



Tender Ref #:	COGTA (T) 12/2024	Tender Description:	APPOINTMENT OF A SERVICE PROVIDER/S TO ASSIST 17 MUNICIPALITIES TO DEVELOP/REVIEW LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGIES FOR A PERIOD OF 6 MONTHS.
---------------	-------------------	---------------------	---

PART A – BID DETAILS

1. The Department of Cooperative Governance (hereunder referred to as the Department or DCOG) invites qualifying service providers for **appointment to assist 17 municipalities to develop/review Local Economic Development (LED) strategies for a period of 6 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).
- 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.

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) ¹ or verified through SARS ¹	
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.

Note 3: Bidders must use attached Annexure C for cost breakdown.

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 and meet the mandatory requirements 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 ³ .	
3.5	Team Leader - Local Economic Development (LED) Specialist must have a Master's Degree (NQF 9) or higher in Economics or Development Studies.	
3.6	Team Leader - Local Economic Development (LED) Specialist must have at least 8 years' experience in economic development planning at local government level.	
3.7	Investment Analyst or Economic Modeler must have a Bachelor's degree (NQF 7) or higher specialising in analytics or investment analysis or investment management or economic modelling.	
3.8	Support staff must have a Bachelor's Degree (NQF 7) or higher in Economics or Development Economics or Business Management or Investment Management or Town and Regional Planning.	

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

4. SPECIFIC GOALS

Specific Goals	Points
	80/20
Black Ownership	7
Women Ownership	6
Youth Ownership	4
Disability Ownership	3

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> a) (0%) b) (1% - 10%) c) (11% - 25%) d) (26% - 50%) e) (51% -100%)	7 a) 0 b) 1 c) 3 d) 5 e) 7	
<u>Women Ownership (51% or more)</u> a) (0%) b) (1% - 10%) c) (11% - 25%) d) (26% - 50%) e) (51% -100%)	6 a) 0 b) 1 c) 2 d) 4 e) 6	
<u>Youth Ownership (51% or more)</u> a) (0%) b) (1% - 10%) c) (11% - 25%) d) (26% - 50%) e) (51% -100%)	4 a) 0 b) 1 c) 2 d) 3 e) 4	
<u>Disability (51% or more)</u> a) (0%) b) (1% - 25%) c) (26% 50%) d) (51% 100%)	3 a) 0 b) 1 c) 2 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 – Stage 1 evaluation criteria
0 – Does not comply with the requirements
1 – Compliance with one (1) of the requirements
2 – Compliance with (2) of the requirements
3 – Compliance with three (3) of the requirements
4 – Compliance with four (4) of the requirements

Scoring system – Stage 2 evaluation criteria 2.1 – 2.5
0 – Does not comply with the requirements
1 – Compliance with one (1) or two (2) of the requirements
2 – Compliance with three (3) or four (4) of the requirements
3 – Compliance with five (5) or six (6) of the requirements
4 – Compliance with seven (7) or more of the requirements

Scoring system – Stage 2 evaluation criteria 2.6 – 2.7
0 – Does not comply with the requirements
1 – Compliance with one (1) or two (2) of the requirements
2 – Compliance with three (3) or four (4) of the requirements
3 – Compliance with five (5) of the requirements
4 – Compliance with six (6) of the 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

