. BACKGROUND:**

Section 139(5) of the Constitution provides for provincial intervention in a municipality if the municipality is found to be in persistent and material breach of its obligations to provide basic services and / or meet its financial commitments. S139(5)(a) of the Constitution requires that for these municipalities, a Financial Recovery Plan (FRP) must be imposed on the municipality. Chapter 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (hereinafter referred to as the “MFMA”) gives effect to the provisions of Section 139 of the Constitution and provides guidance on the processes to be followed and content to be included in the development of FRPs.

Section 141(2) of the MFMA states that for any mandatory intervention, which is an intervention invoked in terms of S139(5) of the Constitution, only the Municipal Financial Recovery Services (MFRS) Unit can prepare the FRP. The MFRS unit is established as a Chief Directorate within the Intergovernmental Relations Division of the National Treasury.

### **3. CURRENT STATE OF MUNICIPAL FINANCES**

The MFMA which was enacted in 2003 provides a solid foundation for the governance and management of municipal finances. In addition to the MFMA, the National Treasury has implemented several reforms and regulations over the years aimed at creating greater transparency and uniformity in the way municipalities report on and manage their finances. However, despite the robust legislative and regulatory environment, the number of municipalities finding themselves in financial distress or in a financial crisis is growing. Some of the National Treasury’s performance statistics show that:

- (a) There were 43 municipalities in a financial and service delivery crisis in 2022. This information is being updated; however, preliminary indications are that the number will exceed 50 municipalities.
- (b) There are 168 municipalities in financial distress as per the State of Local Government Finances and Financial Management Report.
- (c) 96 municipalities have passed unfunded budgets for 2024/25 financial year:

- (d) 129 municipalities had their conditional grants withheld due to failure to spend the grant within 2023/24 financial year.

Amongst the most common reasons for poor municipal financial performance include, mismanagement of municipal funds, lack of a sound financial control environment, failure to follow SCM processes and procedures, a shortage of appropriate qualified and skilled personnel, political interference in municipal administration, unfunded budgets, lack of consequence management, increasing UIFW expenditure, poor revenue collection and tariff setting, inadequate implementation of credit control measures and failure to adapt to a changing economic environment.

#### **4. FRP DEVELOPMENT**

The FRP is the primary turnaround tool used when a mandatory S139(5) intervention is invoked in a municipality. For this reason, the development of the FRP must be aligned to the root causes of failure in a municipality to assist the municipality in resolving its financial challenges and improving basic service delivery.

The development of FRPs follows a three-phased approach to allow for strategic implementation of the FRP by the municipality. The three phases include a Rescue Phase (a short-term phase of approximately 6-8 months focusing on a limited set of activities), a Stabilisation Phase (a longer term phase of approximately 18 to 24 months focusing on addressing the underlying issues) and a Sustainability Phase (intended to ensure that prior to exiting an intervention, the basics are in place to ensure improved and sustained financial and service delivery performance). In each phase, activities are identified for implementation. Activities must comply with SMART principles.

In addition to the phased approach, the development of FRPs must follow a multi-disciplinary approach. The current framework for FRP development includes an assessment of the state of governance in the municipality, the configuration of the organisational structure and other institutional matters, current state of service delivery and financial performance / condition. It is therefore important that bidders ensure that the proposed team/s includes experts with practical management and working experience in local government (municipality) in South Africa and skilled in the areas of municipal governance and legal services, institutional design and arrangements, service delivery and financial management.

Successful bidders will be invited to a session to discuss FRP development in more detail.

#### **5. OVERALL OBJECTIVES:**

The overall objective of this assignment is to assist the MFRS unit in preparing FRPs for municipalities in financial distress or in financial crisis. The number and frequency of FRPs to be developed will depend on the number of requests received from Provinces. Upon receipt of a request, the MFRS unit will evaluate the request and if approved, a Request for Quotation (RFQ) will be submitted to all successful bidders on the panel. Service Providers will all have an equal opportunity to compete, however, please note that the number of FRPs to be allocated to service providers under one RFQ will be determined by the MFRS unit together with the SCM unit in NT in line with the National Treasury approved supply chain management policy and applicable statutory prescripts.

