REQUEST FOR PROPOSALS TO APPOINT A PANEL OF SERVICE PROVIDERS TO SUPPORT MUNICIPALITIES AND MUNICIPAL ENTITIES TO IMPROVE THEIR FINANCIAL SUSTAINABILITY PROGRAMME FOR PERIOD OF 36 MONTHS– PROJECT D

BID NO: SALGA/07/2026 (D) FINANCIAL SUSTAINABILITY PROGRAMME – PROJECT D

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 Audit outcomes remain weak: The Auditor-General's 2023/24 consolidated report shows that most municipalities failed to achieve clean audits and stagnation in terms of audit outcomes improvement (41 clean, 99 unqualified, 90 qualified, 6 adverse, 11 disclaimer and 10 outstanding audits).

3.1.2 Key Findings: AGSA flagged systemic issues credibility and timely submission of AFS, procurement, contract management, service delivery, performance management, compliance with key legislation, and poor application of accounting standards and internal controls.

3.2. Revenue Management and Enhancement Strategies

3.2.1 Revenue leakages: National Treasury reports municipalities lose R25 billion annually in water and electricity due to leaks, theft, and outdated meters.

3.2.2 Low collection rates and long outstanding customers: Many municipalities collect less than 70% of billed revenue, R467.2 billion owed by municipal customers and R160.8 billion owed by municipalities to creditors.

3.2.3 Indigent Management: credibility of indigents registers, alignment of Stats SA and municipal data.

3.3 Fiscal Policy Development

3.3.1 Weak fiscal frameworks: The SALGA study found that municipalities are expected to fund 90% of recurrent expenditure from own revenues, but in practice they only cover 60%, exposing a structural fiscal gap.

3.3.2 Dependence on transfers: Smaller municipalities rely heavily on equitable share and conditional grants, limiting fiscal autonomy.

3.4 Financial Modelling and Scenario Planning

3.4.1 Reactive budgeting: Budgets remain short-term, with little integration of scenario planning for shocks (reforms, economic downturns, climate risks, municipal demarcation).

3.4.2 FFC & SALGA studies highlight the need for risk-based financial planning tools to improve resilience.

3.5 Infrastructure Finance (SALGA Studies)

3.5.1 Underinvestment: infrastructure service delivery backlogs and underspending of conditional grants remain a challenge for municipalities.

3.5.2 Creditworthiness and Bankable Projects: technical, financial, governance inefficiencies impede municipalities from accessing loans or issuing bonds. Lack of project planning, identification, and preparation to bankability skills.

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 Financial Sustainability Programme

- MFSP is a collaborative and multi-disciplinary support programme focusing on assessing, modelling and scenario planning of the holistic internal and external factors impacting on the financial health, viability, sustainability and credit worthiness and developing customised capabilities programmes to improve financial performance.
- Municipal Financial Modelling and Scenario Planning
- Provide accredited/unaccredited capacity building to councillors and officials in municipalities and SALGA (municipal financial sustainability

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).

5.6. Financial Sustainability Programme – PROJECT D

5.6.1 Technical Support

The service provider is expected assist municipalities with financial modelling and scenarios planning for long term planning, assess the impact of municipal reforms, financing proposal and external service delivery mechanisms on finances of municipalities. Development of financial modelling and scenario planning tool. Training municipal officials on the utilisation of the tool.

5.6.2 Key deliverables

- Inception report and Introductory engagements with municipalities (problem statement, methodology, stakeholder plan, workplan and timelines).
- Data collection and Diagnostics of the financial data and other relevant data
- Development of digital financial modelling and scenario planning tool
- Municipal and Stakeholder consultation record and validation workshops
- Consolidating recommendations and Final financial modelling and scenario planning tool
- Training municipal officials on the utilisation of the tool.

5.6.3 Minimum expertise

- Demonstrated Financial modelling and scenarios planning capabilities and experience (municipal projects)
- Extensive knowledge of municipal legislation, systems and processes.

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

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 invalidaterespective 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 transactionfor 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 suchpotential 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 relatedto the submission of the bid.

13.17 Completion of the Standard Bidding Documents stated herein below is <u>mandatory</u>, 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.

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: TECHNICAL FUNCTIONALITY

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

Description	Criteria For Functionality	Breakdown of Points	Weight
Understanding of the brief Financial Sustainability & Infrastructure Finance	Executive summary demonstrating understanding of BOTH programme streams the panel must support: ● Municipal financial sustainability — modelling, scenario planning and the structural fiscal gap facing municipalities. ● Capital markets and municipal infrastructure finance — mobilising and channelling capital to municipalities. rstanding of how the two connect (a bankable municipality is a financeable one).	0 points = Lack of understanding of key deliverables 10 points = Sound grasp of one stream, or partial grasp of both submission of documentation 20 Points = Comprehensive grasp of both MFSP and MIF deliverables and their linkage	20

Approach and Methodology	A project & management plan covering deliverables, milestones, resources and close-out, with methodology for BOTH streams. Marks split evenly: ● MFSP side (up to 15): data collection & diagnostics, modelling assumptions/engine, scenario architecture, validation with municipalities, and training/handover of the tool. ● MIF side (up to 15): institutional/financing model design, capital-raising and blended finance approach, credit-assessment and project-bankability methodology.	**0 points** = no submission of project plan and approach **20 points** = Submission of project plan, management plan and methodology approach in line with the scopeof work **40 points** = Submission of project plan & management plan (that outlines the details of all the elements of the opinion development to close out) in line with scope of work	40
Company Experience	Comparable assignments (with outcomes) evidencing capability across the four domains. Two MFSP-side, two MIF-side — scored evenly: ● Municipal finance & MFMA fluency. ● Financial modelling / scenario-planning tool build. ● Capital markets, bonds & blended / finance. ● Credit assessment & project bankability / preparation. ›arable' = similar or related work; equivalents accepted so as not to narrow the field.	Scores will be allocated asfollows: **0 points** - No comparable assignments evidenced **5 point** - Capability evidenced in 1–2 of the four domains **10 points** - Capability evidenced in 3 of the four domains **20 points** – Capability evidenced across ALL four domains, MFSP and MIF sides both covered	20

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. Certified professional registration(s) AND CVs of proposed key staff, showing relevant Local Government / municipal-finance experience mapped to the domains above. ● Recognised bodies include (or equivalent): SAICA, SAIPA, ECSA, SACPCMP, CFA, or a relevant statutory/chartered body. Team must collectively cover the modelling and the financing/credit skill sets — not a single discipline.	**0 points** - no certificates and no confirmation of experience **10 points** for certificate/s provided and up to 10 years of relevant experience **20 points** - certificate/s provided and over 10 years of relevant experience	20
Minimum Threshold			70
Total for functionality			100

NB: Bidders who score 70 (average) points and above will be recommended in the 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