REQUEST FOR PROPOSALS TO APPOINT A PANEL OF SERVICE PROVIDER TO DEVELOP TECHNICAL ADVICE TO INFORM SALGA'S LOBBY AND ADVOCATING FOR ENABLING MUNICIPAL FINANCE LEGISLATIONS, POLICIES, REFORMS, AND LEGISLATION: (SUB-PROJECT 1: TECHNICAL ADVICE ON THE REVIEW OF SECTION 118 OF THE MUNICIPAL SYSTEMS ACT – PROVIDING LEGAL, TECHNICAL AND POLICY ANALYSIS TO SUPPORT PROPOSED REFORMS AIMED AT STRENGTHENING MUNICIPAL REVENUE PROTECTION AND ADDRESSING IMPLEMENTATION CHALLENGES; SUB-PROJECT 2: FEASIBILITY STUDY ON ALTERNATIVE AND COMPLEMENTARY MUNICIPAL REVENUE MODELS – ASSESSING SUSTAINABLE REVENUE MODELS ARISING FROM THE WATER AND ELECTRICITY TRANSITION, INCLUDING IMPLICATIONS FOR MUNICIPAL REVENUE AND OPTIONS RELATING TO MUNICIPALITIES' ROLES AS SERVICE AUTHORITIES AND SERVICE PROVIDERS) FOR A PERIOD OF THIRTY-SIX (36) MONTHS. PROJECT C

BID NO: SALGA/07/2026 (C) LOBBY AND ADVOCACY PROGRAMME (MUNICIPAL FINANCE LEGISLATION)

Closing date and time: 11 September 2026 at 11:00 am

Bid Validity Period: 120 days

TEL: (012) 369 8000
WEBSITE: www.salga.org.za

PLEASE NOTE THAT SALGA LAUNCHED A FULLY AUTOMATED SUPPLY CHAIN MANAGEMENT PLATFORM. TO REGISTER AS A SUPPLIER ON THE PORTAL AND SUBMIT THE RESPONSE TO THIS TENDER. PLEASE CLICK THE LINK BELOW:

https://scmportal.salga.org.za/

1. INTRODUCTION

The South African Local Government Association (SALGA) was established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. Its main objectives are to:

1.1. Represent, promote and protect the interests of local government.
1.2. Transform local government to enable it to fulfil its developmental role.
1.3. Enhance the role and status of its members as provincial representatives and consultative bodies of local government.
1.4. Enhance the role and status of municipalities.
1.5. Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter relating to local government.
1.6. Ensure the full participation of women in organised local government; and
1.7. Be the National Employers' Association representing all municipal members and, by agreement, associate members.

2. SALGA MANDATE

Developmental local government is an essential part of the government's machinery. In line with its constitutional mandate, SALGA is tasked with transforming the local government sector into one that possesses the necessary capacity to significantly contribute to poverty alleviation, economic development, and all socio-economic opportunities that the state is committed to providing for its citizens. SALGA also acts as the representative voice of all 257 municipalities across the country.

Since its establishment, SALGA has endeavoured to focus on its mandate of supporting local government transformation in a complex environment characterised by a highly diverse and diffuse membership base of municipalities. According to its amended Constitution, SALGA is a unitary body comprising a national association and nine provincial offices. Its mandate is founded on six primary pillars:

2.1. Representation, Advocacy and Lobbying refer to representing the interests of members in legislatures and other policymaking and oversight structures. It also refersto engaging with various stakeholders and participating in public debates, among other initiatives, in the interest of Local Government.

2.2. Employer Body refers to being an effective employer representative for members. Employer representation is conducted through collective bargaining (in terms of the Labour Relations Act) in various structures, including but not limited to those established in the South African Local Government Bargaining Council.

2.3. Capacity Building refers to facilitating capacity-building initiatives, among others, by representing member interests in the

Local Government Sector Education and Training Authority (LGSETA). SALGA strives to promote a coherent, well-coordinated capacity-building programme for municipal councillors and officials.

2.4. **Support and Advice** refer to the provision of tools and services that enable municipalities to understand and interpret trends, policies and legislation affecting Local Government and to implement the said policies and plans.

2.5. **Strategic Profiling** of local government refers to enhancing the profile and image of local government as an essential and credible agent for delivering services. Profiling focuses on South Africa, the African continent and the rest of the world.

