



|               |                   |                     |  |
|---------------|-------------------|---------------------|--|
| Tender Ref #: | COGTA (T) 13/2024 | Tender Description: | APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR THE DEVELOPMENT OF CAPITAL EXPENDITURE FRAMEWORKS FOR TWENTY-FIVE (25) INTERMEDIATE CITY MUNICIPALITIES FOR A PERIOD OF EIGHTEEN (18) MONTHS. |
|---------------|-------------------|---------------------|--|

## PART A – BID DETAILS

1. The Department of Cooperative Governance (hereunder referred to as the Department or DCOG) invites qualifying service providers for an **appointment of a professional service provider for the development of Capital Expenditure Frameworks for twenty-five (25) Intermediate City Municipalities for a period of eighteen (18) months.**

### 2. Bid / Proposal format

**Package 1:** The following should be submitted – :

- SBDs 1, 3.1 or 3.2 (*SBD 3.1= Goods, SBD 3.2: Services*), 4 and 6.1.
- National Treasury Central Suppliers Database (CSD) report, not older than 30 days ([www.csd.gov.za](http://www.csd.gov.za)).
- Valid certified B-BBEE certificate issued by a SANAS accredited verification agency or affidavit.

**Package 2: Pricing information.** Separate envelope. Price proposals must include 15% VAT and must be fully inclusive to deliver all goods, services and outputs indicated in the terms of reference.

3. **Briefing Session:** The briefing session date and time are indicated in the tender advertisement and bid documents. The Department cannot physically accommodate the expected number of bidders and the briefing will therefore be conducted online. Interested bidders must contact the SCM officials indicated below for the MS Teams link. It is important to note that the briefing session is not compulsory, therefore bidders will not be disqualified for not attending the session.

## PART B –ADMINISTRATIVE REQUIREMENTS AND SPECIFIC GOALS

**General principle:** In cases where bidders submitted insufficient evidence or where evidence is ambiguous, bidders may be requested to provide additional evidence and may be re-scored based on this information. Additional information submitted may only be used as evidence to substantiate what is already contained in the proposal. **The costing and content of proposals may not be amended under any circumstances.**

### 1. BID DOCUMENTS

Only bids that comply with all administrative requirements will be evaluated further onto the Mandatory Requirement stage.

| SCM ADMINISTRATIVE COMPLIANCE |   |          |
|-------------------------------|---|----------|
| #                             | Criteria  | Yes / No |
| 1.1                           | Supplier is registered on the National Treasury Central Suppliers Database (CSD) on or before the bid closing date. |          |
| 1.2                           | Supplier is Tax Compliant (as indicated on CSD) <sup>1</sup> or verified through SARS <sup>1</sup>                  |          |
| 1.3                           | SBD 1 completed and submitted.  |          |
| 1.4                           | SBD 3.1 or 3.2 completed and submitted.   |          |
| 1.5                           | SBD 4 completed and submitted.  |          |
| 1.6                           | SBD 6.1 completed and submitted   |          |
| 1.7                           | Director(s)/Owner(s) have been convicted on charges related to fraud and corruption.                                |          |
|                               | If so, furnish particulars  |          |

*Note 1: Bidders that are not tax compliant on the closing date for bids or at any time after the closing date, must rectify their tax compliance status within 7 working days of being requested to do so. Bidders that remain tax non-compliant after 7 working days of being requested to rectify their tax status, will be disqualified.*

## 2. VERIFICATION OF INFORMATION PROVIDED

### No bids will be considered from:

1. Individuals in the service of the State.
2. Organisations with directors (whether remunerated or not) in the service of the State.

***This clause does not apply to bidders that are government departments/entities.***

**NB:** The Department may request the bidder to provide information to engage banks, credit rating agencies and the relevant institutions to obtain information on credit records, criminal records, and pending court cases.

## 3. MANDATORY REQUIREMENTS

Failure to submit the below-listed documents listed below will render your bid null and void and will not be considered or disqualified.

| Mandatory Requirement |   |          |
|-----------------------|---|----------|
| #                     | Criteria  | Yes / No |
| 3.1                   | Summary of Bidder Experience (Annexure A) attached.   |          |
| 3.2                   | Proposed project team (Annexure B) attached.  |          |
| 3.3                   | Detailed proposal and project execution plan submitted  |          |
| 3.4                   | Pricing information (Cost Breakdown) attached <sup>3</sup> .  |          |
| 3.5                   | The project leader or team leader must be registered with South African Council for Planners (SACPLAN). A Copy of valid certificate must be attached.   |          |
| 3.6                   | Infrastructure and Integrated Planning Engineering Specialist must be registered as a Professional Engineer. A Copy of valid certificate must be attached.  |          |
| 3.7                   | Financial Analyst must be registered as a Chartered Accountant CA (SA) or as a Chartered Financial Analyst (CFA). A Copy of valid certificate must be attached.   |          |
| 3.8                   | Social Profiling and Infrastructure Demand Analyst must be registered with relevant professional body as a Professional Planner or Professional Engineer. A Copy of valid certificate must be attached. |          |
| 3.9                   | The support staff member must be registered with the relevant professional body as a Professional or Candidate. A Copy of valid certificate must be attached.   |          |

Only bids that comply with the administrative and mandatory requirements will be evaluated further.

