
TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER TO VALUATE THE STATE'S SHAREHOLDING INTEREST IN WEST COAST RESOURCES FOR A PERIOD OF THREE MONTHS

1 BACKGROUND

- 1.1 The Department of Minerals and Petroleum Resources serve as the custodian of South Africa's mineral and petroleum resources with the primary mandate to promote and regulate these resources and the mining sector for the transformation, growth, development and ensure that all South Africans derive benefit from the countries mineral wealth
- 1.2 In addition to its core responsibilities, the State has been issued with 20%-shareholding interest in the West Coast Resources (WCR), previously owned by Trans Hex Group. The West Coast Resources operations are diamond operations, located in the Namaqualand in the Northern Cape.
- 1.3 The Department seeks to appoint a service provider with the requisite expertise and relevant experience to conduct a valuation of the 20% shareholding interest. The purpose of this study is to establish the fair value of the asset to support the Department in assessing future shareholding options.

2 CONTRACT PERIOD

- 2.1 It is envisaged that the project will be undertaken over a three-month period from the date of the conclusion of the service level agreement of the parties.

3 PROJECT OBJECTIVE

- 3.1 The objective of this project is to produce a comprehensive, well-structured and independent report determining the fair value of the State's 20% shareholding in the WCR's operations with the purpose of guiding strategic decision regarding the future shareholding option.

4 SCOPE OF WORK

4.1 The scope of the valuation exercise shall include but not limited to:

4.1.1 Due diligence exercise.

- i. Gather and determine the adequacy of available data and information in relation to the requirements of the Project.
- ii. Review and analysis of all relevant background documentation and information.
- iii. Examine all applicable legal, regulatory and contractual documents and identify any potential issue related to the shareholding.

4.1.2 Valuation Approach

- i. Application of internationally recognized valuation approaches and provide justification for the most appropriate methodology or combination of methodologies
- ii. Document methodology, underlying assumptions, analytical process and risks impacting the valuation.
- iii. Present a clear and comprehensive rationale for the final valuation outcome

4.1.3 Options analysis and recommendation

- i. Determination of the fair value of 20% shareholding, considering the rights, restriction, obligations and contingent liabilities
- ii. Develop and evaluate a range of strategic options available for Government regarding its shareholding
- iii. Analyse the potential risks, benefits and financial implication of each option
- iv. Present an evidence based and thorough recommendation for consideration.

4.1.4 Reporting

- i. Prepare comprehensive and well-structured report detailing the finds of the valuation exercise
- ii. Include all data information and analysis utilised in conducting the exercise

- iii. Submit the report in an appropriate format, including a presentation of key findings and recommendations for the Department.

5 DELIVERABLES OR PROJECT OUTPUT AND/OR OUTCOME

5.1 The appointed Service Provider will be expected to provide the following deliverables:

5.1.1 An inception report detailing methodology, approach and work plan.

5.1.2 A draft valuation report for review and feedback by the Department

5.1.3 A final comprehensive valuation report including finding, rationale, recommendations and all the supporting documentation

5.1.4 A presentation of key findings and recommendations to the Department

6 EVALUATION CRITERIA

This bid will be evaluated in four stages, i.e. administrative compliance mandatory requirements functionality, and point scoring system.

6.1 Gate 01 – Mandatory Requirements

The following requirements are mandatory. Bidders who do not comply with the mandatory requirements will be disqualified.

- (i) Submission of appropriate registration with the relevant Engineering, Geology, or Legal professional institution. Attach copies of certificate(s) of the above should be attached.

6.2 Gate 02 - Functionality Technical Evaluation

Bidders will also be scored in terms of functional requirements indicated below. The corresponding points and weighting will be used to calculate overall score a bidder has achieved. The minimum threshold for this bid is 70%. Bidders who score less than 70% will be disqualified. Only bidders that score 70% and more will be considered further.

Functionality	Evaluation Criteria	Points	Total Weight
1. Company Experience:			30
Bidders should have experience of having undertaken projects in respect of valuation of diamond mineral assets	More than 8 projects	5	
	Between 8- 6 projects	4	
	Between 6-4 projects	3	
	Between 4-2 projects	2	
	Less than 2 project	1	
	No project/ No information	0	
I. The title of the project II. The scope of the project III. The value of the contract IV. The duration of the contract V. The reference letter/s should not be more than ten years old.			
2. . (i) Academic Qualifications of the Project Lead:			15
A post graduate qualification in Geology/Mining Engineering/ Finance/ Economics/ Business Administration/ Property Valuation (specialisation in mineral valuation)	Master's degree (NQF 9)	5	
	Honours Degree (NQF8)	4	
	Bachelor's degree (NQF7)	3	
	National Diploma (NQF6)	2	
	Higher Certificate (NQF5)	1	
	No information	0	
(ii) Project Lead			10