2.6. **Knowledge and Information Sharing** refer to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed deliveryof other SALGA mandates. The knowledge hub is also a valuable resource for anyone seeking information about Local Government.

3. CONTEXTUAL BACKGROUND

3.1 Audit and Financial Performance (AGSA Data)

3.1.1. **Municipal audit outcomes remain a significant governance and financial management concern**, with the Auditor-General's 2023/24 consolidated results reflecting limited improvement and continued weaknesses across the sector. The reported outcomes include 41 clean audits, 99 unqualified opinions, 90 qualified opinions, 6 adverse opinions, 11 disclaimers and 10 outstanding audits, demonstrating that a substantial number of municipalities continue to experience challenges in achieving credible financial reporting and effective governance. Persistent audit findings are often associated with weaknesses in internal controls, financial record management, asset and revenue management, compliance with legislation, supply chain management, consequence management and the implementation of audit action plans. Improving audit outcomes requires municipalities to move beyond year-end audit preparation towards continuous audit readiness, supported by effective oversight structures, credible financial information, strengthened internal controls, timely implementation and monitoring of audit action plans, and clear accountability for recurring findings.

3.1.2. **Key Findings**: The Auditor-General of South Africa (AGSA) flagged systemic issues weak financial health of municipalities and increase material irregularities, including the deteriorating financial health of municipalities and an increase in material irregularities. These challenges are reflected in weak revenue collection, escalating consumer debt, cash-flow constraints, growing creditor balances, unauthorised, irregular, fruitless and wasteful expenditure (UIFWE), and inadequate financial and internal controls. The increase in material irregularities further points to weaknesses in accountability, compliance, governance and consequence management, with financial losses and potential harm to municipal resources and service delivery. Addressing these systemic challenges requires stronger preventative controls, early identification of financial risks, effective implementation of audit action plans, strengthened oversight by councils and MPACs, and decisive consequence management to ensure that recurring financial management failures are addressed and municipal resources are protected.

3.2. Revenue Management and Enhancement Strategies

3.2.1. Revenue Leakages remain a significant threat to the financial sustainability of municipalities, with National Treasury reporting that municipalities lose approximately R25 billion annually in water and electricity revenue as a result of physical infrastructure leaks, electricity and water theft, illegal connections, inaccurate or outdated meters, and weaknesses in metering and billing systems. These losses reduce the ability of municipalities to convert services delivered into collectable revenue, while municipalities remain liable for the associated bulk water and electricity costs. Persistent distribution and commercial losses therefore contribute to declining collection performance, increasing municipal debt to Eskom and water boards, constrained cash flows, and reduced resources for infrastructure maintenance and service delivery. Addressing revenue leakages requires municipalities to strengthen metering and meter audits, infrastructure maintenance, loss monitoring, billing-data integrity, enforcement against illegal connections, and revenue-protection programmes, supported by clear loss-reduction targets and regular monitoring of water and electricity balances.

3.2.2. Low Collection Rates and Long-Outstanding Customer Debt remain major threats to municipal financial sustainability. Many municipalities continue to collect less than 70% of billed revenue, resulting in persistent cash-flow constraints and a growing gap between revenue billed and cash actually realised. Municipal consumer debt has increased to approximately R467.2 billion, while municipalities themselves owe creditors approximately R160.8 billion, demonstrating the direct relationship between poor revenue collection and municipalities' ability to meet their financial obligations. High levels of debt, ineffective credit control and debt collection, inaccurate billing, unverified indigent registers and weak enforcement further compound the problem. Strengthening municipal financial sustainability therefore requires credible billing systems, improved collection strategies, targeted recovery of long-outstanding debt, effective indigent management, enforcement of credit control policies, realistic payment arrangements and continuous monitoring of debtor ageing and collection performance.

3.2.3. Effective and credible indigent management remains a critical component of municipal revenue management and the sustainable provision of Free Basic Services (FBS). A key challenge is the credibility, accuracy and regular verification of municipal indigent registers, which may contain outdated information, exclude qualifying households or include beneficiaries whose circumstances have changed. Misalignment between municipal indigent registers, Stats SA socio-economic data and other government datasets further limits municipalities' ability to accurately identify and support qualifying households and to distinguish between customers who are genuinely unable to pay and those who are unwilling to pay. Municipalities should therefore strengthen data verification and integration, regularly cleanse and update indigent registers, improve community registration processes, and align municipal information with Stats SA and other credible government or private data sources. A credible, verified and council-approved indigent register will improve the targeting of FBS, strengthen revenue collection from customers who can afford to pay, improve the credibility of municipal debtor balances and support more effective financial and service-delivery planning.