## 4. SPECIFIC GOALS

| Specific Goals              | Points   |
|-----------------------------|----------|
|                             | 80/20    |
| <b>Black Ownership</b>      | <b>7</b> |
| <b>Women Ownership</b>      | <b>6</b> |
| <b>Youth Ownership</b>      | <b>4</b> |
| <b>Disability Ownership</b> | <b>3</b> |

| The specific goals allocated points in terms of this tender  | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|--|---|---|
| <u>Black Ownership (51% or more)</u><br><br>a) (0%)<br>b) (1% - 10%)<br>c) (11% - 25%)<br>d) (26% - 50%)<br>e) (51% -100%) | 7<br><br>a) 0<br>b) 1<br>c) 3<br>d) 5<br>e) 7                                     |   |
| <u>Women Ownership (51% or more)</u><br><br>a) (0%)<br>b) (1% - 10%)<br>c) (11% - 25%)<br>d) (26% - 50%)<br>e) (51% -100%) | 6<br><br>a) 0<br>b) 1<br>c) 2<br>d) 4<br>e) 6                                     |   |
| <u>Youth Ownership (51% or more)</u><br><br>a) (0%)<br>b) (1% - 10%)<br>c) (11% - 25%)<br>d) (26% - 50%)<br>e) (51% -100%) | 4<br><br>a) 0<br>b) 1<br>c) 2<br>d) 3<br>e) 4                                     |   |
| <u>Disability (51% or more)</u><br><br>a) (0%)<br>b) (1% - 25%)<br>c) (26% 50%)<br>d) (51% 100%)                           | 3<br><br>a) 0<br>b) 1<br>c) 2<br>d) 3   |   |

## PART C – FUNCTIONAL EVALUATION – To be evaluated by the BEC

**General principle:** In cases where bidders submit insufficient evidence or where evidence is ambiguous, bidders may be requested to provide additional evidence and may be re-scored based on this information. Additional information submitted may only be used as evidence to substantiate what is already contained in the proposal. **The costing and content of proposals may not be amended under any circumstances.**

Each Bid Evaluation Committee (BEC) member will evaluate acceptable bids based on the proposals and bid documents submitted. The following scoring system will be applied to the evaluation of all functional criteria:

| Scoring system                                    |
|---|
| 0 – Does not meet any of the minimum requirements |
| 1- Meet one of the minimum requirements           |
| 2- Meet two of minimum requirements               |
| 3- Meet three requirements                        |
| 4- Exceeds three minimum requirements             |

The **Score obtained for each criterium** will be calculated by multiplying the score awarded by a BEC member by the weight for that criterium. The **overall score for a BEC member** will be expressed as a percentage (Total weighted score divided by the maximum possible score, then multiplied by 100). The **overall score obtained by a bidder** will be the average of overall scores awarded by BEC Members (rounded to the nearest whole number). Only Bidders that received **the indicated minimum overall scores** will proceed to Part D – Price Evaluation and Award.

Where functional evaluation is conducted in stages, bidders must meet the minimum overall score for a particular stage to proceed to the next stage and only bidders that met the minimum overall scores for all stages will proceed to Part D – Price Evaluation

The Bid Evaluation Committee may:

- Evaluate and score bids based on the bid documents and proposals submitted; or
- Provisionally evaluate and score bidders based on proposals submitted and then invite bidders that met all mandatory administrative requirements to present their bids.

The final evaluation and scoring of bids will be based on the proposals submitted, as well as on information provided by bidders during bid presentations (if applicable). Presentations can be used to summarise and clarify bids and may not substantially depart from the proposals submitted.

If a bidder cannot attend a bid presentation on the date requested by the Bid Evaluation Committee, the bidder must be afforded another opportunity within 5 working days. If a bidder is unable to attend a bid presentation for the second time, the bid must be evaluated based on the bid documents and proposals submitted only.

### 1. FUNCTIONAL EVALUATION STAGE 1

#### STAGE 1 CRITERIA

|     |   |               |              |
|-----|---|---------------|--------------|
| 1.1 | <b>Team Leader - Infrastructure and Land Use Planning Specialist</b><br>Registration as a Professional Planner in terms of the Planning Profession Act, 2002<br>(Mandatory Requirement).<br><b>Minimum requirements:</b> <ul style="list-style-type: none"><li>• Bachelor's Degree (NQF 7) or higher in Town and Regional Planning or Urban and Regional Planning.</li><li>• Must have at least 10-years' post-registration experience in integrated land use and infrastructure planning, capital budget planning and/or prioritization.</li><li>• Must have experience as a Team leader or Project manager in a similar project.</li><li>• Signed reference letter stipulating work undertaken as Project Manager or Team Leader in infrastructure planning projects.</li></ul> | <b>Weight</b> | <b>5</b>     |
|     | <b>Evaluation</b>   |               | <b>Score</b> |

|   |   |
|---|---|
| Team Leader - Infrastructure and Land Use Planning Specialist does not meet any of the minimum requirement. | 0 |
| Team Leader - Infrastructure and Land Use Planning Specialist meets one of the minimum requirements.        | 1 |
| Team Leader - Infrastructure and Land Use Planning Specialist meets two of the minimum requirements.        | 2 |
| Team Leader - Infrastructure and Land Use Planning Specialist meets three of the minimum requirements.      | 3 |
| Team Leader - Infrastructure and Land Use Planning Specialist meets all four minimum requirements.          | 4 |

|  |  |               |              |
|--|--|---------------|--------------|
| <b>1.2</b>   | <b>Infrastructure and Integrated Planning Engineering Specialist</b><br>Registration as a Professional Engineer in terms of the Engineering Professions Act, 2000 ( <b>Mandatory Requirement</b> ).<br><b>Minimum requirements:</b> <ul style="list-style-type: none"> <li>• Bachelor of Science (NQF 7) or higher in Civil Engineering.</li> <li>• Must have at least <b>5-years' post-registration work experience</b></li> <li>• Must have experience in the development of medium-term or long-term Integrated Infrastructure Investment Plans (IIIP) or Infrastructure Master Plans in the water, sanitation, waste management, roads, transport or sports infrastructure sectors in South Africa.</li> <li>• Signed reference letter stipulating work undertaken.</li> </ul> | <b>Weight</b> | <b>5</b>     |
| <b>Evaluation</b>  |  |               | <b>Score</b> |
| Infrastructure and Integrated Planning Specialist does not meet any of the minimum requirements. |  |               | 0            |
| Infrastructure and Integrated Planning Specialist meets one of the minimum requirements.         |  |               | 1            |
| Infrastructure and Integrated Planning Specialist meets two of the minimum requirements.         |  |               | 2            |
| Infrastructure and Integrated Planning Specialist meets three of the minimum requirements.       |  |               | 3            |
| Infrastructure and Integrated Planning Specialist meets all four minimum requirements.           |  |               | 4            |