The MFRS unit also reserves the right to decide on distribution of work amongst service providers on the panel and will determine the relevant municipality or municipalities to be assisted by a service provider(s) in line with the National Treasury approved supply chain management policy and applicable statutory prescripts.

#### **6. SCOPE OF WORK:**

The scope of work for FRP development generally includes:

- (a) **Development of a Status Quo Assessment**

Before the development of an FRP, it is important that a thorough assessment be undertaken to identify the root causes of the problem/s in the municipality. In developing a status quo assessment, the following must be done:

- Identify, collate and analyze all information, records and documents necessary for the conducting of the status quo assessment.
- Assess the municipality's current financial status and determine the state of basic services provision in the area of jurisdiction of the municipality.
- Undertake a diagnostic analysis on the governance and institutional arrangements of the municipality to determine the extent to which they underpin the financial and service delivery challenges.
- Examine changes in the socio-economic environment of the municipality to determine the extent to which the external environment is affecting the performance of the municipality.
- Identify the root causes of problems through the availability of existing documentation, engagements with the municipal administration, consultation with the municipal council and other stakeholders when required.
- Document findings and consult with the municipality and any relevant stakeholder to inform the reasons for the crisis and the municipality's financial state including state of service delivery and on the accuracy and validity of these findings.
- Present progress and outcomes of analysis of information, documents and records including on the draft financial recovery plan as and when required. Finalise a status quo assessment report for submission by the Municipal Financial Recovery Service to the MEC for Finance in the province in a provincial intervention and Minister of Finance in a national intervention.

The timeframe for the completion of this task is 5 weeks from the date of signing of a Service Level Agreement between the National Treasury and the Service Provider.

#### **(b) Preparation of the Financial Recovery Plan and Implementation Plan**

The preparation of the FRP takes place once the Status Quo Assessment is completed. The Service Provider will use the information in the Status Quo Assessment Report to identify the potential solutions available to the municipality to improve its financial and service delivery performance. In developing the FRP the following must be considered:

- Identify the key areas contributing to the crisis in the municipality and ensure that appropriate strategies are recommended which are aligned to the root causes of the municipal crisis.
- Consult with the municipality's principal suppliers and creditors to the extent they can be reasonably contacted, consult with the MEC for Finance and local government including organized labour.
- Take into consideration any financial recovery plan that has previously been prepared for the municipality and any proposals that may be advanced by the municipality or any creditor of the municipality.
- Design the financial recovery plan to place the municipality in a sound and sustainable financial condition as soon as possible. State the principal strategic objectives of the plan, and ways and means for achieving those objectives in line with the three phased approach to preparation of the FRP.
- Identify human and financial resources needed to assist in resolving financial problems and where those resources will come from.

- Describe the anticipated timeframe for financial recovery and milestones to be achieved.
- Set out specific strategy for addressing the municipality's financial problems/crisis including a strategy for reducing unnecessary expenditure and increasing the collection of revenue as may be necessary.
- Provide for special measures to prevent unauthorized, irregular and fruitless and wasteful expenditure and other losses.
- Undertake a financial modelling exercise to determine the possible period of recovery and to identify targets by which performance will be measured against for the duration of the intervention in terms of section 142 (2) of the MFMA.
- Changes / Strategies must be disaggregated into activities for inclusion in an implementation plan (these activities must comply with SMART principles and the objectives of the different phases).
- Workshop the proposed changes / strategies with the municipality.
- Consult with all relevant stakeholders provided for under Section 141 of the MFMA.
- Consider any comments received through public participation processes, from the municipality and other stakeholders.