3.3 Fiscal Policy Development

3.3.1. The current local government fiscal framework continues to place significant pressure on municipal financial sustainability. The SALGA study indicates that municipalities are expected to finance approximately 90% of their recurrent expenditure from own-source revenue, while in practice they are able to fund only about 60%, resulting in a significant structural fiscal gap. This mismatch between municipal expenditure responsibilities and realistic revenue-generating capacity is particularly concerning in municipalities with weak economic bases, high levels of poverty and indigence, low collection rates and increasing service-delivery costs. The fiscal framework therefore requires continued review to ensure that the division of revenue, intergovernmental transfers and municipal own-revenue assumptions adequately reflect the actual cost of delivering constitutionally mandated basic services and the differing revenue-raising capacities of municipalities. Without addressing this structural imbalance, municipalities will continue to experience cash-flow pressures, infrastructure underinvestment, growing creditor obligations and increasing dependence on national transfers.

3.3.2. Smaller and predominantly rural municipalities remain highly dependent on the Local Government Equitable Share and conditional grants because of their limited economic and revenue bases, high levels of poverty and indigence, and constrained ability to generate sufficient own-source revenue. While these transfers are essential for funding basic services and infrastructure, excessive dependence on them limits municipal fiscal autonomy, flexibility and financial resilience, particularly because conditional grants are generally restricted to specified purposes and cannot freely address operational and cash-flow pressures. The situation is further compounded by low collection rates and limited opportunities to expand the municipal revenue base. Strengthening the sustainability of these municipalities therefore requires a combination of a responsive intergovernmental fiscal framework, protection and optimisation of existing revenue sources, local economic development, improved revenue collection and differentiated funding approaches that recognise the varying fiscal and revenue-raising capacities of municipalities.

3.4 Financial Modelling and Scenario Planning

3.4.1. Municipal budgeting remains largely short-term and reactive, with insufficient integration of long-term financial planning, scenario modelling and risk forecasting into municipal budget processes. This limits municipalities' ability to anticipate and respond to significant fiscal and operational shocks, including legislative and policy reforms, economic downturns, climate-related risks, changes in municipal boundaries arising from demarcation, declining revenue bases, increases in bulk electricity and water costs, and unexpected service-delivery pressures. Strengthening municipal financial sustainability requires a shift towards forward-looking and resilient budgeting, supported by multi-year financial modelling, revenue and expenditure scenarios, sensitivity analysis, credible cash-flow forecasting and contingency planning. These approaches should be integrated into the IDP, budget and long-term financial planning processes to enable municipalities to understand the financial implications of potential shocks in advance and develop appropriate mitigation strategies rather than responding only after financial pressures have materialised.

3.4.2. Studies conducted by the Financial and Fiscal Commission (FFC) and SALGA highlight the importance of strengthening risk-based financial planning to improve municipal financial resilience and sustainability. Municipal financial planning should move beyond traditional budgeting approaches by incorporating early-warning indicators, scenario and sensitivity analysis, revenue and expenditure risk assessments, cash-flow forecasting and stress testing. Such tools would enable municipalities to anticipate the financial implications of risks such as declining revenue collection, increasing consumer debt, tariff and bulk-cost increases, economic downturns, climate-related events, legislative reforms and changes arising from municipal demarcation. Integrating risk-based planning into municipal IDPs, budgets, long-term financial plans and revenue strategies would support earlier intervention, better-informed decision-making and the development of appropriate mitigation measures before financial pressures escalate into financial distress.

