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 serves 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 country's mineral wealth

1.2 In addition to its core responsibilities, the State has been issued with a 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 three months 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 to guide strategic decisions regarding the future shareholding option.

4 SCOPE OF WORK

4.1 The scope of the valuation exercise shall include, but not be 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 justify 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, restrictions, obligations, and contingent liabilities

ii. Develop and evaluate a range of strategic options available for the Government regarding its shareholding

iii. Analyse the potential risks, benefits, and financial implications of each option

iv. Present an evidence-based and thorough recommendation for consideration.

4.1.4 Reporting

i. Prepare a comprehensive and well-structured report detailing the findings 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 findings, 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) The Project Manager must possess valid registration with the relevant professional body in Engineering, Geology, Finance, or the Legal field, and must attach certified copies of the applicable registration certificate(s).

6.2 Gate 02 - Functionality Technical Evaluation

Bidders will also be scored in terms of the functional requirements indicated below. The corresponding points and weighting will be used to calculate the 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 who score 70% and more will be considered further.

Functionality	**Evaluation Criteria**	**Points**	**Total Weight**
1. Company Experience:			**30**
Bidders should have experience of having	More than 5 projects	5	
	Between 5-3 projects	4	

Functionality	Evaluation Criteria	Points	Total Weight
undertaken projects in respect of valuation of diamond mineral assets 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.	3 projects	3	
	2 projects	2	
	1 project	1	
	No project/ No information	0	
2. (i) Academic Qualifications of the Project Lead:			**15**
A postgraduate 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 Experience			**10**
Project Lead to have experience in the valuation of 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	

Functionality	Evaluation Criteria	Points	Total Weight
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 experience	0	
	No proof	0	
3. Personnel Experience			**15**
Key staff assigned to this project must have combined experience in finance, legal, mergers and acquisitions 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**			**30**
a. Clear comprehension of project objectives, deliverables, and constraints - The proposal must demonstrate a clear and accurate interpretation of the overall project goals and specific objectives of the valuation exercise - A precise list of all required deliverables must be included, showing how the project deliverables will be addressed - The proposal should	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 of the requirements outlined a,b,c)	1	
	No information	0	

Functionality	Evaluation Criteria	Points	Total Weight
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 work plan - Proposed methodology The technical approach for the valuation must be fully detailed, appropriate for a diamond asset, and demonstrate best practise techniques - A comprehensive work plan detailing all the tasks, milestones, and timelines for the duration of the project - The proposal must clearly demonstrate how the key personnel will be deployed to a specific task. - The proposal should outline the quality assurance			

Functionality	Evaluation Criteria	Points	Total Weight
system and control steps to be applied throughout the project to ensure accuracy and reliability of the final valuation c. Clarity, organisation, and professional quality of the proposal document - The proposal must be well structured, easy to navigate, and written in clear, unambiguous language - The document should be concise and focus directly on responding to the requirements of the Request for Proposal			

6.3 Gate 03 - Administrative compliance

(i) Compliance with 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
- Bidders to attach a company profile to the Technical Proposal

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 scores the same number of points overall and the 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 scores 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 is 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 a sworn affidavit

NB: "Ownership = 51% of the company shares. Designated group/person that is part of the entity's 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 = $\frac{20}{100} \times 4 =$ **0.8 points**

7 REPORTING REQUIREMENTS

7.1 All the reporting and project-related matters will be coordinated through the Project Manager.

7.2 The Service Provider must provide weekly status reports that give 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 DMPR; 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 RESPONSIBILITIES

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 a detailed project schedule/ plan.

9.4 The successful service provider will be required to submit a 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 the management of the project and identification of any issues, risks, and/ or opportunities associated with the project, and ensures that these are communicated timeously with the Project Manager to avoid delays on the 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 bidder 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, 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 the 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 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 the 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 **one (01) copy of technical proposal plus one (1) original.**

15.2 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 **10 July 2026, at 10:00 through Microsoft Teams:**

Meeting ID: 379 479 741 171 097

Passcode: f7ra2ko2

17 CLOSING DATE

17.1 Proposals must be submitted on or before **28 July 2026** at **11:00** at the Department of Mineral and Petroleum Resources, at Building 2C, Trevena Campus, C/O Meintjes and Francis Baard Street, Sunnyside, Pretoria, in the bid of the Department of Minerals and Petroleum Resources. **No late bids will be accepted.**

18 ENQUIRIES

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

Mr. Tebogo Katjeni

Tel No: (012) 444 3197/3778

E-mail: Tebogo.Katjeni@dmpr.gov.za/Lucia.Nkhethoa@dmpr.gov.za

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

Ms Morongwa Bosoga

Tel No: (012) 444 3611

E-mail : Morongwa.Bosoga@dmpr.gov.za