The timeframe for the completion of an FRP is 90 days as per Section 139 (1) (a) (v)(bb) of the MFMA calculated from the date of submission of the status quo assessment by the Municipal Financial Recovery Service to the MEC for Finance. This includes the internal processes that must be followed within the National Treasury for submission of an FRP to the MEC for Finance in a province. To ensure compliance with this deadline which is an indicator in the Annual Performance Plan of the National Treasury, FRPs must be completed by service providers within 70 – 75 days of the Status Quo Assessment being submitted to the MEC for Finance. This will include the necessary stakeholder consultations. The remaining days will be used for FRP processing and quality assurance purposes.

Upon allocation of an award to prepare an FRP, the service provider will be required to submit and present the approach and methodology to be applied to conducting the status quo assessment and the preparation of the financial recovery plan.

### **(c) Close-out**

Prior to the closing-out of a contract / service level agreement, service providers will need to provide a written report to MFRS unit, highlighting challenges experienced, lessons learned as well as identifying the best practice that can be used in the development of future FRPs.

Service providers will also be expected to provide the National Treasury with a record of documents, information and correspondence used in the development of an FRP.

The service provider will also be required to attend any consultation and submit any missing information, records and documents at no extra cost to the National Treasury in the event of a Court application in relation to the preparation of the financial recovery plan.

## **7. PRICING GUIDE**

For each RFQ issued to successful bidders on the panel, a pricing guide will be included. This is intended to narrow the gap in the quotations received from the different service providers and minimise the number of price negotiations which have to be concluded. The pricing guide will take into consideration the category of municipality, the high-level state of affairs in the municipality, any environmental considerations and other factors that warrant consideration.

Where the bidder repudiates or is not interested in an offer, National Treasury reserves the right to make an award to the second qualifying bidder. National Treasury also reserves the right not to make an offer.

## **8. PERFORMANCE EVALUATIONS**

Supplier performance management is viewed by the National Treasury as a critical component of the preparation of financial recovery plans to ensure value for money and realistic and practical FRP's are developed that will progressively assist the municipalities to recover from their financial crisis and failures in the provision of adequate basic services.

Once a project is allocated, the bidder will be required to conclude a service level agreement (SLA) with the national Treasury. The SLA will serve as a tool to measure, monitor, and assess the performance of the service provider and ensure effective delivery of the services, quality and value-add to the core business of the National Treasury.

If the successful bidder does not reach consensus on the SLA, the said service provider will with immediate effect cease to be on the panel.

Once a service provider is eligible to be appointed on the panel, it is assumed that the service provider has the relevant skills, knowledge, experience and qualifications required for the assignment. For each FRP developed an assessment will be undertaken to determine the performance of the service provider in the execution of this assignment. The assessment will include the following:

- Has the service provider submitted information on time for all stages of the process?
- Is the information of the quality expected – are problems identified at the root and is the document well-structured and written in a manner that requires minimal editing / changes by the MFRS team?
- Do the proposed solutions align fully with the root causes?
- Has the service provider availed themselves for the required consultations / meetings, etc.?
- Has the service provider considered all the written inputs of the municipality, creditors, organized labour, structures of government and comments received through public participation process?
- Has the service provider considered any financial recovery plan that has been previously prepared for the municipality?
- Is the principle of legality and rationality complied with in the conducting of the status quo assessment and preparation of the financial recovery plan?
- Does financial modelling demonstrate practical and realist projected recovery processes within the three phased approach of the FRP?
- Has the service provider adhered to the approved Roadmap and the project implementation plan timelines?
- Have any non-compliance letters been issued to the service provider for failing to comply with any aspect of the assignment.

Failure of the service provider to perform at the level required could result in the service provider being taken off the panel.

## **9. SERVICE PROVIDER PROFILE**

The following skills, knowledge, experience and qualifications are essential:

- Ability to work as part of a team.
- Excellent written and verbal communication skills, including presentation skills.
- Ability to manage and direct consultations with different stakeholders, including municipalities resistant to intervention, government departments, local labour forums and municipal creditors.
- Knowledge sharing skills and capacity building skills.
- A thorough understanding of the South African government system, Intergovernmental Relations system, the local government legislative framework and municipal turnaround strategies.
- Resources of bidders must demonstrate both practical management and working experience in local government (municipalities) in South Africa.
- Demonstrated experience in the public sector, particularly related to the development of municipal recovery / turnaround strategies and processes, financial recovery planning, financial management, revenue and expenditure controls, revenue collection, organisational restructuring and human resources, infrastructure and service delivery management, legal and governance management.
- An appropriate minimum qualification and experience as per the table below.