3.5 Infrastructure Finance (SALGA Studies)

3.5.1 Persistent underinvestment in municipal infrastructure, combined with growing service delivery backlogs and the underspending of conditional grants, continues to undermine municipal financial sustainability and the reliability of basic services. Ageing and poorly maintained water, sanitation, electricity, roads and other municipal infrastructure contribute to service interruptions, increasing distribution losses, higher maintenance costs and reduced revenue-generation capacity. At the same time, some municipalities struggle to fully utilise available conditional grant funding due to weak project planning, procurement delays, limited technical and project-management capacity, poor contract management and inadequate project readiness. Municipalities therefore require stronger infrastructure asset management, credible maintenance and capital investment plans, improved project preparation and procurement processes, and closer monitoring of conditional grant expenditure. Greater emphasis should also be placed on preventative maintenance and lifecycle costing, ensuring that infrastructure investment not only addresses existing backlogs but also protects municipal assets, reduces revenue leakages and supports sustainable service delivery over the long term.

3.5.2 Creditworthiness and Bankable Projects - Municipalities continue to experience challenges in accessing debt financing, development finance and capital markets due to weaknesses in their financial position, governance arrangements and technical capacity. Poor revenue collection, weak balance sheets, inadequate financial controls, audit outcomes and governance inefficiencies can negatively affect municipal creditworthiness and the confidence of potential lenders and investors. These challenges are compounded by limited institutional capacity for project identification, planning, feasibility assessment, financial modelling, costing, risk allocation and preparation of infrastructure projects to bankability. As a result, potentially viable infrastructure projects may fail to progress from concept to investment-ready stage, limiting municipalities' ability to diversify infrastructure funding beyond grants. Strengthening municipal creditworthiness therefore requires both improved financial and governance performance and targeted capacity building in project preparation, business case development, feasibility studies, financial modelling, public-private partnerships and investment packaging, enabling municipalities to develop credible project pipelines that can attract loans, bonds and other sources of infrastructure finance.

4. CONCLUSION

Given the scale and complexity of the challenges facing municipalities and their ability to be financially sustainable and resilient. Municipalities require support in strengthening financial governance, institutional capacity, modernising revenue systems, and leveraging innovative finance, and improving and sustaining positive unqualified with no material findings.

5. SCOPE OF WORK

5.1. Purpose of the Assignment

The purpose of this assignment is to appoint a qualified panel of service providers to enrich the internal capacity constraints and enable measurable impactful support to municipalities through the following programmes:

5.1.1. Lobby and Advocacy Programme (Municipal Finance Legislation) - Lobby and Advocacy programme focuses on lobby and advocating for enabling municipal finance policies, reforms, and legislation.

- Sub-Project 1: Technical advice on review of Section 118 of the Municipal Systems Act.
- Sub-Project 2: Feasibility Study (Alternative and Complementary revenue models (water & electricity transition) and (municipality service authority and provider role options).

5.2. Objectives

The key objectives are to:

5.2.1. Facilitate and support municipalities to reduce their municipal audit findings (Audit Report and Management Report).

5.2.2. Facilitate and support municipalities to improve their municipal audit outcomes.

5.2.3. Undertake applied research and develop implementable alternative and complementary revenue models (water & electricity transition).

5.2.4. Facilitate and support municipalities to improve revenue generation, protection, and collection.

5.2.5. Technical advice on review of Section 118 of the Municipal Systems Act.

5.2.6. Municipal Financial Modelling and Scenario Planning for preselected municipalities.

5.2.7. Provide accredited/unaccredited capacity building to councillors and officials in municipalities and SALGA (municipal audits, revenue management & enhancement, and financial sustainability).

5.3. Lobby and Advocacy Programme (Municipal Finance Legislation) – PROJECT C

5.3.1. Sub-Project 1: Technical Advice

SALGA will solicit inputs from a panel of experts to develop technical advice to inform SALGA's engagement and advocacy on the review of Section 118 of the Municipal Systems Act. The work will produce a clear problem statement, legally defensible options and a recommended policy position to strengthen municipal fiscal sustainability and improve administrative clarity and implementation across municipalities.

5.3.1.1. **Inception and workplan-** SALGA should confirm the key policy questions and advocacy priorities relating to the review of Section 118 of the Municipal Systems Act, informed by municipal implementation experiences, court judgments and identified legislative and administrative gaps. Key issues should include clearance certificates, historical municipal debt, revenue leakages and fraudulent certificates, billing accuracy, legal interpretation, property transfers, system integration with the Deeds Office, and protection of municipal revenue. The agreed SALGA position should be progressively advocated through relevant technical MINMEC structures, COGTA, National Treasury, Portfolio Committees and other relevant regulatory and intergovernmental platforms. A clear workplan should provide for municipal consultations, consolidation of provincial inputs, legal and technical review, development and validation of proposed amendments, and formal approval of SALGA's position, supported by appropriate governance and quality-assurance processes before submission and advocacy.

