



provincial treasury

Department:
Provincial Treasury
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

NWDF03/2024 - APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE A FINANCIAL VIABILITY ASSESSMENT OF THE NORTH WEST DEVELOPMENT CORPORATION AND DEVELOP SPECIFIC INITIATIVES TO IMPROVE FINANCIAL HEALTH AND TO MAINTAIN FINANCIAL SUSTAINABILITY

1. PROJECT DESCRIPTION AND BACKGROUND

Appointment of a suitable qualified service provider to undertake a Financial Viability assessment of the selected public entity and develop specific initiatives to improve financial health and to maintain Financial Sustainability for the North West Development Corporation and its subsidiaries.

The liquidity challenges of NWDC is of a concern and simultaneously the reporting on the non-financial performance of the entity is unsatisfactory.

The NWDC is a 3D schedule entity, meaning that it must be able to sustain itself and not to be dependent on the Government grants to sustain its operations. The entity is not self-sustainable and has serious financial difficulties.

The failure to adequately collect revenue created a burden on government to sustain the operations and resulted in the entity having serious financial difficulties as some entity expenditure was paid by provincial government on the entities.

- The Auditor General continues to raise issues of Financial Viability of this Entity in its audit findings over the years.

Section 18(2)(e) and (i) states that the Provincial Treasury may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; and may do anything further that is necessary to fulfil its responsibilities effectively.

2. SCOPE OF WORK

- Conduct a thorough review of the NWDC's financial statements, including income statements, balance sheets and cash flow statements for the past 3 years.
 - Examine NWDC's loan portfolio, investment strategies, and risk management practices.
 - Assess the efficiency and effectiveness of NWDC's financial management and internal controls.
 - Evaluate the impact of external factors (economic, regulatory, etc.) on NWDC's financial stability.
 - Analyse NWDC's income streams, investments and other revenue sources.
 - Assess the alignment of NWDC's activities, corporate governance structure with its mandate and mission.
 - Indicate critical timelines to secure additional capital through revenue enhancement strategies for long-term viability
 - To develop appropriate institutional arrangements that will ensure operational efficiencies and the achievement of the mandates of the entity.
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- **APPROACH, METHODOLOGY AND TIMELINES**
 - Describe the approach and methodologies to be employed, including data collection methods, financial modelling best practices, and benchmarking. (The financial model used must be provided to North West Provincial Treasury).
 - Specify the timeframe for the assessment.

3. DELIVERABLES

- Deliver a complete financial model in MS Excel that is user-friendly and interactive and can be utilized by the NWPT to model various scenarios in terms of key inputs such as economic variables, cost inputs, funding products etc.

- Prepare a comprehensive report detailing the findings of the financial viability and sustainability assessment.
- Provide clear and actionable recommendations to address identified challenges and risks.
- Present the findings and recommendations to NWPT management.

4. RESOURCE REQUIREMENTS

The following skills and expertise to manage the various tasks as highlighted above are required.

- **Experience and Qualification of the resources (personnel) supplied by the bidder**
The resources supplied by the prospective bidder should have experience in conducting the financial viability assessments in a public/private sector organization and detailed CVs of personnel involved. CVs must be submitted to demonstrate the level of expertise and qualifications
- **Skills and Knowledge**
The prospective bidder must have an understanding and knowledge of the Public sector experience. It is important that the bidder has skills to initiate process and to monitor and manage various activities as part of the project. References of such work to be included as part of the supporting documents.

5. PRICING AND PAYMENT TERMS

Provincial Treasury will pay for official travelling, subsistence and accommodation costs of the Bidder incurred during the performance of their duties in terms of this project in line with PFMA cost containment measures applicable at the time of award. Cost Containment Measures related to travel and subsistence and timeline as indicated will be detailed in the SLA.

Provincial Treasury further undertakes to pay out in full, within thirty (30) days, all valid claims for work done to its satisfaction upon submission of a substantiated claim. The successful bidder will be paid on the actual number of assessments completed and paid per milestone basis. Payment will be effected in line with conditions of SLA, subject to submission of a valid claim with the relevant supporting documents.

6. MANDATORY REQUIREMENTS

Bidders must submit the following information.