EVALUATION OF THE PROPOSAL AND PROJECT EXECUTION PLAN

1.1	Team Leader - Local Economic Development (LED) Specialist must have the following: Master's Degree (NQF 9) or higher in Economics or Development Studies (Mandatory Requirement). Must have at least 8 years' experience in economic development planning at local government level (Mandatory Requirement). Sub requirements 1) Must have at least 5 years' research experience in economic development. 2) Must have at least 5 years' experience in project preparation and packaging. 3) Must have at least 5 years' experience in strategy development. 4) Must have at least 3 years' experience in facilitating stakeholder engagements.	Weight	10
Evaluation			Score
Team Leader does not meet any of the minimum requirements.			0
Team Leader meets one (1) of the minimum requirements.			1
Team Leader meets two (2) of the minimum requirements.			2
Team Leader meets three (3) of the minimum requirements.			3
Team Leader meets four (4) of the minimum requirements.			4
1.2	Investment Analyst or Economic Modeller must have the following: Bachelor's degree (NQF 7) or higher specialising in analytics or investment analysis or investment management or economic modelling (Mandatory Requirement). Sub requirements: 1) Must have at least 5 years' experience in economic modelling and forecasting. 2) Must have at least 5 years' experience in developing industry plans or economic diversification plans. 3) Must have at least 5 years' experience in project appraisal and packaging of economic development projects. 4) Must have at least 3 years' experience in development finance.	Weight	10
Description			Score
Investment Analyst or Economic Modeller does not meet any of the minimum requirements.			0
Investment Analyst or Economic Modeller meets one (1) of the minimum requirements.			1
Investment Analyst or Economic Modeller meets two (2) of the minimum requirements.			2
Investment Analyst or Economic Modeller meets three (3) of the minimum requirements.			3
Investment Analyst or Economic Modeller meets four (4) of the minimum requirements.			4
1.3	Support staff must have the following: Bachelor's Degree (NQF 7) or higher in Economics or Development Economics or Business Management or Investment Management or Town and Regional Planning (Mandatory Requirement). Sub requirements: 1) Must have at least 3 years' experience in Local Economic Development Planning. 2) Must have at least 3 years' experience in Local Government Planning. 3) Must have at least 3 years' experience in Spatial Planning. 4) Must have at least 3 years' experience in project management.	Weight	5
Evaluation			Score
Support staff does not meet any of the minimum requirements.			0
Support staff meets one (1) of the minimum requirements.			1
Support staff meets two (2) of the minimum requirements.			2
Support staff meets three (3) of the minimum requirements.			3
Support staff meets four (4) of the minimum requirements.			4

STAGE 1 SCORING SUMMARY

Criterium	Weight	Score	Weighted score	Maximum possible score
1.1	10			40
1.2	10			40
1.3	5			20
TOTAL				100
Overall Score (Total Weighted Score / 100)			%	
Minimum qualifying score			70%	

2. FUNCTIONAL EVALUATION STAGE 2

EVALUATION OF THE PROPOSAL AND PROJECT EXECUTION PLAN - STAGE 2 CRITERIA

2.1	The Bidder demonstrates adequate understanding of the following: 1) The scope of work. 2) Overall project approach and methodology. 3) Literature review and document analysis approach 4) Spatial and economic analysis. 5) Project management. 6) Draft outline of the LED strategy. 7) Activity-based plan aligned to project objectives, scope of work, deliverables, timelines, and experts. 8) Communication and stakeholder management plan.	Weight	5
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) or six (6) of the elements listed above			3
Bidder addresses seven (7) or more of the elements listed above			4
2.2	The Bidder demonstrates experience in: 1) Data gathering, analysis, and management. 2) Economic modelling and forecasting. 3) Investment planning background. 4) Similar research conducted previously from at least three (3) similar projects executed in the past. 5) Producing economic development strategies. 6) Producing economic diversification plans for mining towns or single economy municipalities. 7) Project preparation and packaging of catalytic projects. 8) Stakeholder management and community participation.	Weight	5
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) or six (6) of the elements listed above			3
Bidder addresses seven (7) or more of the elements listed above			4