5.3.1.2. **Legal and Implementation Diagnosis -** Undertake a comprehensive legal and implementation assessment of Section 118 of the Municipal Systems Act, examining its current wording, judicial interpretation and practical application across municipalities. The assessment should identify legislative ambiguities and implementation challenges relating to municipal clearance certificates, historical debt, property transfers, calculation and verification of amounts due, billing accuracy, prescribed processes and timeframes, evidence requirements, administrative fairness and enforcement mechanisms. Attention should be given to inconsistencies in municipal application, relevant court judgments, potential revenue leakages and weaknesses in coordination and information-sharing between municipalities, property owners, conveyancers and the Deeds Office. The diagnosis should clearly identify gaps requiring legislative amendment, regulatory clarification, process standardisation or strengthened administrative and system controls to ensure that Section 118 remains an effective and legally enforceable municipal revenue-protection mechanism.

5.3.1.3. **Stakeholder consultation:** Conduct structured stakeholder consultations with municipalities, organised local government, relevant government departments and entities, legal experts, conveyancers, property-sector representatives and researchers to validate the key challenges and proposed reforms relating to Section 118 of the MSA. The consultations should provide practical evidence and build consensus on legislative, legal and implementation gaps, with the outcomes informing SALGA's position and proposed amendments to Section 118.

5.3.1.4. **Options development.** Develop practical reform options, covering legislative amendments, regulatory improvements and administrative reforms, supported by clear rationale and evidence from municipal implementation experiences. The options should include proposed drafting directions, standardised minimum processes, roles and responsibilities, timeframes, verification requirements and controls for municipalities, conveyancers, the Deeds Office and other relevant stakeholders, with particular emphasis on protecting municipal revenue, closing implementation gaps and reducing revenue leakages.

5.3.1.5. Impact and risk assessment: Assess each proposed reform option against its potential impact on municipal revenue protection and collection, administrative and compliance burden, constitutional and administrative justice requirements, legal and litigation risks, and practical implementation capacity. The assessment should recognise differences in municipal categories, financial capacity, systems and institutional capability, ensuring that recommended reforms are legally sound, administratively feasible and do not create unintended risks or additional revenue leakages.

5.3.1.6. Recommended SALGA position and advocacy package: prepare SALGA's consolidated policy position, and a stakeholder engagement plan to support lobbying and advocacy.

5.3.1.7. Key deliverables (minimum):

- Inception report (problem statement, methodology, stakeholder plan, workplan and timelines).
- Diagnostic note on current Section 118 application and implementation issues (including municipal case examples where available).
- Options paper with an assessment matrix (legal feasibility, implementation practicality, risks and mitigations).
- Draft SALGA position paper and advocacy brief (recommended amendments/drafting directions, where applicable).
- Stakeholder consultation record and validation workshop report-back.
- Final technical advice report consolidating recommendations, implementation considerations and an engagement roadmap.

5.3.2. Sub-Project 2: Feasibility Study (Alternative and Complementary revenue models (water & electricity transition) and (municipality service authority and provider role options).

5.3.2.1. SALGA seeks a panel of experts to conduct a nationally relevant study that identifies, evaluates and recommends feasible alternative and complementary revenue models related to the provision of electricity and water services by municipalities, considering municipal category, demographic and spatial realities, affordability, regulation, and implementation capacity. The study must also consider the implications of the energy transition for municipal electricity revenues and financial sustainability, including evolving electricity market arrangements, distributed generation, wheeling and tariff and revenue-model reform, and how these changes may be managed while protecting municipal own-revenue and service delivery.

5.3.2.2. Project Overview- This sub-project will undertake a feasibility study on alternative and complementary municipal revenue models in response to changes in the water and electricity sectors that may affect traditional municipal revenue streams. The study will assess the financial, legislative, institutional and operational implications of the water and electricity transition, including different options for municipalities' roles as service authorities and service providers, and their implications for tariffs, revenue ownership, billing and collection, infrastructure investment, accountability and financial sustainability. It will identify and evaluate alternative revenue models based on financial viability, legal permissibility, affordability, administrative feasibility and municipal capacity, and develop differentiated recommendations to support SALGA's policy advocacy and guide municipalities in protecting and diversifying their revenue base.