Functionality	Evaluation Criteria	Points	Total Weight
Experience			
Project Lead to have experience in the valuation of diamond mineral assets in the past 15 years	15 years and above	5	
	Between 11– 14 years	4	
	Between 8 -10 years	3	
	Less than 8 years	2	
	Less than 5 years	1	
	No experience	0	
Detailed CV highlighting experience in the valuation of diamond mineral assets to be attached with copy/copies of qualification/s/ with contactable, copies ,must be certified and not older than six months)	No proof	0	
3. Personnel Experience			15
Key staff assigned to this project must have combined experience in finance, legal, mergers and acquisition in the mining sector. Bidders must attach concise CVs/	Above 20 years	5	
	Between 15-20 years	4	
	Between 10 -15 years	3	
	Less than 10 years	1	
	No experience/ No information	0	
4. Project Proposal and Adequacy			
a. Clear comprehension of project objectives, deliverables and constraints <i>- The proposal must</i>	Excellent (meets all the requirements outlined in a,b,c)	5	
	Satisfactory (meets all the requirements in a and b)	3	
	Poor (fails to meet at least one	1	

Functionality	Evaluation Criteria	Points	Total Weight
<i>demonstrate a clear and accurate interpretation of the overall project goals and specific objectives of the valuation exercise</i> - A precise list of all required deliverables must be included, showing how the project deliverables will be addressed - The proposal should explicitly identify and demonstrate an understanding of potential limitations, complexities and risks inherent in the valuation of the diamond asset. - Any critical assumptions made by the bidders in preparing the proposal must be clearly stated. b. Appropriateness and completeness of the proposed approach and workplan - Proposed methodology <i>The technical approach for the valuation must be fully detailed, appropriate for a diamond asset and demonstrate best practise techniques</i> - A comprehensive work plan detailing all the tasks,	of the requirements outlined a,b,c)		
	No information	0	

Functionality	Evaluation Criteria	Points	Total Weight
<i>milestones and timelines for the duration of the project</i> - <i>The proposal must clearly demonstrate how the key personnel will be deployed to specific task.</i> - <i>The proposal should outline the quality assurance system and control steps to be applied throughout the project to ensure accuracy and reliability of the final valuation</i> c. Clarity, organisation and professional quality of the proposal document - <i>The proposal must be well structured, easy to navigate and written in clear, unambiguous language</i> - <i>The document should be concise and focus directly on responding to the requirements of the Request for proposal</i>			

6.3 Gate 03 - Administrative compliance

- (i) Compliance to the specification / Terms of Reference.
- (ii) Fully completed SBDs (Duly signed and dated) listed hereunder:
 - SBD 1
 - SBD 4
 - SBD 6.1

- (iii) The following will be regarded as noncompliance.
 - Price amendments / other amendments without signature/initials.
 - Use of correctional fluid
 - Completion of the bid document in coloured ink other than black ink

6.4 Gate 04 – Point Scoring System

Bids will be evaluated on the 80/20 preference point system as outlined in the Preferential Procurement Regulation of 2022.

- Price points = 80
- Preferential points = 20

6.4.1 The bidder that scores the highest points in this phase will be awarded the tender.

6.4.2 Should more than one bidder score the same number of points; the award will be made to the bidder who scores more points on specific goals.

6.4.3 Should there be more than one bidder who score the same number of points overall and same points on specific goals, the award will be made to the bidder who scored the highest points on functionality.

6.4.4 Should there be more than one bidder who score the same number of points in all aspects, the bid will be determined by the drawing of the lot.

6.4.5 The preferential points will be allocated in terms of the Departmental objectives on specific goals. Points allocation on specific goals are tabulated hereunder.

6.4.6 Bidders who do not submit proof (means of verification) of specific goals claimed will not qualify for preference points for specific goals.

Specific Goal	Number of points (80/20 Preference System)	Means of Verification
Enterprise owned by Black people	4	Identity documents and CIPC document
Enterprise owned by Women	4	Identity documents and CIPC document
Enterprise owned by Youth	4	Identity documents and CIPC document

Enterprise owned by disabled persons	4	Medical certification
Enterprise owned by SMMEs (QSE or EME)	4	B-BBEE certificate issued by a SANAS accredited Agency or DTIC, or Sworn affidavit

NB: “Ownership = 51% of the company share. Designated group/person that are part of the entity directorship but has less than 51% share = points will be calculated on a pro-rata basis in relation to the share/s held by the designated group/persons.

E.g., Number of women directors = 01
Shares owned by women = 20%
Specific goal for women = 4 points
Points claimable for women ownership = $\frac{20}{100} \times 4 = \mathbf{0.8 \text{ points}}$

7 REPORTING REQUIREMENTS

- 7.1 All the reporting and project related matters will be coordinated through Project Manager.
- 7.2 The Service Provider must provide weekly status reports that gives the overall summary of activities to the Project Manager
- 7.3 The service provider must conduct meetings to discuss the project’s progress and feedback from DMPP; and
- 7.4 The Service Provider must provide a final close out report on completion of the project.

8 WORK PLAN AND METHODOLOGY

- 8.1 The service provider must provide:
 - 8.1.1 A project proposal that demonstrates comprehension and competence to deliver on what is required in line with the scope of work under section 4.

- 8.1.2 A preliminary project plan outlining key activities, milestones, timeframes, and resources to be committed to the project.