2.3	Bidder demonstrates understanding of stakeholder ecosystem and management as follows:	Weight	3
	1) Stakeholder mapping		
	2) Stakeholder engagement plan		
	3) Stakeholder engagement objectives		
	4) Stakeholder engagement approach		
	5) Areas of collaboration		
	6) Mobilisation of external resources		
	7) Action plan		
	8) Institutional arrangements for local economic development		
Description			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) or six (6) of the elements listed above			3
Bidder addresses seven (7) or more of the elements listed above			4
2.4	The Bidder demonstrates understanding of the following legislative landscape and governance issues:	Weight	3
	1) The National Framework for Local Economic Development.		
	2) District Development Model.		
	3) National Development Plan.		
	4) Spatial Development Frameworks at the national, provincial, and local government level.		
	5) Integrated Urban Development Framework.		
	6) The different categories of municipalities and governance structures.		
	7) Local government system, municipal powers and functions, service delivery and governance related issues.		
	8) The interface between national, provincial, local, and other sectorial master plans of the various provinces wherein the municipalities are situated.		
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) or six (6) of the elements listed above			3
Bidder addresses seven (7) or more of the elements listed above			4
2.5	The Bidder demonstrates understanding of the local government system as follows:	Weight	3
	1) Bidder demonstrates that they have completed at least five (5) local economic development strategies or plans.		
	2) Bidder demonstrates that they have completed at least five (5) local investment strategies or plans.		
	3) Bidder demonstrates other similar projects undertaken for local government.		
	4) Bidder demonstrates understanding of regional or corridor development.		
	5) Bidder demonstrates understanding of the local government planning systems and operations.		
	6) Bidder demonstrates understanding of the district and local municipal roles in economic development.		
	7) Bidder demonstrates understanding of stakeholder engagement processes.		
	8) Bidder demonstrates understanding of the role of the local economic development strategies in transforming local economies.		
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2

Bidder addresses five (5) or six (6) of the elements listed above	3
Bidder addresses seven (7) or more of the elements listed above	4

2.6	The bidder demonstrates the ability to identify risks and propose appropriate solutions and strategies.	Weight	3
	1) Bidder demonstrates experience in dealing with high-risk projects.		
	2) Bidder has included a Risk Management Plan		
	3) Bidder demonstrates the ability to identify risks in this project.		
	4) Bidder demonstrates the ability to propose mitigation measures.		
	5) Bidder demonstrates the ability to incorporate risk preventative measures in the project implementation plan.		
	6) Bidder demonstrates the ability to track risk mitigation measures.		
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) of the elements listed above			3
Bidder addresses six (6) of the elements listed above			4

2.7	Ability to transfer skills to participating municipalities, provincial LED champions and national officials:	Weight	3
	1) Bidder presents a plan for skills transfer.		
	2) Bidder has defined specific skills, knowledge, and competencies to be transferred.		
	3) Bidder has indicated the proposed method for skills transfer, such as mentoring, on the job training and workshops.		
	4) Bidder has designed a training programme.		
	5) Bidder has identified trainers.		
	6) Bidder has identified training material.		
Evaluation			Score
Bidder does not address any of the elements listed above			0
Bidder addresses one (1) or two (2) of the elements listed above			1
Bidder addresses three (3) or four (4) of the elements listed above			2
Bidder addresses five (5) of the elements listed above			3
Bidder addresses six (6) of the elements listed above			4

STAGE 2 SCORING SUMMARY

Criterium	Weight	Score	Weighted score	Maximum possible score
2.1	5			20
2.2	5			20
2.3	3			12
2.4	3			12
2.5	3			12
2.6	3			12
2.7	3			12
TOTAL				100
Overall Score (Total Weighted Score / 100)			%	
Minimum qualifying score			70%	

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

- 1.1. The Department may, at its sole discretion, cancel this bid.
- 1.2. The Department reserves the right to appoint one or more bidders.
- 1.3. 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.
- 1.4. 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.
- 1.5. 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

- 2.1. 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.
- 2.2. 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.
- 2.3. 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.
- 2.4. 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.
- 2.5. 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.
- 2.6. 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.

PART F – DETAILED REQUIREMENTS

1. Purpose of assignment

The purpose of the assignment to be undertaken by a successful awarded bidder/s is to assist the 17 municipalities listed below to develop/review their Local Economic Development strategies within a period of 6 months as follows:

No.	Selected municipality	District municipality	Province
1.	Dipaleseng Local Municipality	Gert Sibande District Municipality	Mpumalanga
2.	City of Mbombela	Ehlanzeni District Municipality	Mpumalanga
3.	Pixley Ka Seme District Municipality	Pixley Ka Seme District Municipality	Northern Cape
4.	John Taolo Gaetsewe District Municipality	John Taolo Gaetsewe District Municipality	Northern Cape
5.	Rustenburg Local Municipality	Bojanala District Municipality	North West
6.	Tswaing Local Municipality	Ngaka Modiri Molema District Municipality	North West
7.	Lekwa-Teemane Local Municipality	Dr Ruth Segomotsi Mompati District Municipality	North West
8.	Kannaland Local Municipality	Garden Route District Municipality	Western Cape
9.	Central Karoo District Municipality	Central Karoo District Municipality	Western Cape
10.	Sedibeng District Municipality	Sedibeng District Municipality	Gauteng
11.	Umdoni Local Municipality	Umdoni Local Municipality	Kwa-Zulu Natal
12.	uPhongolo Local Municipality	Zululand District Municipality	Kwa-Zulu Natal
13.	Nkandla Local Municipality	King Cetshwayo District Municipality	Kwa-Zulu Natal
14.	Ndwedwe Local Municipality	iLembe District Municipality	Kwa-Zulu Natal
15.	KwaDukuza Local Municipality	iLembe District Municipality	Kwa-Zulu Natal
16.	Waterberg District Municipality	Waterberg District Municipality	Limpopo
17.	Modimolle–Mookgophong Local Municipality	Waterberg District Municipality	Limpopo

2. Introduction and background

The South African economy is the second largest in Africa. It is the most industrialized, technologically advanced, and diversified economy. However, South Africa remains a dual economy (i.e. formal and informal) with one of the highest and persistent inequality rates in the world. Job creation across all the key sectors is a challenge for both rural and urban areas. High-value economic activities must be the force behind job creation. Furthermore, economic activities in small towns, township and rural areas must be encouraged.

Over the years, development approaches have evolved giving rise to territorial based planning approaches. At the centre of local economic development, is the realisation that, strong and innovative local economies must be built to advance national and regional economic development, and in the process, leave no one behind. The National Framework for LED (NFLED) (2018-2028) recognises that vibrant and sustainable economic development will be achieved through identifying challenges as a collective, and making use of local resources, ideas, opportunities, and skills to stimulate the local economies.

The discourse in South Africa and around the globe is that municipalities or sub-national governments face, to a varying degree, similar problems of rising inequality, unemployment, growing poverty levels, and inconsistent provision of basic services to local communities affecting mostly the marginalised. LED policy is intended to empower the most vulnerable, marginalized, and poor sectors of the economy to develop innovative and viable policy strategies aimed at address pressing societal problems. These wicked problems are manifested through the high unemployment rate, rising poverty levels and lack of access to basic services.

The local government sector as a sphere of government that is closest to the people, has the responsibility to connect all role players and drive sustainable development initiatives in line with the national and global development agenda. The Constitution entrusted local government with the responsibility to deliver basic services and promote socio-economic development agenda in the respective spaces. In addition, the 1998 White Paper on Local Government foresaw a developmental local government. In discharging this mandate, it is therefore crucial that municipalities understand the differentiation approaches to economic growth and development.

As a country, there is a need to tackle regional disparities through the application of specific instruments that reflect differences in regional planning of various spaces. The revised National Framework for LED (2018) bolsters the potential of local economic growth which should have an explicit emphasis of Science, Technology, and Innovation to better development outcomes to stimulate and grow the national economy. It emphasizes re-imagining the roles of regions, metros, and local municipalities in generating economic growth. Furthermore, it recognizes the unique characteristics of localities that must inform targeted investment decisions making.

Pursuant to the Municipal Systems Act, No.32 of 2000, LED aims embedded in the IDP must be brought to implementation. Consequently, local governments are required to develop LED strategies/plans that will serve as an overarching guide to revolutionise the way municipalities attract and facilitate inward investment and create sustainable and resilient local economies through joint economic planning, execution, and monitoring. These strategies further assist in positioning the municipalities to play a more pertinent role in improving their local economies and participating in decision-making processes. The LED strategies should indicate strategies, programmes and catalytic projects that are relevant to the unique environment of a municipality. The strategies must further be aligned to the national, provincial and local Spatial Development Frameworks (SDFs) achieve spatially just outcomes.