5.3.2.3. Inception and Study Design- Confirm the problem statement, scope and methodology for the feasibility study and review the relevant policy, legislative, regulatory and fiscal frameworks governing municipal electricity and water trading services. The inception phase will establish the analytical framework, key definitions, criteria for assessing alternative and complementary revenue models, data requirements and stakeholder engagement approach, providing a clear foundation for evaluating financially sustainable and implementable municipal revenue options.

5.3.2.4. Baseline Assessment - Assess and map the current municipal water and electricity revenue models across the value chain, including tariffs, metering and billing-to-cash processes, subsidies and indigent support, credit control and debt collection, debtor and collection performance, non-revenue water, and technical and non-technical electricity losses. The assessment will identify revenue leakages, performance gaps and binding financial, technical, institutional and operational constraints, recognising differences across municipal categories, service delivery arrangements and local contexts.

5.3.2.5. Model Identification and Longlist - Identify and assess a longlist of local and international alternative and complementary revenue models that may be applicable to South African municipalities, including differentiated service charges, prepaid and advanced metering, revenue assurance, loss-reduction incentives, demand-side programmes, wheeling and network access charges, connection fees, special levies, ring-fenced utility models and performance-based contracting. The assessment should also consider energy-transition reforms, including embedded and distributed generation, changing electricity sales volumes, and their implications for municipal tariffs, surcharges, network charges and overall revenue protection.

5.3.2.6. Feasibility, compliance and risk assessment: Assess each proposed alternative revenue model against legal and regulatory compliance, financial viability, affordability and equity, governance and institutional requirements, implementation capacity, political economy considerations and data requirements. The assessment should identify and evaluate key revenue, financial, operational, legal, governance and reputational risks, including appropriate mitigation measures, to determine the suitability, sustainability and scalability of each model across different municipal categories and contexts.

5.3.2.7. Municipal segmentation: Develop a municipal typology and segmentation framework based on categories such as metros, secondary cities, large towns and small/rural municipalities, using relevant demographic, socio-economic, spatial, service-delivery, institutional and fiscal variables. The segmentation should recognise differences in municipal revenue bases, affordability, infrastructure, technical capacity and financial performance, and match appropriate alternative and complementary revenue models to each municipal segment to enable differentiated and context-responsive implementation.

5.3.2.8. Quantification and scenarios: Quantify the indicative revenue potential and implementation costs of each proposed revenue model under different municipal scenarios, supported by clearly defined assumptions. The analysis should assess sensitivity to demographic and socio-economic factors, including poverty and indigence levels, household profiles and the local economic base, as well as operational factors such as distribution losses, payment and collection patterns, metering coverage and service consumption, to determine the financial viability and revenue potential of each model across different municipal contexts.

5.3.2.9. Shortlist and pilots: Recommend a shortlist of feasible and implementable alternative revenue models and identify suitable municipalities for proof-of-concept or pilot implementation, based on defined selection criteria and a municipal readiness assessment. The assessment should consider financial and institutional capacity, systems and data readiness, infrastructure, governance arrangements, revenue potential and implementation risks, with clear pilot objectives, performance indicators and lessons to inform potential scaling and replication across municipalities.

5.3.2.10. Implementation roadmap and toolkits: Develop a practical implementation roadmap and supporting toolkits for the recommended alternative revenue models, outlining required governance and institutional arrangements, operational process changes, policies, by-laws and tariff structures, data and system enhancements, stakeholder engagement and communication, and capacity-building requirements. The roadmap should define key activities, responsibilities, timelines, resource requirements and monitoring mechanisms to support effective implementation and potential scaling across different municipal contexts.

5.3.2.11. Key deliverables (minimum):

- Inception report (methodology, workplan, data needs, stakeholder map and engagement plan).
- Baseline diagnostic report (current municipal water and electricity revenue model constraints and opportunities).
- Options longlist and assessment matrix (with compliance, feasibility and risk ratings).
- Municipal segmentation/typology and model fit guidance per segment.
- Quantification notes (revenue potential scenarios and cost envelopes, with assumptions).
- Final report and executive summary (recommended models and policy/practice implications for SALGA and municipalities).
- Implementation roadmap and municipal toolkit (templates/guidance notes for adoption, including change management and capacity building).
- Stakeholders buy-in workshops to SALGA and selected stakeholders.