|  |   |               |              |
|--|---|---------------|--------------|
| <b>1.3</b>   | <b>Financial Analyst</b><br>Professional registration as a Chartered Accountant CA (SA) or as a Chartered Financial Analyst (CFA) ( <b>Mandatory Requirement</b> ).<br><b>Minimum requirements:</b> <ul style="list-style-type: none"> <li>• Bachelor of Commerce (NQF 7) or higher</li> <li>• Must be a member of the Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO)</li> <li>• Must have at least of <b>5-years' post-registration experience</b> in the financial modelling and the preparation of long-term financial plans in the municipal environment.</li> <li>• Signed reference letters stipulating work undertaken.</li> </ul> | <b>Weight</b> | <b>5</b>     |
| <b>Evaluation</b>  |   |               | <b>Score</b> |
| Financial Analyst does not meet any of the minimum requirements. |   |               | 0            |
| Financial Analyst meets one of the minimum requirements.         |   |               | 1            |
| Financial Analyst meets two of the minimum requirements.         |   |               | 2            |
| Financial Analyst meets three of the minimum requirements.       |   |               | 3            |
| Financial Analyst meets all four of the minimum requirements.    |   |               | 4            |

|            |   |               |          |
|------------|---|---------------|----------|
| <b>1.4</b> | <b>Social Profiling and Infrastructure Demand Analyst</b><br>Registration with relevant professional body as a Professional Planner or Professional Engineer ( <b>Mandatory Requirement</b> ).<br><b>Minimum requirements:</b> <ul style="list-style-type: none"> <li>• Bachelor's Degree (NQF 7) or higher in Town and Regional Planning or Civil Engineering.</li> <li>• Must have at least <b>5-years' post-registration work experience</b></li> <li>• Experience in development analysis and planning, socio-economic profiling, infrastructure demand analysis, infrastructure investment planning and analysis,</li> </ul> | <b>Weight</b> | <b>5</b> |
|------------|---|---------------|----------|

|   |  |  |              |
|---|--|--|--------------|
|   | development impact assessments or local government financial planning and analysis.                    |  |              |
|   | <ul style="list-style-type: none"> <li>Signed reference letter stipulating work undertaken.</li> </ul> |  |              |
| <b>Evaluation</b>   |  |  | <b>Score</b> |
| Social Profiling and Infrastructure Demand Analyst does not meet any of the minimum requirements. |  |  | 0            |
| Social Profiling and Infrastructure Demand Analyst meets one of the minimum requirements.         |  |  | 1            |
| Social Profiling and Infrastructure Demand Analyst meets two of the minimum requirements.         |  |  | 2            |
| Social Profiling and Infrastructure Demand Analyst meets three of the minimum requirements.       |  |  | 3            |
| Social Profiling and Infrastructure Demand Analyst meets all four minimum requirements.           |  |  | 4            |

|  |  |               |              |
|--|--|---------------|--------------|
| <b>1.5</b>   | <b>Support Staff</b><br>Registration with relevant professional body as a Professional or Candidate ( <b>Mandatory Requirement</b> ).<br><b>Minimum requirements:</b> <ul style="list-style-type: none"> <li>Bachelor's Degree (NQF 7) or higher in Geomatics or Town and Regional Planning</li> <li>Must have at least 3 years post graduate work experience</li> <li>Must have experience in Geographic Information Systems, geospatial data, land and cadastral information and mapping, spatial analysis and operations of GIS systems for public or private sector entities in South Africa.</li> <li>Signed reference letter stipulating work undertaken.</li> </ul> | <b>Weight</b> | <b>5</b>     |
| <b>Evaluation</b>  |  |               | <b>Score</b> |
| A support staff does not meet any of the minimum requirements. |  |               | 0            |
| A support staff meets one of the minimum requirements.         |  |               | 1            |
| A support staff meets two of the minimum requirements.         |  |               | 2            |
| A support staff meets three of the minimum requirements.       |  |               | 3            |
| A support staff meets all four minimum requirements.           |  |               | 4            |

#### **STAGE 1 SCORING SUMMARY**

| <b>Criterion</b>                                  | <b>Weight</b> | <b>Score</b> | <b>Weighted score</b> | <b>Maximum possible score</b> |
|---|---------------|--------------|-----------------------|-------------------------------|
| 1.1   | 5             |              | 4                     | 20                            |
| 1.2   | 5             |              | 4                     | 20                            |
| 1.3   | 5             |              | 4                     | 20                            |
| 1.4   | 5             |              | 4                     | 20                            |
| 1.5   | 5             |              | 4                     | 20                            |
| <b>TOTAL</b>                                      |               | -            |                       | <b>100</b>                    |
| <b>Overall Score (Total Weighted Score / 100)</b> |               |              | <b>%</b>              | <b>--</b>                     |
| <b>Minimum qualifying overall score</b>           |               |              | <b>70%</b>            |                               |

## **2. FUNCTIONAL EVALUATION STAGE 2**

### **EVALUATION OF THE PROPOSAL AND PROJECT EXECUTION PLAN**

|  |  |               |              |
|--|--|---------------|--------------|
| <b>2.1</b>                                     | <b>Understanding and interpretation of the requirements of the Terms of Reference</b> <ol style="list-style-type: none"> <li>Understanding of the requirements of the scope of work.</li> <li>Overall approach and methodology in line with the DCOG Guidelines on the development of the CEFs.</li> <li>Literature and document review approach.</li> <li>Sampling and data collection methodology</li> <li>Activity-based plan aligned to Scope of Work, deliverables, timelines and experts.</li> </ol> | <b>Weight</b> | <b>5</b>     |
| <b>Evaluation</b>                              |  |               | <b>Score</b> |
| Does not meet any of the elements listed above |  |               | 0            |
| Meet two (2) of the elements listed above      |  |               | 1            |