**Teams must be constituted as follows:**

RESOURCE	MINIMUM QUALIFICATIONS	MINIMUM EXPERIENCE
Project Manager / Project Director	Honours Degree in one or more of the following: <ul style="list-style-type: none"> <li>- Financial management</li> <li>- Public / municipal finance or administration</li> <li>- Economics</li> </ul>	At least minimum 8 years management experience in leading projects related to recovery planning, financial management or interventions at local government level
Municipal Finance / financial management expert	Bachelor's degree in financial management and/or public/municipal finance, and/or accounting	At least minimum 5 years' experience at management level related municipal financial management, municipal finance operations in particular budgeting, revenue and expenditure management, tariff setting, financial modelling, supply chain management, turnaround initiatives, municipal financial position and performance improvement initiatives
Governance and Legal Services Expert	Bachelor's degree in law / B Proc or any other law related degree at bachelor's level	At least minimum 5 years' experience at management level in Governance and legal services, including experience in Oversight, Contract

RESOURCE	MINIMUM QUALIFICATIONS	MINIMUM EXPERIENCE
		management, legislative compliance, bylaws development and enforcement, Powers and Functions, Policy development and standard operating procedures, resolution of litigations, systems of delegations' development, and financial disputes resolutions in municipal environment
Institutional / organizational design Expert	Bachelor's degree in Organisational Development / Human Resources	At least minimum 5 years' experience at management level institutional or organizational restructuring, organisational design, development of job descriptions and grading, staff establishments, performance management, resolution of labour disputes, development of organisational policies and procedures development.
Engineering Specialist	Bachelor's degree in civil engineering, Electrical Engineering, Construction or other relevant qualification	At least minimum 5 years' experience at management level in municipal services infrastructure projects, infrastructure planning and implementation, infrastructure masterplans, maintenance plans development, municipal service delivery standards development and asset management.

## 10. BRIEFING SESSION

A briefing session will be conducted using Microsoft Teams. To express your interest in joining the session, kindly register on the link provided or alternatively please send an email to [NTAdministrativeTenders@treasury.gov.za](mailto:NTAdministrativeTenders@treasury.gov.za). The meeting details are as follows:

Date: **20 June 2025**

Time: **10:00-11:00 South African Standard Time (SAST)**

Venue: **MS Teams**

Link: <https://events.teams.microsoft.com/event/c72130bd-e4e6-447c-98ea-b0c7dbad7adb@1a45348f-02b4-4f9a-a7a8-7786f6dd3245>

**Note: Kindly also refer to link on eTenders and NT website in case of technological glitches**

## 11. EVALUATION PROCESS

### 11.1 Pre-Qualification Requirements/Mandatory Requirements

All bids received will be subjected to an administrative evaluation process and if the above-mentioned documentation is not attached, such a bid will be eliminated from further evaluation:

- a) Proof of company registration on Central Supplier Database Registration (CSD).
- b) In the case of a Joint Venture, Consortium, Trust, or Partnership a Valid Tax Clearance Certificate and/or SARS issued pin code for both companies must be submitted (which will be verified)
- c) In the case of a Joint Venture, Consortium, Trust, or Partnership, a signed teaming agreement must be submitted.
- d) In the case of a Joint Venture, Consortium, Trust, or Partnership a Consolidated or for both companies Central Supplier Database Registration (CSD) or both companies CSD are required.
- e) CV's (**template provided ANNEXURE A**) must be signed by the proposed resource and not signed on behalf of the proposed resource. **Unsigned CVs and CVs submitted in a different template will not be considered.** It should be noted that no consideration will be made to any bidder, that has provided profiles for their resources, which are also provided by another competitor in this same bid, this is considered collusive tendering.
- f) Each company must **qualify for all 5 (five) disciplines per individual CV**. Failure for a company to meet the set minimum threshold of 60% on any of the disciplines will lead to disqualification.