5.4. Minimum expertise (in addition to general panel requirements):

The panel of experts must demonstrate proven experience in South African local government fiscal policy, municipal finance and municipal legislation, supported by practical knowledge of municipal revenue administration. The panel should collectively possess expertise in legal and legislative drafting and review, administrative law, municipal revenue and debt management, property rates, tariffs and related fiscal and regulatory frameworks. Demonstrated experience in policy development and advocacy, stakeholder and intergovernmental engagements, legislative processes, and the preparation of evidence-based policy positions and submissions to government departments, regulators, Parliament and other legislative structures will be required.

6. Terms of Contract

It is anticipated that the term of the contract shall be for the duration of the assignment and shall expire upon fulfilment of the scope of work. The contractmay be extended by mutual agreement. Thirty (30) days written notice must be given if either party wishes to terminate the agreement prior to the contract's expiry date.

7. Questions during Bidding Process

Any enquiries regarding this RFP should be directed to Mr. Lucky Nkomo, Senior Buyer: SCM at scm@salga.org.za , located at the SALGA National Office – 012 369 8184. Clarification Questions will only be taken up to four days prior the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should inform SALGA through the designated email address scm@salga.org.za before the closing date. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

8. Submission of Proposal

Bid proposals shall be submitted through SALGA SCM portal. URL: https://scmportal.salga.org.za/ Service providers are encouraged to register on to the portal for their proposals to be considered

NB: Bid proposals submitted through other platforms will NOT be considered.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

All proposals will remain in force and will be irrevocable for hundred and twenty days after the proposal closing.

9. Contract Award

SALGA reserves the right to accept any proposal submitted or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of theproposal documents may be accepted or disqualified, at the option of SALGA.

Please outline in your proposal the assistance your institution is prepared to provide in orderto meet the estimated contract duration period for the full implementation of the scope of work.

10. Termination of Contract

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder, subject to the following:

10.1 the winning bidder fails to perform in accordance with the specified service requirements as set out in the RFP.

10.2 the winning bidder otherwise violates the provisions of the RFP to a substantial degree.

11. Liability

SALGA will not be held liable for any actions of the recommended bidder and/or its employees.

12. Important Dates

11 September 2026- Last day for questions
28 August 2026 - Proposal submissions due by 11h00

13. CONDITIONS OF BID (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)

13.1. The requirements for the content of the project proposal section below outline the information that must be included in bid offers. Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.

13.2. A contract will be signed with the appointed Service Provider.

13.3. The Service Provider will be required to sign confidentiality and indemnity agreements with SALGA.

13.4. SALGA may, at its own discretion, vary an instruction to include more work.

13.5. Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal.

13.6. In the event that any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.

13.7. SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.

13.8. Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by SALGA.

13.9. Bidders shall not issue any press release, social media or other public announcement pertaining to the details of their project without the prior written approval of SALGA.

13.10. Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.

13.11. The bid offers and proposals should be valid and open for acceptance by SALGA for a period of 120 days from the date of submission.

13.12. Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.

13.13. Disputes that may arise between SALGA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.

13.14. In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.

13.15. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.

13.16. SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.

13.17. Completion of the Standard Bidding Documents stated herein below is mandatory, failure to do so may render your bid offer invalid.

14. STANDARD BIDDING FORMS

14.1. Preference Points Claim Form

Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 12 and 13. They must be completed on the original and signed in full on the SuppyFlow portal.

14.2. Bidder’s Disclosure

Form SBD 4 - Bidders must complete this document in full. They must be completed on the original and signed in full on the SuppyFlow portal.

14.3 Bid Invitation

Form SBD 1 - Bidders must complete this document in full They must be completed on the original and signed in full on the SuppyFlow portal.

14.4 Pricing Schedule

Bidders will not be evaluated on price and BBEEE as this is a panel of service provider request

15. EVALUATION

For the purpose of comparison and to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance with the evaluation criteria mentioned below. The bidder/s will be evaluated in two phases as stated below:

Phase 1	Pre-Compliance Check
Phase 2	Technical Functionality

PHASE 1: PRE-COMPLIANCE CHECK

1. The prospective bidder is advised to be registered on Central Supplier Database (CSD) before submitting bids.

NB: Failure to adhere to the requirements above will not automatically disqualify your bid/s and will proceed to Phase 2.