|  |   |        |              |
|--|---|--------|--------------|
| Meet three (3) of the elements listed above    |   |        | 2            |
| Meet four (4) of the elements listed above     |   |        | 3            |
| Meet all five (5) elements listed above.       |   |        | 4            |
|  |   |        |              |
| 2.2  | <b>Bidder's competency and knowledge</b><br>a) Knowledge in data gathering, collating, analysis, and management.<br>b) Experience in producing focused research outputs in government.<br>c) Team members' successful completion of long-term (7 to 10 year) in relation to integrated municipal land use and infrastructure planning, capital budget planning and prioritization preparation of statutory reports in relation to municipal capital investment planning such as Built Environment Performance Plans (BEPPs), Capital Expenditure Frameworks (CEFs), Long Term Financial Plans (LTFPs), etc.<br>d) Understanding of full lifecycle of infrastructure planning and design, including project conceptualization, project preparation and master planning.<br>e) Access to a spatially enabled database with the ability to capture capital project needs for at least a 10- year planning horizon. The database should enable the analysis and prioritization, and the spatial analysis should include the evaluation of projects based national, provincial and municipal strategic objectives. | Weight | 5            |
| <b>Description</b>                             |   |        | <b>Score</b> |
| Does not meet any of the elements listed above |   |        | 0            |
| Meet two (2) of the elements listed above      |   |        | 1            |
| Meet three (3) of the elements listed above    |   |        | 2            |
| Meet four (4) of the elements listed above     |   |        | 3            |
| Meet all five (5) elements listed above.       |   |        | 4            |
|  |   |        |              |
| 2.3  | <b>Understanding of the legislative landscape of the system of local government in South Africa</b><br>a) Sound understanding of Spatial Planning Land Use Management Act No. (16) of 2013, the Integrated Urban Development Framework, District Development Model and National Development Plan.<br>b) The different categories of municipalities and its governance structures.<br>c) Relevant knowledge of municipal powers and functions, service delivery and governance related issues in the South African local government sector.<br>d) Understanding of National Treasury's' requirements for the preparation and finalization of annual municipal budgets<br>e) Understanding of the integration of the budgeting processes with the requirements of SPLUMA.   | Weight | 5            |
| <b>Evaluation</b>                              |   |        | <b>Score</b> |
| Does not meet any of the elements listed above |   |        | 0            |
| Meet two (2) of the elements listed above      |   |        | 1            |
| Meet three (3) of the elements listed above    |   |        | 2            |
| Meet four (4) of the elements listed above     |   |        | 3            |
| Meet all five (5) elements listed above.       |   |        | 4            |
|  |   |        |              |
| 2.4  | <b>Bidder demonstrates understanding of stakeholder engagement</b><br>a) Stakeholder engagement plan aligned to the scope of work<br>b) Stakeholder engagement objectives aligned to the scope of work<br>c) Stakeholder engagement approach aligned to the scope of work<br>d) Stakeholder mapping aligned to the scope of work<br>e) Action plan aligned to the scope of work   | Weight | 5            |
| <b>Description</b>                             |   |        | <b>Score</b> |
| Does not meet any of the elements listed above |   |        | 0            |
| Meet two (2) of the elements listed above      |   |        | 1            |
| Meet three (3) of the elements listed above    |   |        | 2            |
| Meet four (4) of the elements listed above     |   |        | 3            |
| Meet all five (5) elements listed above.       |   |        | 4            |

|  |  |  |        |       |
|--|--|--|--------|-------|
|  |  |  |        |       |
| 2.5  | Ability to identify risks, new opportunities and develop appropriate solutions and strategies through a Risk Management Plan:<br>a) Risk management plan aligned to the scope of work<br>b) Demonstrates the ability to identify risks in this project in the proposal.<br>c) Demonstrates the ability to propose mitigation measures to the risks.<br>d) Demonstrate in the proposal that the bidder has the understanding to propose solutions.<br>e) Demonstrates the bidder will through the Project Plan incorporate risk preventative measures to deliver on project milestones. |  | Weight | 5     |
| Description                                    |  |  |        | Score |
| Does not meet any of the elements listed above |  |  |        | 0     |
| Meet two (2) of the elements listed above      |  |  |        | 1     |
| Meet three (3) of the elements listed above    |  |  |        | 2     |
| Meet four (4) of the elements listed above     |  |  |        | 3     |
| Meet all five (5) elements listed above.       |  |  |        | 4     |

## **STAGE 2 SCORING SUMMARY**

| <b>Criterion</b>                                  | <b>Weight</b> | <b>Score</b> | <b>Weighted score</b> | <b>Maximum possible score</b> |
|---|---------------|--------------|-----------------------|-------------------------------|
| 2.1   | 5             |              | 4                     | 20                            |
| 2.2   | 5             |              | 4                     | 20                            |
| 2.3   | 5             |              | 4                     | 20                            |
| 2.4   | 5             |              | 4                     | 20                            |
| 2.5   | 5             |              | 4                     | 20                            |
| <b>TOTAL</b>                                      |               | -            |                       | <b>100</b>                    |
| <b>Overall Score (Total Weighted Score / 100)</b> |               |              | <b>%</b>              | <b>--</b>                     |
| <b>Minimum qualifying score</b>                   |               |              | <b>70%</b>            |                               |

## **PART D – PRICE EVALUATION AND AWARD– To be evaluated by the BEC**

Only bids that meet all administrative requirements and the minimum functional requirements will be evaluated in terms of the provisions of the Preferential Procurement Framework Act and related regulations – see attached bid documents. The evaluation method (80/20 or 90/10) and preference points allocation applicable to this bid are indicated in the attached SBD 6.1.