Lastly, municipalities do not exist in isolation from the global, national, and regional development context. Hence, it is important that LED strategy development processes are grounded within this broad context. In a way, LED implementation must be about localisation of the global, national, and regional priorities. Therefore, there must be alignment between the strategic priorities adopted in the LED strategies and the national or regional priorities of the country. The term “region” in this case is used to refer not only to geographic regions (e.g. districts) but mining belts, tourism routes, economic corridors, etc. It is therefore important to align local planning with national and regional policy direction or priorities to entrench the role of local government in national development. The additional benefit of aligning local planning to national and global development agendas is the opportunity to attract resources.

3. Problem Statement

Subsequent to the release of the first National Framework for Local Economic Development (LED) 2006-2011, it was observed that a significant number of municipalities had adopted LED strategies or Economic Development Master Plans. However, in 2023/24 financial year, the Department through the LED Planning Unit embarked on a project to develop a database of municipal LED strategies. The findings revealed that a notable number of municipalities had outdated or no LED strategies. LED strategies serve as an economic compass, therefore, municipalities without LED strategies are at risk of misdirecting resources and missing the opportunities to turn local assets into income-generating streams for the benefit of all in the local spaces.

South Africa is presented with an economy that is characterized by market failures, market imperfections, inefficiencies, high unemployment rate, poverty and income inequalities, to mention a few. Thus, government has a responsibility to put in place innovative strategies to promote sustainable job creation, alleviate poverty, and reduce inequalities.

The National Framework for LED (2018-2028) promotes governance for LED and articulates a vision for LED that says, “LED should create competitive, sustainable, diverse, innovation-driven and inclusive local economies that are vibrant places in which to live, invest, work, innovate, maximise local opportunities, address local needs, and contribute to South Africa’s national development objectives, including sustainable ways of utilising local resources and expand learning capabilities.” Consequently, LED strategies must be anchored in this economic policy vision.

Municipalities as the sphere of government that is at the coal face of development, have a key role to play in coordinating and promoting LED. Additionally, municipalities have become key role-players in investment decision of private sector organization. Hence, it is critical to support the selected municipalities to develop/review their LED strategies. These strategies must balance the need for attracting investment with the needs of local communities and act as a tool for setting the broader LED agenda in the municipalities.

4. Scope of the assignment

A successful bidder/s will be appointed for a period of 6 months that will commence upon the signing of the Service Level Agreement (SLA) between the awarded service provider and DCOG to undertake the following:

Consult with the selected municipalities and develop and inception report by December 2024

- Convene inception meetings with the 17 identified municipalities, DCOG and relevant Provincial LED Champions to deliberate on the project plan, expectations, and framework for the LED strategies; and
- Develop an Inception Report.

Conduct situational analysis inclusive of spatial and economic analysis by December 2024

- Undertake situational analysis to determine the priorities and challenges of the selected municipalities.
- Conduct desktop research using recent data tools to gather all required information for the situational analysis of the municipalities.
- Document and profile the economic development state of the selected municipalities including socio-economic development, sectoral assessment and propose alternative economies to be explored by municipalities. In addition, assess the state of the informal sector and recommend proposals for improvement.
- Analyse the outdated LED strategies and incorporate lessons learnt (policy and practice) in the new strategy.
- Guide current and future spatial economic development interventions by identifying priority economic development areas or nodes and recommend proposals for expansion.
- Develop situational analysis and spatial and economic analysis report.

Conduct stakeholder analysis and develop stakeholder management plan by December 2024

- Consult the selected municipalities and develop Stakeholder Management Plan
- Consult relevant stakeholders during the development/review process.

Develop 10 Draft LED strategies and conduct stakeholder engagements by December 2024

- Develop 10 draft LED strategies (the LED strategies must be aligned to the national, provincial, and local government objectives and incorporate investment plans among others).
- Identify 6 high impact LED projects to be packaged and consult the selected municipalities.
- Conduct stakeholder consultations on the 10 draft LED strategies developed and develop a Stakeholder Engagement Report.