- All bidders must submit detailed CVs of both the Project / Team Leader and 1 key personnel.
- All academic qualifications for Project / Team Leader and 1 key personnel must be supported by copies of actual qualifications certificates. **These need not be certified.** In respect of all foreign qualifications evidence of endorsement by the South African Qualifications Authority (SAQA) must be provided/ submitted with the bid. **(Provincial Treasury will verify qualifications for the recommended bidder)**
- The project/team leader must be a registered or accredited assessor. Proof of registration or accreditation must be submitted.
- Standard Bidding document 4 – Bidders declaration of interest must be fully completed and signed. Failure to do so will result in the bidder being disqualified
- Standard Bidding document 6.1 – Specific goals declaration in terms of PPR 2022 fully complete and signed. Failure to do so will result in the bidder being disqualified
- Standard bidding document 1 - Invitation to bid
- Proof of CSD registration with the supplier number

Failure to submit the above documents when requested will lead to the bid being disqualified. All documents must be submitted with the bid.

7. EVALUATION CRITERIA

Phase I: Initial screening process

- The process would verify if the required documents as stated on the mandatory requirements have been submitted.

Phase II: Technical Evaluation

- Bidders will be evaluated strictly according to the evaluation criteria stipulated in the Terms of Reference.
- Bidders must, as part of their application documents, submit supporting documentation for all technical requirements as indicated hereunder.
- All bidders must submit a detailed CV together with copies of academic qualifications and SAQA accreditation in respect of foreign qualifications.

Technical / functional Requirements	Details	Points allocated	Maximum Points
SUB-COMPONENT 1: COMPANY EXPERIENCE			20
The prospective bidder should have completed financial viability assessments in a public/private sector. Reference letters for the company for each project to be submitted.	5 or more completed assessments	20	
	3 - 4 completed assessments	10	
	1 – 2 completed assessments	5	
SUB-COMPONENT 2: EXPERIENCE OF PERSONNEL - PROJECT / TEAM LEADER			20
Detailed CV of the Project Leader demonstrating experience for completed financial viability assessments in a public/private sector. Contactable references for each completed assessment must be submitted.	5 or more completed assessments ✓	20	
	3 - 4 completed assessments	10	
	1 – 2 completed assessments	5	
SUB-COMPONENT 3: QUALIFICATION OF PERSONNEL - PROJECT / TEAM LEADER			15
One (1) Project / Team Leader with a Qualification in any of the following fields: <ul style="list-style-type: none"> • Financial Management/ Accounting / Economics • Public Administration • Business Management • Property management • Legal • Investment management 	Post Graduate Degree (NQF Level 8 or above)	15	
	Bachelor's Degree / Advanced Diploma or (NQF7) On the fields as described on the technical/functional requirements	10	
SUB-COMPONENT 4 : EXPERIENCE OF KEY PERSONNEL			15
	5 or more completed assessments	15	

Technical / functional Requirements	Details	Points allocated	Maximum Points
One (1) Key Personnel Experience detailed CV for completed financial viability assessments of a public/private sector. Contactable references for each completed assessment must be submitted.	3 - 4 completed assessments	10	
	1 - 2 completed assessments	5	
SUB-COMPONENT 5: QUALIFICATION OF KEY PERSONNEL			10
One (1) Key Personnel with a Qualification in any of the following fields: <ul style="list-style-type: none"> • Financial Management/ Accounting / Economics • Public Administration • Business Management • Property management • Legal • Investment management 	Bachelor's Degree / Advanced Diploma (NQF7 or higher)	10	
	National Diploma (NQF 6)	5	
SUB-COMPONENT 6: APPROACH, METHODOLOGY AND TIMELINES ★			20
Bidder must provide a detailed methodology and approach as per paragraph 2: Scope of work, in these terms of reference, that will cover all the below. 1. The bidder must provide a clear methodology, approach, including the project plan outlining the activities, milestones and timelines 2. The bidder must provide a clear indication of the toolkit to be used and how the toolkit will be used for data collection, analysis, processing and reporting <ul style="list-style-type: none"> • Methodology and approach outline all two of the elements = 20 • Methodology speaks to one element or does not speak to both elements = 0 			
TOTAL POINTS			100

NB: Bidders who obtain an overall 60% threshold out of the 100 points for technical evaluation criteria will be considered for Pricing and Specific Goals in line with Preferential Procurement Regulations 2022.

Phase III: Price and Specific goals

- Bids will be evaluated in terms of the approved 80/20, (as indicated below) point system in accordance with the Preferential Procurement Regulation 2022.
- A maximum of 80 points is allocated for price and 20 points for specific goals using the following formula.

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

This tender will be evaluated on the 80/20 Preference points system where 80 is for price and 20 points for specific goals. Only qualifying bidders (who obtained a minimum of 60% threshold in Phase 2 functionality / technical requirement) will be evaluated in Phase IV for pricing and specific goals.

NB: In order to claim preference points, bidders must use the SBD 6.1 attached to this document and not any other SBD 6.1 form will be accepted as the goals differ per institution.