## **PART E –SPECIAL CONDITIONS AND CONTRACT MANAGEMENT**

### **1. SPECIAL CONDITIONS APPLICABLE TO THIS BID**

- 3.1. The Department may, at its sole discretion, cancel this bid.
- 3.2. The period of thirty days (30 days) referred to in the General Conditions of Contract paragraph 27.2 applies. If the service provider is found to have engaged in fraudulent activities or caused the Department to incur irregular expenditure, the Department reserves the right to cancel the bid and any subsequent SLA with immediate effect. Repercussions for the conduct of the Service Provider referred to above may include blacklisting of the Service Provider thus preventing them from doing business with government for 10 years.
- 3.3. The Department may, at its discretion, require that each employee of appointed service providers, each contractor or other participants, sign a code of conduct to promote ethical behaviour. The Department may, at its sole discretion, prohibit any person found to be in breach of such code of conduct from further participation or involvement in the project.
- 3.4. Additional conditions for an applicant who would like to apply as a Consortium / Joint Venture. It is recognised that applicants may wish to form consortia or joint ventures to respond to this bid. The following guidelines apply:
- Bidders are prohibited from being part of more than one consortium / joint venture and to submit an individual bid and a bid as part of a consortium / joint venture.
  - One of the members shall be nominated by the others as authorised to be the lead applicant and this authorisation shall be included in the agreement entered between the consortium members.
  - The lead applicant in the Consortium or Joint Venture must satisfy all the administrative requirements contained in the ToR and submit all the relevant documents necessary to meet the minimum requirements of the applications.
  - Other members of a consortium or a joint venture must comply with the requirements in line with Service Provider Funding Policy prescripts for the respective Service Provider categories.
  - The consortium/joint venture submission must be signed-off by each institution/organisation to be legally binding on all consortium members.
  - The lead applicant shall be the only authorised party to make legal statements, communicate with the department, and receive instructions for and on behalf of all the members of the consortium.
  - The lead applicant shall be held responsible for the delivery of services and meeting conditions outlined in this bid.
  - A copy of the agreement entered into and signed by all members of the consortium or joint venture shall be submitted with the consortium proposal indicating the respective responsibilities of each party.
  - Indicate how the joint venture/ consortium will be managed in case of a dispute arising during the programme's implementation period (Provide a contingency plan of managing any possible conflicts).

### **2. CONTRACT MANAGEMENT**

- 3.5. The successful bidder will be expected to enter into a service level agreement (SLA) with the Department of Cooperative Governance. The National Treasury General Conditions of Contract (GCC) will form part of the SLA to be concluded between DCOG and the successful bidder.
- 3.6. The SLA will include project assignments that will address each of the project deliverables. The SLA may further establish a Project Steering Committee to manage, monitor and oversee the project such as:
- Ensure that services are rendered timeously;
  - render a quality assurance function; and
  - ensure that the project remains within the allocated budget.
- 3.7. The SLA will include a detailed payment schedule. Payments will therefore only be approved and processed based on the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks.
- 3.8. If the parties (the Department and the appointed service provider) are unable to reach agreement on the special conditions of contract (SLA) after 14 calendar days of the date on which the bid award is communicated to the service

provider, then the Department reserves the right to cancel the award to the service provider and to appoint another service provider.

3.9. Bidders should note that:

- All information related to this bid, or information provided to the service provider after the award of this bid, must be treated as confidential and may not be disclosed in any way to third parties without the explicit written consent of DCOG.
- All rights, title and ownership of any Intellectual Property developed by or for the Service Provider or DCOG independently and outside of execution/production of the Deliverables related to this bid and provided during this project ("Background IP") shall remain the sole property of the party providing the Background IP.
- To the extent that the Service Provider utilises any of its Background IP in connection with the Deliverables, such Background IP shall remain the property of the Service Provider and DCOG shall acquire no right or interest therein. Service Provider shall grant DCOG a non-exclusive, royalty-free, non-transferable licence to use such Background IP strictly for purposes of making beneficial use of the Deliverables into which such Background IP has been incorporated.
- All Intellectual Property rights in Bespoke Deliverables are or will be vested in and owned by DCOG unless specifically agreed otherwise in writing. The Service Provider agrees that it shall not, under any circumstances, question or dispute the rights and ownership of DCOG in and to the Bespoke Deliverables. DCOG shall grant the Service Provider a non-exclusive, royalty free, non-transferable licence to use the Bespoke Deliverables to perform its obligations under this project.
- The Service Provider may not publish or sell, in whole or in part, any Bespoke Deliverables emanating from this project without the explicit written consent of DCOG.
- The Copyright of any Bespoke Deliverables shall vest in DCOG.

3.10. No amendments to the SLA or any variation, waiver, relaxation or suspension of any of the provisions thereof shall have any force or effect, unless reduced to writing and signed by both parties.

### 1. Purpose of assignment

The key objectives of the assignment are as follows:

- **Demand and Infrastructure Quantification:** Quantification of the Spatial Development Framework (SDF) from a socio-economic point of view, which includes a detailed spatial analysis of the demography of the municipal population as well as economic growth trends per functional area. It must demonstrate the anticipated growth in population as well as economic growth, translating into a land budget indicating the demand for residential, commercial, industrial, institutional land-uses etc. The Growth Strategy will link space to numbers as per the SDF in order to facilitate well-informed and aligned infrastructure planning.
- **Long Term Financial Strategy:** Develop Long Term Financial Strategies (LTFS) for the municipality based on an approach and methodology that is driven by a financial model that models future expenditure and revenue based on historical trend analysis, changes in the external environment and policy choices. The outcome of which should be the basis under which the municipality will be financially sustainable. The LTFS should also provide guidance as to the optimal funding strategy to follow that will enable the municipality to rehabilitate where needed, and maintain, replace and extend its municipal infrastructure asset base.
- **Capital Expenditure Programme:** The municipal capital expenditure programme should be linked to the spatial vision, demand quantification and LTFS and system support should be provided to the municipality to enhance integrated development planning, project and programme prioritisation, capital expenditure budgeting and implementation monitoring.

### 2. Introduction and background

The Integrated Urban Development Grant requires intermediate city municipalities to develop a Capital Expenditure Framework. The “Capital Expenditure Framework” (CEF) is referred to as a key component of the SDF in the Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) section (21)(n). The legislative context is within the realm of municipal planning and relates specifically to Integrated Development Plans (IDPs), Spatial Development Frameworks (SDFs) and Municipal Budgeting. DCOG has developed guidelines that seeks to assist Intermediate City Municipalities to develop their CEFs.

Section 153 of the Constitution of South Africa states that a municipality must structure and manage its administration, budgeting, and planning process to give priority to basic needs of the community and to promote the social and economic development of the community. It instructs municipalities to be developmental in nature, and it states that it should be done through two vehicles, namely; planning processes and budgeting processes.