Develop 7 Draft LED strategies and conduct stakeholder engagements by January 2025

- Develop 7 draft LED strategies (the LED strategies must be aligned to the national, provincial, and local government objectives and incorporate investment plans among others).
- Conduct stakeholder consultations on the 7 draft LED strategies developed and report.

Develop Final Draft LED strategies and conduct stakeholder engagements by March 2025

- Develop Final Draft LED strategies (investment plans must be incorporated in the LED strategies).
- Identify and package 6 high impact catalytic projects for investment attraction and explore investment capital.
- Develop support packages and propose alternative funding sources (grants, capital markets, bonds, etc) for identified projects.
- Develop a Monitoring & Evaluation Framework.
- Ensure skills transfer to participating municipalities, provincial LED champions and national officials.

5. Deliverables and time frames

Step no.	Milestone	Milestone Description / Activities	Time Frame
Step 1	Inception meetings convened with the 17 identified municipalities and an Inception Report developed.	The inception phase of the project will encompass an inception meeting with the awarded service provider and DCoG to discuss the project plan, unpack activities to be undertaken for the duration of the project and framework for the LED strategies. Thereafter, meetings with the 17 identified municipalities and relevant Provincial LED Champions must be convened to deliberate on the project plan, expectations, framework for the LED strategies; and an Inception Report developed.	October - December 2024
Step 2	Relevant national, provincial, and municipal plans and policies assessed, and a Situational Analysis Report developed to determine the economic status, priorities and challenges of the selected municipalities. Spatial and Economic Analysis conducted, and Spatial and Economic Analysis Report developed and incorporated into the Situational Analysis Report. Stakeholder mapping conducted and Stakeholder Management Plan developed.	Assess relevant national, provincial, and municipal plans and policies, to determine the priorities and challenges of the selected municipalities and thereafter develop a Situational Analysis Report. The Situational Analysis Report to include socio-economic profile (inclusive of comparative and competitive advantage analysis), analysis of the spatial economy, development challenges and opportunities, SWOT analysis among others. Consult the selected municipalities and conduct stakeholder analysis. Thereafter, develop a Stakeholder Management Plan.	
Step 3	Stakeholder engagements sessions facilitated in the 17 identified municipalities and Stakeholder Engagement Reports developed.	Facilitate stakeholder engagements and present the Situational Analysis and Spatial and Economic Analysis Reports. Thereafter, formulate the vision, objectives, goals, identify key priority economic drivers per node and commodities for further development, as well as alternative economic pathways and/or sector/commodity value chains, programmes, and projects to be prioritised, cross-cutting issues, and critical enablers in consultation with the selected municipalities.	
Step 4	10 Draft LED strategies developed, and 6 high impact LED projects identified.	Draft 10 LED strategies. Furthermore, identify 6 high impact LED projects to be packaged and consult the selected municipalities on the draft strategies.	
Step 5	17 Final Draft Municipal LED strategies developed/reviewed.	Consider inputs on the Draft LED strategies and finalise the documents.	January - March 2025
Step 6	6 high impact LED projects from the selected municipalities packaged.	Package the 6 high impact LED projects.	

6. Skills, knowledge, and experience requirements:

The awarded bidder/s are expected to have a team of experienced specialists in development economics, spatial planning, economic modelling, and investment analysis and planning. Additionally, service provider is expected to have support staff allocated to all the identified 17 municipalities with relevant experience in spatial and economic development planning.

7. Form of proposal

Bidders should be requested in the TOR to 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, the detailed budget reflecting all costs and the implementation plan as per proposal in their bid. Failure to submit the detailed work plan, with the 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 being 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 and 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 activity 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 and 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 (Company/entity name)	Project title and description	Start date	End date	Budget

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

Bidders must attach reference letters for projects listed above.

ANNEXURE B: PROJECT TEAM SUMMARY

Role	Surname, Name	RSA ID Number	Highest Qualification	Current Employer	Total Year of Experience	Total Year of Experience in similar projects
Team Leader - Local Economic Development (LED) Specialist						
Investment Analyst or Economic Modeller						
Support staff						
Other						
Other						

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

Attach copies of qualifications for each of the persons listed above.

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 (hourly rate)
Total costs				