**FAILURE TO ADHERE TO THE CONDITIONS STATED ABOVE WILL LEAD TO DISQUALIFICATION**

**NOTE: Required Administrative Documents (Not for elimination)**

- a) Proof of valid registration with Compensation for Occupational Injuries and Disaster (COIDA).
- b) Copies of qualifications of personnel should be certified within the last six (6) months and should submit their **highest qualification** only, and in a case of foreign qualifications it is the responsibility of the bidder to ensure **SAQA accreditation is confirmed** and submitted.
- c) Companies should limit the number of CVs to 3 per category, in the case where more than 3 CVs are submitted, only the first three will be evaluated.

**11.2 Technical Evaluation Criteria for CVs**

As part of the technical evaluation, companies will be required to provide evidence of work done by the company in either the field of municipal turnaround or financial recovery. Letters of reference from municipalities, provincial or national government departments will also be accepted. All bidders are required to submit a minimum of one (1) CV or a maximum of three (3) CVs of the proposed candidates per discipline (Project Manager/Director, Municipal Finance/financial management expert, Governance and Legal Service expert, Institutional/organizational design expert, and Engineering Specialist).

No more than three (3) CVs per discipline will be considered. Should a bidder submit more than 3 CVs, only the first 3 will be evaluated. Bidders should submit copies of qualifications attached to the CV. Failure to submit CV's and copies of qualifications will lead to the CV's not being evaluated.

**Technical Evaluation Criteria on CVs will be as follows:**

No	Evaluation Criteria	Weights	Scoring Criteria
1	Project Manager/Director		

1.1	At least honours degree in financial management and/or public finance and/or business economics.	20	5= PhD (NQF 10) or higher 4= Masters degree (NQF 9) 3= Honours degree or Post Graduate Diploma (NQF 8) 2 = Bachelors' Degree/ Advance Diploma (NQF 7) 1 = National Diploma/(NQF6) or or less
1.2	At least minimum 8 years' management experience in local government or in the local government environment leading projects related to municipal turnaround, municipal recovery planning and financial management.	30	5 = 11 or more years relevant experience 4 = 9 to 10 years relevant experience 3 = 8 years relevant experience 2 = 5 to 7 years relevant experience 1= less than 4 years' experience
1.3	At least minimum 5 years' experience in managing projects multi-stakeholder projects	20	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
1.4	At least minimum 8 years' experience at management level leading projects related to municipal turnaround, municipal interventions, or municipal recovery processes	30	5 = 11 or more years relevant experience 4 = 9 to 10 years relevant experience 3 = 8 years relevant experience 2 = 5 to 7 years relevant experience 1= less than 4 years' experience
	<b>Total</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>60</b>	
<b>2</b>	<b>Municipal Finance/Financial Management Expert</b>		
2.1	Bachelor's degree in financial management and/or public/municipal finance and/or accounting or relevant field	20	5= Masters degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
2.2	At least minimum 5 years' management experience at local government or within	20	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience

	the local government environment		3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>2.3</b>	At least minimum 5 years' management experience in municipal financial management, municipal finance operations in particular budgeting, revenue and expenditure management, supply chain management, municipal financial position and performance improvement initiatives.	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>2.4</b>	At least 5 years' management experience in financial recovery strategies / financial turnaround at local government level	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
	<b>Total</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>60</b>	
<b>3</b>	<b>Governance and Legal Services Expert</b>		
<b>3.1</b>	At least a Bachelor's Degree in law / B Proc or any other law related degree at bachelor's level	20	5= Masters degree (NQF 9) or higher 4=Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
<b>3.2</b>	At least minimum 5 years' management experience at local government or within the local government environment	20	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>3.3</b>	At least minimum 5 years' experience in local municipal governance or legal services including but not limited to Oversight, policy development and / or policy analysis, development of standard operating procedures and policies, contract management, Contract	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience

	management, Powers and Functions, Legislative compliance, by-laws development and enforcement, dealing with litigation and dispute resolution		
<b>3.4</b>	At least minimum 5 years' experience in municipal turnaround or recovery strategies	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
	<b>Total</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>60</b>	
<b>4</b>	<b>Institutional/organizational design expert</b>		
<b>4.1</b>	At least minimum a Bachelor's degree in Organisational Development / Human Resources	20	5= Masters degree (NQF 9) or higher 4= Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
<b>4.2</b>	At least minimum 5 years' management experience at local government or within the local government environment	20	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>4.3</b>	At least minimum 5 years' experience at municipal level in institutional or organizational restructuring, review and development of organisational structures, development of job descriptions and job grading, evaluating staff establishments, labour relations and human resource related matters.	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>4.4</b>	At least minimum 5 years' experience in municipal turnaround or recovery strategies	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
	<b>Total</b>	<b>100</b>	

	<b>Minimum Threshold</b>	<b>60</b>	
<b>5</b>	<b>Engineering Specialist</b>		
<b>5.1</b>	At least a Bachelors Degree in Civil Engineering, Electrical Engineering, Built environment, or other relevant qualification	20	5= Masters degree (NQF 9) or higher 4= Honours degree or Post Graduate Diploma (NQF 8) 3 = Bachelors' Degree/ Advance Diploma (NQF 7) 2 = National Diploma/(NQF6) 1= Matric or less
<b>5.2</b>	At least minimum 5 years' management experience at local government or within the local government environment	20	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>5.3</b>	At least minimum 5 years' experience in municipal infrastructure services, infrastructure projects, infrastructure planning and implementation, infrastructure masterplans, maintenance plans development, municipal service delivery standards development and asset management	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
<b>5.4</b>	At least 5 years' experience in municipal turnaround or recovery strategies	30	5 = 8 or more years relevant experience 4 = 6 to 7 years relevant experience 3 = 5 years relevant experience 2 = 3 to 4 years relevant experience 1= less than 2 years' experience
	<b>Total</b>	<b>100</b>	
	<b>Minimum Threshold</b>	<b>60</b>	

**Each company must qualify for all 5 (five) disciplines per individual CV. Failure for a company to meet the set minimum threshold of 60% on all five (5) of the disciplines, the bid will be disqualified for further evaluation.**

**All resources across the 5 disciplines must provide and sign a letter of consent, commitment and availability for the preparation of the financial recovery plan which letters must be submitted together with the bid to be included in the panel. The letter must not be older than one month before submission of the bid.**

**All proposed resources must have in-depth working experience in South African municipalities.**

All resources currently appointed as technical advisors in the Municipal Financial Recovery Service do not qualify to be included in the bid unless they resign from their current contract on awarding of these bids.

Any bid by a company owned (either through a shareholding or directorship) by a resource currently appointed by the Municipal Financial Recovery Service will be disqualified to eliminate conflict of interest. Government officials are also excluded from bidding for this project.

## 12. PREFERENCE POINT SYSTEM

In terms of Preferential Procurement Regulations 2022, Regulation 5(1) the applicable Preference Point System for this tender is **90/10, Price (90), and Specific Goals (10)**. In terms of Regulation 5 (2-5) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. The bidder must provide the relevant proof/ required documents for each preference point system indicated.