9 ROLES AND RESPONSIBILITY

- 9.1 A service level agreement will be entered into with the successful service provider which will include, inter alia, obligations of the DMPR and the successful service provider.
- 9.2 The DMPR reserves the right to appoint more than one service provider for the project.
- 9.3 The successful service provider must develop detailed project schedule/ plan.
- 9.4 The successful service provider will be required to submit payment schedule providing projections for the period of three months on work performed.
- 9.5 The service provider shall disclose all information in its proposal regarding any interests that may result in an actual or perceived conflict of interest.
- 9.6 The service provider is responsible for management of project and identification of any issues, risks and/ or opportunities associated with the project and ensure that these are communicated timeously with Project Manager to avoid delays on project.
- 9.7 The Department will provide the information and documentation necessary for the successful conclusion of the project. Where information is not readily available, the service provider may advise the Department on the appropriate sources and methods for obtaining such information.

10 CONFIDENTIALITY OF INFORMATION

- 10.1 The names of all the members of the service provider team must be disclosed for the prior approval of DMPR. Any changes, replacements and additions should be submitted for prior approval of DMPR.
- 10.2 All members will have to sign a Non-Disclosure Agreement before project commencement and may be required to undergo security screening and tests as the DMPR deems necessary.

11 PAYMENT

- 11.1 The Department will not make an upfront payment to a successful service provider.
- 11.2 Payment will only be made in accordance with the delivery of service that will be agreed upon by both parties and upon receipt of an original invoice.

12 TAX CLEARANCE CERTIFICATE

- 12.1 Bidders must ensure compliance with their tax obligations.
- 12.2 Bidders are required to submit their unique personal identification number (PIN) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
- 12.3 Application for tax compliance status (TCS) or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.
- 12.4 A bidder may also submit a printed TCS together with the proposal.
- 12.5 In proposals where consortia / joint ventures / sub-contractors are involved, each party must submit a separate proof of TCS / pin / central supplier database (CSD_ number).
- 12.6 Where no TCS is available but the bidders is registered on the CSD database,
- 12.7 a CSD number must be provided

13 COST / PRICING

- 13.1 The bidders are requested to provide a quoted proposal regarding the work to be undertaken.
- 13.2 Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. The total cost must be VAT inclusive and should be quoted in South African Rands (i.e. ZAR).
- 13.3 Bidders should provide hourly rates as prescribed by Department of Public Service and Administration (DPSA), Auditor- General (AG) or the body regulating the

profession of the consultant.

13.4 Bidders should provide (Subsistence & Travel (S&T)) rates that are in aligned to the National Treasury instruction note as follows:

- i) Hotel Accommodation – R1700 per night per person, including breakfast, dinner and parking.
- ii) Air travel must be restricted to economy class.
- iii) Claims for kilometres may not exceed the rates approved by the Automobile Association of South Africa.

14 CONDITIONS OF THE CONTRACT

14.1 The General Conditions of Contract must be accepted as these are issued by National Treasury and are non-negotiable.

14.2 The successful service provider will sign a confidentiality agreement regarding the protection of DMPR information that is not in the public domain.

14.3 No state information may be furnished/ communicated to the public or news media by the security service provider or any of their employees.

14.4 The successful service provider shall ensure that the contract is executed in line with the scope of work.

14.5 The successful service provider may be subjected to security screening by the State Security Agency.

14.6 The DMPR reserves the right to verify the authenticity of the information submitted, any falsified information may result in the disqualification or cancellation of the contract.

15 FORMAT OF THE PROPOSAL

15.1 The service providers are requested to submit three (3) copies of technical proposals plus (1) original.

15.2 The financial proposal shall contain the financial proposal submission sheet, as per the scope of work. which includes: the bid prices and the bill of quantities for procurement of goods, or scope of work for procurement of services, and the applicable price schedules.

- 15.3 The financial proposal must be submitted separately in a sealed envelope.
- 15.4 The financial proposal must outline the cost of delivering the project as per the scope of work.
- 15.5 The proposal must outline all areas covered under the Evaluation Criteria in this Terms of Reference.
- 15.6 The service providers are requested to index the proposals for easy reference.

16 PRE-BID MEETING / BRIEFING SESSION DETAILS

- 16.1 A compulsory briefing session will be held on **28 January 2026**, at **10:00** through **Microsoft teams**.

Meeting ID: 383 343 970 188 40
Passcode: 8zw9m585

17 CLOSING DATE

- 17.1 Proposals must be submitted on or before **10 February 2026** at **11:00** at Department of Mineral and Petroleum Resources, at Building 2B, Trevena Campus, C/O Meintjes and Francis Baard Street, Sunnyside Pretoria in the bid box marked, Department of Minerals and Petroleum Resource and Energy. **No late bids will be accepted.**

18 ENQUIRIES

- 18.1 **All general enquiries relating to bid documents should be directed to:**

Ms. Lucia Nkhethoa
Tel No: (012) 444 3778
E-mail: Lucia.Nkhethoa@dmpo.gov.za

- 18.2 **Technical enquiries can be directed to:**

Ms Morongwa Bosoga
Tel No: (012) 444 3611
Email: morongwa.bosoga@dmpo.gov.za