PHASE 2: TECHNICAL FUNCTIONALITY

Functionality Points Breakdown:

Description	Criteria For Functionality	Breakdown of Points	Weight
Lobby and advocating for enabling municipal finance legislations, policies, reforms, and legislation: • Sub-Project 1: technical advice on the review of Section 118 of the Municipal Systems Act – providing legal, technical and policy analysis to support proposed reforms aimed at strengthening municipal revenue protection and addressing implementation challenges. • Sub-Project 2: feasibility study on alternative and complementary municipal revenue models – assessing sustainable revenue models arising from the water and electricity transition, including implications for municipal revenue and options relating to municipalities' roles as service authorities and service providers	Provide a detailed description of your understanding of the SALGArequirements in the executive summary of your proposal	• 0 points = Lack of understanding of key deliverables • 10 points = Understanding of key deliverables and submission of documentation • 20 Points = Comprehensive understanding of key deliverables	20

Approach and Methodology	Comprehensiveness and clarity of the proposal, approach, and methodology, including a detailed project plan to deliver the scope of work on the proposed solution, highlighting its capabilities and features aligned with SALGA requirements. Project planmust highlight deliverables, timeframes/milestones, resources, etc.)	• 0= no submission of project plan, approach and deliverables • 5= Project plan and preliminary approach is not suitable for the scope of work • 10=Submission of incomplete project plan, management plan, deliverables and methodology approach in line with scope of work. Lacking in detail. • 20= Submission of satisfactory project plan, management plan, deliverables and methodology approach in line with scope of work • 30=Submission of a good project plan, management plan, deliverables and methodology approach in line with scope of work • 40= Submission of outstanding project plan, deliverables & management plan (that outlines the details of all the elements of framework and roadmap development to completion) in line with scope of work	40
Company Experience	Provide an excellent and proven track record in delivering similar or comparable projects, substantiated by contactable references. References will need to be for similar or related work, or they will not be considered.	Scores will be allocated asfollows: • Number of reference letters submitted: • 0 points = No Evidence: No documented achievements or verifiable outcomes. • 3 points = 1 letter of past work with minimal impact or relevance to the role. • 5 points = 2 letters, limited Evidence: Few examples of past work with minimal impact or relevance to the role.	20

		• 10 points = 3 letters, moderate Evidence: Solid examples of past work with measurable results and some relevance. • 15 points = 4 letters which is strong Evidence: Multiple examples of impactful work with clear outcomes directly related to the role. • 20 points = 5 letters or more- Exceptional Evidence: Numerous examples of outstanding achievements with significant, quantifiable impact directly aligned with the role.	
Experience of key personnel	Certified copy of certificate of registration with a recognised professional body as well as CV of key personnel reflecting number of years of relevant experience in Local Government related to the project/s being responded to.	• 0 points = No knowledge and experience in supporting or reviewing the Municipal Finance Legislations • 3 points = Less than 2 years' team average experience in supporting or reviewing the Municipal Finance Legislations • 5 points = Less than 5 years' team average experience in supporting or reviewing the Municipal Finance Legislations • 10 points = 5 - 10 years' team average experience in supporting or reviewing the Municipal Finance Legislations • 15 points = 10-15 years' team average • 20 points = More than 15 years' team average experience in supporting or reviewing the Municipal Finance Legislations	20
Minimum Threshold			70
Total for functionality			100

NB: Bidders who score 70 (average) points and above will be recommended as a list of panel of experts.

16. GENERAL CONDITIONS

The following should be noted by interested parties:

a) Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.

b) Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.

c) On completion or termination of the agreement, all materials and products must be handed over to SALGA.

d) No information concerning the tender or award of the tender may be made availableby the bidder to other parties without prior consultation and written approval from SALGA.

e) SALGA may, at its own discretion, vary this instruction to include more scope/work orto exclude work/service areas. In the case of the latter, the bidder shall not be entitledto claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.

f) All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the service provider shall be required to sign an agreement of confidentiality.

g) SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however, the service provider should be able to submit a proposalon the lay-out of his/her choice for consideration by SALGA.

h) SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.

i) SALGA reserves the right not to award the bid to any bidder at its own discretion.

REVIEWED BY BID SPECIFICATION COMMITTEE