### 12.1 SPECIFIC GOALS

For this tender, the bidder will be allocated points based on the goals stated and should be supported by proof/ documentation stated in Table 3 below. Specific goals for the tender and points to be claimed are indicated in the table below:

**Table 3: Specific Goals allocation table**

#	Specific goals	Score	Required proof/ documents to be submitted for evaluation purposes
1.	<p><b>The company owned by Historically Disadvantaged Individuals (HDI) (Black).</b></p> <ul style="list-style-type: none"> <li>• 100% company owned by HDI (blacks) = 5 points</li> <li>• 75% - 99% company owned by HDI (blacks) = 3 points</li> <li>• 60% - 74% company owned HDI (blacks) = 2 point</li> <li>• 51%- 59% company owned by HDI (blacks) = 1 point</li> <li>• 0 - 50% company owned by HDI (blacks) = 0 point</li> </ul>	5 points	<p><b>Proof of claim as declared on S BD 6.1 (one or more of the following will be used verifying the tenderer's status:</b></p> <ul style="list-style-type: none"> <li>• Company Registration Certification/document (CIPC)</li> <li>• Company Shareholders certificate</li> <li>• Certified identification documentation of company director/s</li> <li>• CSD report/ CSD registration number (MAAA number)</li> </ul>
2.	<p><b>The company owned by Women.</b></p> <ul style="list-style-type: none"> <li>• 100% company owned by women = 5 points</li> <li>• 75% - 99% company owned by women = 3 points</li> <li>• 60% - 74% company owned by women = 2 point</li> <li>• 51%- 59% company owned by women = 1 point</li> <li>• 0 - 50% company owned by women = 0 point</li> </ul>	5 points	<ul style="list-style-type: none"> <li>• B-BBEE Certificate of the tendering company.</li> <li>• Consolidated B-BBEE certificated if the tendering company is a Consortium, Joint Venture, or Trust (Issued by verification agency accredited by the South African Accreditation System).</li> </ul>

#	Specific goals	Score	Required proof/ documents to be submitted for evaluation purposes
			<ul style="list-style-type: none"> <li>• Agreement for a Consortium, Joint Venture, or Trust.</li> </ul>

**NB: Points will be allocated based on % ownership of the Company (Please attach proof/ required documents).**

Failure to submit the required proof will lead to a zero (0) status level for non-compliant service providers. The points scored by a bidder in respect of the points indicated above will be added to the points scored for price. Only a bidder who has completed and signed the declaration part of the preference claim form will be considered. National Treasury may, before a bid is adjudicated or at any time, require a bidder to substantiate claims made regarding the required proof. A trust, consortium, or joint venture will qualify for points as a legal entity, provided that the entity submits the required proof.

### **13. MONITORING AND REPORTING:**

The appointment and management of the panel of service providers will be coordinated through the Municipal Finance Recovery Services unit located within the Inter-governmental Relations Division of the National Treasury.

All service provider(s) on the panel will for the duration of the preparation of the allocated FRPs report directly to the Municipal Finance Recovery Service unit.

It is expected that service provider(s) will avail themselves to discuss progress or other matters related to FRP development at any time either virtually, telephonically or in person. Whilst all attempts will be made to provide ample notice of meetings, meetings with the affected municipalities are sometimes cancelled or postponed on very short notice by the municipality. Follow-up meetings to be arranged will as far as possibly try to consider travel times, availability of the service provider(s) and other related issues, however, follow-up meetings will have to be scheduled around the availability of the majority of stakeholders required for that meeting. The successful bidder will be expected to provide services as and when required and acknowledges that their appointment to the panel does not guarantee allocation of work. Work will be allocated to service providers on a rotational basis to promote fair and reasonable distribution. This rotational allocation will take into account the pricing submitted in response to each Request for Quotation (RFQ), the outcomes of any applicable price negotiations, and the service provider's performance.

National Treasury reserves the right to appoint or not to appoint during the RFQ process.

The service provider(s) must provide a detailed project implementation plan for the preparation of every FRP allocated to the service provider(s). This project implementation plan must be aligned to the timeframes specified in Section 6 of this document. Delays in deliverables by the service provider(s) will delay the FRP process and affect compliance. Service providers who continuously submit deliverables after the due date and non-adherence to the service level agreements will be issued with non-compliance letters and may be taken off the panel. Any amendment to a project implementation plan will only become effective after the approval by the MFRS unit.