In April 2016, Cabinet adopted the Integrated Urban Development Framework (IUDF) as the official national urban policy of government under the custodianship of the DCOG. The IUDF marks a new deal for South Africa’s cities and towns. It sets a policy framework to guide the development of inclusive, resilient, and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa’s cities and towns.

The key outcome of the IUDF is spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.

Whilst the IUDF responds to the National Development Plan (NDP), it also responds to urbanization challenges that South Africa (SA) is faced with. In its response to urbanisation, the IUDF makes it clear that it does not do so in a manner that treats urbanization as an antithesis of rural development, thereby, acknowledging the importance of urbanization as it has implications to both urban areas, i.e. large cities/metros and small and rural towns. In order to demonstrate this, the implementation of the IUDF was conceptualized across a spectrum of municipal spaces.

As part of the process to implement the IUDF, DCOG collaborated with National Treasury (NT) and the South African Local Government Association (SALGA) as key IUDF implementation partners. National Treasury was assigned with the responsibility to implement the IUDF within metropolitan municipalities, and the South African Local Government Association was assigned with the responsibility to implement the IUDF in small towns and rural areas. Implementation of the IUDF in intermediate cities is the responsibility of DCOG. The NT programme to implement the IUDF in metropolitan municipalities was called the City Support Programme (CSP), while the SALGA programme was called the Small Towns Regeneration (STR) Programme.

The Capital Expenditure Framework is the mechanism of the municipality which aims to achieve spatial transformation by aligning capital investment planning and budgeting in such a way that the key outcomes of the IUDF are achieved.

### **3. Problem Statement**

The role of a CEF is to frame the outcomes of a multitude of planning documents within a municipality in order to ensure that implementation is guided by a strategic, spatial, financial and social logic. This is informed by national and provincial strategies and policies and those at municipal level, namely, Integrated Development Plans (IDP), Spatial Development Framework (SDF) and other departmental strategies.

A CEF serves not only as performance evaluation mechanism, but also as a rationale towards capital investment planning that provides business intelligence, data validation, programme and project synchronisation and prioritisation. This fundamental element of a municipality – its planning and investment rationale – is guided, managed and finally implemented through means of numerous processes guided by many more legislative frameworks, guidelines, toolkits, and circulars, each related to a specific component of the municipal planning and implementation process essentially described in the Integrated Development Plan.

The simultaneous management of these processes - processes relating to strategic analysis and planning, best scenario identification, phasing and implementation, as well as monitoring and readjusting; is complex and data intensive. This complexity, together with numerous challenges at local government level that relates to inadequate internal capacity, insufficient backlog-, asset- and budgeting management processes are at the heart of what the CEF seeks to address. The role of the CEF is therefore to strengthen the process currently institutionalized within the municipality, and to show how capital flows from planning to implementation, whilst aligning to a spatial transformation vision. The aim is that the CEF becomes the main pivot-point around which these processes will rally. It will clearly elevate areas where challenges need to be addressed and it is foreseen that different municipalities will have divergent challenges.

Within the IUDF, the Intermediate Cities Municipality (ICM) programme, targeting 39 municipalities, is intended to provide support for the municipalities in the middle size and density range of the continuum. The purpose of the ICMs support strategy is to help translate IUDF policy into practical programmes of action in the ICMs. In so doing, the initiative aims to give impetus to achieve the main IUDF goals, which are forging new integrated forms of spatial development; ensuring that people have access to social economic services, opportunities and choices; harnessing urban dynamism to achieve inclusive and sustainable growth; and enhancing the governance capacity of the state and citizens in ICMs.

One element of the implementation of the IUDF was the introduction of a consolidated infrastructure grant and all 39 ICMs are all eligible to apply for the Integrated Urban Development Grant (IUDG) which started in the 2019/20 financial year. Among other features, the IUDG moves towards programmatic grant monitoring. The business plan for the IUDG is a three-year capital programme that is aligned with a long-term (10-year) Capital Expenditure Framework (CEF). The CEF will be used as the primary instrument for grant qualification in the application for IUDG funding. Out of the 39 ICMs in the country, DCOG provided support to 5 ICMs in the 2023/2024 FY to develop CEFs and the 9 ICMs currently receiving the IUDG were supported in previous years to develop their CEFs. In this regard, this project will focus on the 25 remaining ICMs.

#### 4. Scope of the assignment

The scope of this assignment is based on the requirements for the development of a Capital Expenditure Framework (CEF) as per the “Guideline to preparing a Capital Expenditure Framework” developed by DCOG, dated February 2021.

The primary scope of this assignment is the development of Capital Expenditure Frameworks for twenty-five (25) Intermediate City Municipalities namely:

| Phase One (2024/2025 FY) |   |                        |
|--------------------------|---|------------------------|
| No.                      | Intermediate City Municipalities          | Province               |
| 1.                       | King Sabata Dalindyebo Local Municipality | Eastern Cape Province  |
| 2.                       | Matjhabeng Local Municipality             | Free State Province    |
| 3.                       | Rand West Local Municipality              | Gauteng Province       |
| 4.                       | Msunduzi Local Municipality               | KwaZulu-Natal Province |
| 5.                       | Alfred Duma Local Municipality            | KwaZulu-Natal Province |
| 6.                       | Greater Tzaneen Local Municipality        | Limpopo Province       |
| 7.                       | Lephalale Local Municipality              | Limpopo Province       |
| 8.                       | Govan Mbeki Local Municipality            | Mpumalanga Province    |
| 9.                       | Madibeng Local Municipality               | North-West Province    |
| 10.                      | City of Matlosana Local Municipality      | North-West Province    |
| Phase Two (2025/2026)    |   |                        |
| No.                      | Intermediate City Municipalities          | Province               |
| 1.                       | Enoch Mgijima Local Municipality          | Eastern Cape Province  |
| 2.                       | Metsimaholo Local Municipality            | Free State Province    |
| 3.                       | Maluti a Phofung Local Municipality       | Free State Province    |
| 4.                       | Merafong Local Municipality               | Gauteng Province       |
| 5.                       | Newcastle Local Municipality              | KwaZulu Natal Province |
| 6.                       | Greater Giyani Local Municipality         | Limpopo Province       |
| 7.                       | Ba-Phalaborwa Local Municipality          | Limpopo Province       |
| 8.                       | Thulamela Local Municipality              | Limpopo Province       |
| 9.                       | Mogalakwena Local Municipality            | Limpopo Province       |
| 10.                      | Makhado Local Municipality                | Limpopo Province       |
| 11.                      | Emfuleni Local Municipality               | Mpumalanga Province    |
| 12.                      | Bushbuckridge Local Municipality          | Mpumalanga Province    |
| 13.                      | Emalahleni Local Municipality             | Mpumalanga Province    |
| 14.                      | JB Marks Local Municipality               | North-West Province    |
| 15.                      | Mafikeng Local Municipality               | North-West Province    |