The specific goals for the preference points are as follows:

Specific Goals in terms of PPR 2022	Procurement Transactions
Persons historically disadvantaged on the basis of race.	Maximum of 10 points for black ownership
	<ul style="list-style-type: none"> • 100% black ownership = 10 • 75% - 99% black ownership = 8 • 60% - 74% black ownership = 6 • 51% - 59% black ownership = 3 • 1% - 50% black ownership = 2 • 0% black ownership = 0
	BBBEE Certificate must be attached

Specific Goals in terms of PPR 2022	Procurement Transactions
Enterprises located in North West	Maximum 4 points
<ul style="list-style-type: none"> • Rural / Township / Village Area • Local Municipality 	<ul style="list-style-type: none"> • Rural / Township / Village Area in North West= 04 points • Local Municipality in North West = 02 points <p>Proof of residence must be attached as per any of the following:</p> <ul style="list-style-type: none"> • A municipal rates invoice in the name of the company / any of the directors submitting the quotation that has been issued within the last three months. • An affidavit or equivalent from an authorised traditional leaders or local councillor in regions where municipal rates invoices are not available, showing the township name and ERF number or physical address. • A valid lease with a property owner located in that municipality/township (NWPT may request a recent statement from the landlord) or confirmation letter from the landlord. • A utilities rates statement (examples, Eskom or Telkom fixed line service, etc) showing the physical address and in company or director name; or • A bank statement showing the company name and address.
Enterprises owned by :	Maximum 6 points
<ul style="list-style-type: none"> • Enterprise owned by black women. 	2 Points
<ul style="list-style-type: none"> • Enterprise owned by black youth. 	2 Points
<ul style="list-style-type: none"> • EMEs or QSEs 	2 Points

8. TENDER VALIDITY PERIOD

The tender will be valid for a period of ninety (90) days.

9. SPECIAL CONDITIONS

- **Intellectual Property**

The Provincial Treasury will remain the intellectual property owner of everything developed during this engagement, including systems, methodologies, software. The Provincial Treasury also retain copyright and other intellectual rights in all reports, written advice or other material provided by the service provider on this project.

- **Service Level Agreement.**

Successful service provider must be prepared to enter into a contract and service level agreement with the Provincial Treasury.

- **Approved / Identified Resources**

The identified resources should be deployed and available until the completion of the project. No change of resources will be allowed without the prior approval of the Provincial Treasury and only based upon uncontrollable circumstances, and if approved, the change must be on a like for like basis.

- **Variation of Scope.**

In the case of a need for a change of scope, the Provincial Treasury and the successful bidder will enter into a change of scope agreement, which is initiated by the department, and this change of scope agreement will form part of the contract.

10. DURATION OF CONTRACT

The time frame for the envisaged assignment is 4 months from the date of awarding the contract.

11. CONDITIONS OF BID

- Late applications / bids will not be considered. Please note that the applications / bids are late if they are received at the address given in the bid document after the bid closing date and time.
- Where applicable, all the relevant forms attached to this bid document must be completed and signed in ink by the applicant.

- The successful bidder must be in a position to commence work within five (5) calendar days of the awarding of an assignment contract.
- General Conditions of Contract (GCC) are also applicable to this tender.
- Misrepresentation of facts and criminal records will render your bid unsuccessful.

12. CANCELLATION OF BID

- Provincial Treasury reserves the right to cancel the contract if the bidder fails to adhere to the conditions of the contract.
- On termination of the contract for whatever reason, the bidder shall on demand deliver, without the right to retention, all documents and information gained in terms of this agreement.

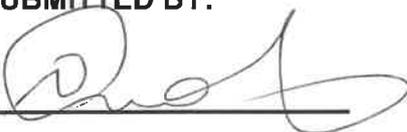
13. ENQUIRIES

For more information please contact the following:

Contact Person 1 : Mr. Tom Mkhize (**SCM Related Issues**)
 Acting Director: Supply Chain Management
 Tel: 018 388 4060
 Email: TMkhize@nwpg.gov.za

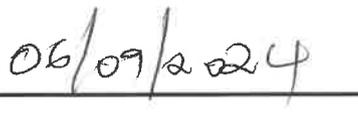
Contact Person 2 : Mr. Riad Soofie (**Technical Issues**)
 Director: Norms and Standards
 Tel: 018 388 - 3266
 Email: rsoofie@nwpg.gov.za

SUBMITTED BY:



MR. O. MDULI

CHAIRPERSON: BID SPECIFICATION



DATE

APPROVED / NOT APPROVED



MR. N.I. KUNENE

HEAD OF DEPARTMENT



DATE