Any changes to the project team must be communicated immediately to the MFRS unit for consideration and approval in line with the minimum requirements as stipulated in Item 11 herein-above for technical evaluation criteria in respect of project team members. If a new

resource is brought on board during preparation of the financial recovery plan, the resource must be vetted and approved by the MFRS unit before that resource may commence on a project.

Failure to replace a resource that meets the minimum requirements is a ground for termination of the award.

**14. TIMESCALE:**

The period of this appointment will be for a period not exceeding 3 years from the date of appointment, subject to annual review of the assignment and the availability of funding.

## ANNEXURE A CURRICULM VITAE OF INDIVIDUAL TEAM MEMBER

### 1. PERSONAL DETAILS

<b>Personal Information:</b>	Surname	
	First names	
	Identity / Passport Number	
	Tax Number	
	Gender	
	Nationality	

### 2. QUALIFICATIONS

Only highest relevant and completed qualification(s) obtained to be listed below.

<b>Qualification obtained</b>	
Name of Institution	
Date obtained	
<b>Qualification obtained</b>	
Name of Institution	
Date obtained	
<b>Qualification obtained</b>	
Name of Institution	
Date obtained	

- Copies of qualifications must be attached.
- International qualifications must be accompanied by SAQA accreditation. Non-submission of a SAQA accreditation certificate will result in allocation of the lowest score.
- Candidates with non-relevant qualifications will NOT BE ASSESSED FURTHER.

### 3. EMPLOYMENT HISTORY

(Add additional entries if required. *Please start with the most recent employment and include the start date (MM/YY) and end date (MM/YY) related to each employment*)

<b>Position Held</b>		
Employer's Name		
Description of your duties		
Highlight previous relevant experience		
Start	End	Total No of years and completed months of experience relevant to the bid specifications
MM/YY	MM/YY	Years

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<b>Position Held</b>		
Employer's Name		
Description of your duties		
Highlight previous relevant experience		
Start	End	Total No of years and completed months of experience relevant to the bid specifications
MM/YY	MM/YY	Years

**4. SUMMARY OF WORK EXPERIENCE**

The summary must tie up to the detail in point 3 above.

**5. REFEREES**

*Please provide at last three employment references from the past 5 years. References must be individuals who were either your managers/supervisors where you were an employee or Client representative in the case where you were appointed as a Service Provider.*

1	Name of referee	
	Organisation	
	Position of referee in organisation	
	Contact telephone / Cell number of referee	
2	Name of referee	
	Organisation	
	Position of referee in organisation	
	Contact telephone / Cell number of referee	
3	Name of referee	
	Organisation	
	Position of referee in organisation	
	Contact telephone / Cell number of referee	

**I, HEREBY CONFIRM THAT I AM AVAILABLE TO BE PART OF THE PROJECT AND THAT I AM NOT INCLUDED AS A TEAM MEMBER IN ANOTHER BID PROPOSAL FOR THIS PROJECT.**

**SIGNATURE:** \_\_\_\_\_

### Pricing schedule per Municipal Category

Municipal Category	Description	Example	Total number of Municipalities No:	Disbursement 10%	MFRP unit price including VAT and Disbursements
<b>Metropolitan Municipality (Category A)</b>	Large urban centers with exclusive municipal authority.	City of Johannesburg , City of Cape Town .	<b>8</b>		
<b>District Municipality (Category C)</b>	Covers multiple local municipalities in a district and provides shared services.	Ehlanzeni District Municipality, Cape Winelands District Municipality	<b>44</b>		
<b>Local Municipality (Category B)</b>	Falls within a district municipality and shares responsibilities with it.	Stellenbosch Local Municipality, Polokwane Local Municipality	<b>205</b>		
				<b>Grand total</b>	
	<ul style="list-style-type: none"> <li>• fees will be negotiated as and when a need arises based on the rates submitted in the proposals</li> <li>• bidder to provide bill of pricing per category</li> <li>• Disbursement will be paid in line with the National Treasury cost containment measures and trips (if any) will be pre-approved by National Treasury.</li> </ul>				