In order to achieve the desired outcomes of this assignment, i.e. develop demand and infrastructure quantification, develop a long-term financial plan, develop a Capital Expenditure Programme and to compile a Capital Expenditure

Framework document, following steps will be completed:

### **Step 1: Align Functional Areas and Priority Development Areas**

- a) Aim:
  - To identify Functional Areas / Priority Development Areas based on the existing Spatial Development Framework, in line with the Spatial Planning and Land Use Management Act (SPLUMA) principles.
  - To align priority development areas with the functional areas in the municipality.
- b) Deliverables:
  - Spatially referenced (as shape files) Functional Areas / Priority Development Areas and their relevant priority in line with the Spatial Development Framework.
  - A defined hierarchy of priority between Functional Areas / Priority Development Areas.

### **Step 2: Complete Socio-Economic and Spatial Profiling**

- a) Aim:
  - To develop a socio-economic and spatial profile of the Local Municipal area, highlighting the features that will impact on long-term growth in the municipality.
  - To develop a similar socio-economic and spatial file of each of the Functional Areas identified for the municipality.
  - To determine the population and household growth trends per functional area based on a ten-year horizon for the Local Municipal area.
- b) Deliverables:
  - Socio-Economic profile for the Municipal and each functional area describing at least:
    - The demarcation history and spatial relationships of the area/municipality
    - The basic population characteristics
    - Household characteristics
    - Migration and population movement trends.
    - Social and community facilities in the areas, specifically focusing on education, health and safety and security.
    - The settlement footprint and the extent of different uses as depicted in the national land cover dataset hosted by the Department of Environmental Affairs.
  - Population and household projections for the municipality and each functional area over a 10-year horizon.
  - An analysis of the customer base in terms of residential and non-residential customers, showing existing access to services and levels of services
  - Statement on the extent of backlogs in terms of the municipality's service delivery policies. This should include:
    - Infrastructure services
    - Community and social services

### **Step 3: Compile a land demand and infrastructure investment requirements**

- a) Aim:
  - To identify current and future available land for development (output from the SDF).
  - To determine land demand over a 10-year horizon for the range of land uses and residential mixes appropriate to rural and urban areas - with specific regard to residential, commercial, social and industrial land uses (output from the SDF if the SDF addresses it in the required detail).
  - To undertake a high-level demand quantification modelling and infrastructure investment estimation
- b) Deliverables:
  - Land demand quantification and associated infrastructure levels over a ten-year horizon expressed as:
    - Land use mixes, including residential mixes and densities, business, industrial, recreation and social and community facilities.

- Land demand expressed as the number of stands required over the programme period.
- Year based investment requirements for infrastructure to service the customer demand derived from the landuse mixes and land demand showing:
  - Capital expenditure requirements
  - Operating and maintenance expenditure
- The outcomes for the programme period should clearly address growth demand, service access backlogs and asset renewal requirements for each of the major infrastructure components. The full demand must be addressed and a distinction between the demand to be addressed by the municipality, other government role players and the private sector should be made,

#### **Step 4: Verify the Spatial Development Framework**

- a) Aim:
  - To contextual the SDF in terms of the expected growth and land demand
  - To define the policy direction for development for the Municipal area and functional areas based on the SDF
  - To validate population and growth projections with the SDF.
- b) Deliverables:
  - Verification of Spatial Development Framework alignment and identify gaps where they exist.

#### **Step 5: Identify capital projects and prepare a Capital Investment Framework**

- a) Aim:
  - To incorporate the current infrastructure projects as identified by the Municipality (if available) and IDP into a Capital Investment Framework.
  - To incorporate infrastructure maintenance requirements as identified by the municipal departments into the Capital Investment Framework.
  - To facilitate the capturing of infrastructure requirements and backlogs into a Capital Investment Framework list / database, based on projected population and land uses within the Functional Areas, by the municipal departments.
- b) Deliverables:
  - A project based capital programme response to functional area demand analysis
  - An unrefined capital project list per Functional Area that can be assessed against the outcomes of Step 4.

#### **Step 6: Develop a long-term financial model and plan**

- a) Aim:
  - To populate a base financial model with the latest audited financial statements from the Municipality.
  - To calibrate the long-term financial planning module.
  - To forecast revenue, Operational expenditure and Capital expenditure.
  - To enable scenario testing and policy changes.
  - To inform a funding envelope of the most sustainable project combination together with the optimal funding mix over a 10-year horizon.
- b) Deliverables:
  - A populated and calibrated base financial model.
  - Forecasted revenue, Operational expenditure and Capital expenditure.
  - Scenario test results.
  - Funding envelope and optimal funding mix over a 10-year horizon.

#### **Step 7: Project Prioritisation and Budget Fitting for Affordability Envelope**

- a) Aim:
  - To prioritise projects in order to ensure affordability and long-term financial sustainability.

- To prioritise projects in line with the spatial vision of the SDF at the hand of detailed Functional Areas, and individual Functional Area outcomes.
- To budget fit and model the expected requirements over time within the constraints of the Long-Term Financial Model recommendations.

b) Deliverables:

- Prioritised list of projects based on the municipality's SDF investment priorities and Functional Areas.
- Calculate the affordability envelope from the budget fit process, informed by the affordable budget envelope and funding mix from the Long-Term Financial Model recommendations.

#### **Step 8: Compile capital expenditure framework per Functional Area**

a) Aim:

- To group prioritised and fitted projects according to Functional Areas into a capital expenditure framework (10-year horizon).

b) Deliverables:

- List of projects, that is spatially demarcated, related to programmes and Functional Areas (10-year horizon).

#### **Step 9: Develop a MTREF (3-year) Project Expenditure Programme**

a) Aim:

- To provide a medium term (MTREF) approved budget i.e. the capital expenditure implementation framework.

b) Deliverables:

- A 3-year (MTREF) Capital Expenditure Programme, per Functional Area
- Spatial analysis of the Capital Expenditure Programme
- Projects in the MTREF capital programme are classified by category (i.e. by sector)
- Projects in the MTREF capital programme are classified as new/renewal
- Projects in the MTREF capital programme are classified as % for poor households based on an estimate of customer/demand profile in the area in which they are located.

#### **Step 10: Prepare a Capital Expenditure Framework Report**

a) Aim:

- To provide a Capital Expenditure Programme report that includes a spatial development vision, functional areas, population projections, future land use estimates, infrastructure requirement and a quantified spatial plan.
- To indicate how the Capital Expenditure Framework responds to long-term land development needs.
- To provide strategic outcomes for the different Functional Areas.
- To guide capital investment in response to the listed preceding steps, according to a 10-year development vision.

b) Deliverables:

- Capital Expenditure Framework document.

### **5. Deliverables and time frames**

The successful bidder is expected to deliver the following:

a) **Phase 1 (2024/2025 FY)**

- **Draft CEF Documents**, in accordance with the steps and content specifications of the "Guideline to preparing a Capital Expenditure Framework developed by DCOG, dated February 2021, for the **10 identified ICMs by 31 December 2024**.
- **Final CEF Documents**, in accordance with the steps and content specifications of the "Guideline to preparing a Capital Expenditure Framework" developed by DCOG, dated February 2021, **for the 10 identified ICMs by 28 February 2025**.



**b) Phase 2 (2025/2026 FY)**

- **Draft CEF Documents**, in accordance with the steps and content specifications of the “Guideline to preparing a Capital Expenditure Framework developed by DCOG, dated February 2021, **for the 15 identified ICMs by 31 December 2025.**
  - **Final CEF Documents**, in accordance with the steps and content specifications of the “Guideline to preparing a Capital Expenditure Framework” developed by DCOG, dated February 2021, **for the 15 identified ICMs by 28 February 2026.**
- c) This assignment is expected to be concluded within the set timeframe as per **the agreed implementation plan** and the total duration of the assignment shall be **eighteen (18) months.**
- d) The assignment will commence upon date of signing of the Service Level Agreement (SLA) between the DCOG and the Successful bidder/ service provider; and
- e) The Department may wish to adjust the precise scope and timeframes of this project subject to compliance with SCM and audit processes and the inception date of the project.

**6. Skills, Knowledge and experience requirements:**

- (a) In order to execute this assignment successfully, the service provider must put together a team that possesses the required knowledge, experience and expertise. The project team must at least include the following key staff: Infrastructure and Land Use Planning Specialist (Registered Planner), Infrastructure and Integrated Planning Engineering Specialist (registered Civil Engineer), Financial Analyst (Registered Chartered Accountant or a Chartered Financial Analyst), Social Profiling and Infrastructure Demand Analyst (Registered Planner or Engineer) and Support Staff.
- (b) The successful bidder must provide documented proof of the following:
- Team members’ successful completion of long-term (7 to 10 year) financial plans in a municipal environment.
  - Access to a spatially enabled database with the ability to capture capital project needs for at least a 10- year planning horizon. The database should enable the analysis and prioritization, and the spatial analysis should include the evaluation of projects based national, provincial and municipal strategic objectives.

**7. Form of proposal**

Bidders should comply with a specific format when submitting their bids. It is suggested that the format specified in the TOR corresponds with the various elements of the bid evaluation system to facilitate the evaluation and scoring of bids.

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.

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.
- (c) Skills Transfer Plan developed in line with the Terms of Reference.
- (d) 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.**

**ANNEXURE A: BIDDER EXPERIENCE SUMMARY**

| Contracting party<br>(Company/entity name) | Project title and<br>description | Start date | End date | Budget |
|--|----------------------------------|------------|----------|--------|
|  |                                  |            |          |        |
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|  |                                  |            |          |        |

Bidders must ensure that their proposals contain details of how the projects listed above are relevant to the objectives.

Bidders must attach reference letters and/or contactable references for projects listed above.

**ANNEXURE B: PROJECT TEAM SUMMARY**

| Role          | Surname,<br>Name | RSA ID<br>Number | Highest<br>relevant<br>Qualification | Current<br>Employer | Total Years of<br>Experience | Total Years of<br>Experience in<br>similar<br>projects |
|---------------|------------------|------------------|--------------------------------------|---------------------|------------------------------|--|
| Team Leader   |                  |                  |                                      |                     |                              |  |
| Team member 1 |                  |                  |                                      |                     |                              |  |
| Team member 2 |                  |                  |                                      |                     |                              |  |
| Team member 3 |                  |                  |                                      |                     |                              |  |
| Team member 4 |                  |                  |                                      |                     |                              |  |

Attach detailed CV as well as confirmation of availability for each person listed above.

Attach copies of qualifications for all team members,

Information obtained from the CSD report will be used to verify the criminal records and credit status of directors/owners of the supplier, where applicable.

**ANNEXURE C: PRICING INFORMATION**

**Deliverables and time frames**

The following table reflects the key project areas and timeframes which should be adhered to for purposes of undertaking the whole project:

| Activities         | Milestones | Timeframes | Responsibility | Costs |
|--------------------|------------|------------|----------------|-------|
|                    |            |            |                |       |
|                    |            |            |                |       |
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|                    |            |            |                |       |
|                    |            |            |                |       |
| <b>TOTAL COSTS</b> |            |            |                |       |

