



REQUEST FOR PROPOSALS

TERMS OF REFERENCE

**APPOINTMENT OF A CONSULTANT TO AUDIT PROCESSES RELATING TO
COLLECTION OF REVENUE FOR CAPITAL PROJECTS UNDERTAKEN BY THE
AGENCY IN THE EASTERN CAPE**

EASTERN CAPE PROVINCE

RFP/PE/2018/001

PROPOSALS TO BE SUBMITTED BY

NOT LATER THAN

12H00 ON 22 MARCH 2019

1. INTRODUCTION AND BACKGROUND

The Housing Development Agency (HDA) is a national public development agency established by an Act of Parliament (Act 23 of 2008). The HDA promotes sustainable communities by making well-located land and buildings available for the development of housing and human settlements. As its primary activity, the Agency assembles and releases public, private and communal land for development. Its main objectives are to identify, acquire, hold, develop and release well-located land and buildings, and to provide project management support and housing development services.

The three spheres of government have instituted an Integrated Human Settlements Programme in the Nelson Mandela Bay Metro to deal with the critical state of human settlements within the Metro. The HDA has been appointed to act as an Implementing Agent to assist and work with the National and Provincial Departments of Human Settlements and Municipality in planning and implementing the Programme. In implementing the Programme, funds are disbursed to the Agency by the Provincial Department of Human Settlements (ECDHS) against value created in line with completion of defined projects and payment of appointed contractors for the services rendered.

2. PROBLEM STATEMENT

The Agency has accumulated a substantial deficit for capital projects undertaken in line with the Agreement entered into with the relevant spheres of government. The state of affairs cannot be sustained as it is jeopardising the financial health of the entity. Thus, it is critical to audit the entire cycle of processes and policy(ies) employed in recovery of the spent funds by the Agency.

3. SCOPE OF WORK

The HDA intends to procure the services of a suitably qualified and experienced consultant to undertake the activities as outlined below:

| SCOPE | DELIVERABLES | TIME-FRAME |
|---|---|----------------|
| MILESTONE 1: PROJECT INCEPTION | | |
| The service provider shall present a methodology and practical work-plan for project implementation. | <ul style="list-style-type: none"> ▪ An Inception Report project implementation programme is to be submitted and presented at the project inception meeting. | 1 week |
| MILESTONE 2: DIAGNOSTIC ANALYSIS | | |
| <p>The service provider will be required to produce a comprehensive diagnostic report that will seek to outline, but not limited to:</p> <ul style="list-style-type: none"> a) The key reasons for poor or inadequate collection of the required revenue. b) Establishing the degree of compliance to the requirements stipulated by NDHS, ECDHS and the Agency and other prevailing policy and regulations. c) Assess the adequacy of internal systems within the Agency to allow for sustained submission of claims and collection of revenue. | <ul style="list-style-type: none"> ▪ Diagnostic Report | 3 weeks |
| MILESTONE 3: CLOSE-OUT REPORT | | |
| <ul style="list-style-type: none"> ▪ Compile the necessary documentation that will take stock of current practice and include remedial measures to address the challenges encountered. ▪ Produce a report that outlines key findings and recommendations for the Agency to take forward. | <ul style="list-style-type: none"> ▪ Close-Out Report | 1 weeks |

4. REPORTING AND CONSULTATIONS

The successful service provider shall:

4.1 Report to the designated individual in the Agency and consult relevant parties at ECDHS and the Agency to obtain all required information. Consultations with the relevant stakeholders shall be conducted in a structured manner whereupon record of consultation shall be made available,

4.2 Furnish the HDA with the relevant reports for each milestone deliverable as follows:

- All report must be submitted in Word™ format with relevant annexures and delivered as both electronic and hard copy documents. An executive summary should also be provided;
 - Four copies of the printed and wire ring binding of the full documents in A4 or A3 format – the compilation graphics and maps may be provided in the same paper size of the main documents ; and

- Four CDS containing high resolution versions of the report in source document format as well as PDF;
- Each report submission is to be accompanied by a summary Power Point™ presentation that encapsulates all the key features of the study.
- A Financial Model must be in Excel™ format and must clearly set out all assumptions made; sensitivity analyses carried out and model outputs.
- The close-out report will be a confidential document.

Ownership and publication of deliverables – The HDA will become the owner of all data collected and reports furnished and/or compiled by the service provider during the course of and for the purposes of executing the project. To the extent that copyright in any intellectual property compiled by the service provider during the course of and for purposes of the agreement vests with the service provider, such copyright will become the property of the HDA, unless otherwise agreed by the HDA in writing.

Confidentiality - information gathered and data used by the service provider shall remain confidential.

5. SKILLS & EXPERIENCE

The suitable service provider will be expected to possess the required skills, expertise and experience necessary to undertake the envisaged activities/tasks set out in this Terms of Reference. Previous experience in human project finance within the human settlements arena will be an added advantage.

6. COSTING

The proposal/execution plan responding to the TOR must detail the cost implications including cash flow projections for the duration of the contract (i.e. in terms of outputs and progress payments). The costs must detail professional fees and any disbursements incurred by the HDA in the execution of the project. The total amount quoted must be inclusive of VAT at 15% of the total bid price.

7. TIMEFRAMES

The total estimated duration of the project is 5 weeks. A detailed project plan with budget, methodology, key deliverables and timeframes must be included in the project proposal.

8. EVALUATION PROCESS

8.1. The HDA needs to be satisfied, in all respects, that the organisation selected has the necessary resources, qualifications and abilities for this project, and that all submissions are regarded in a fair manner in terms of evaluation criteria and process.

8.2. The general methodology of selection will be that proposals will first be evaluated on their technical ability to perform the task. Any proposals scoring below 70% of the points noted in the table below will be disqualified.

Table 1 – Evaluation Criteria**Functionality**

| CRITERIA | SUB-CRITERIA | WEIGHTING/ POINTS |
|--|---|----------------------|
| CV | Demonstrable Skills, Relevant Knowledge and Experience | 40 |
| Approach, Methodology, Work Plan and Process | Work programme, plan and allocation of resources and tasks. | 40 |
| | Meeting deliverables and timeframes. | 10 |
| | Proposed methodology. | 10 |
| TOTAL | | 100 |

The following criteria will be used for point's allocation for price and B-BBEE compliance on a 80/20 point system:

Table 2 – Price and B-BBEE

| CRITERIA | SUB-CRITERIA | WEIGHTING/ POINTS |
|--|---------------------------|----------------------|
| Price | Detailed budget breakdown | 80 |
| B-BBEE (Status Level Verification Certificate) | B-BBEE Level Contributor | 20 |
| TOTAL | | 100 |

9. GENERAL**9.1. Below are compulsory requirements for this service**

9.1.1. It is important to note that the successful person/service provider will work under the supervision of an HDA representative and will report regularly to HDA the project steering committee established for purposes of overseeing this project, abide by HDA's Code of Conduct, and other organisational guidelines.

9.1.2. Kindly submit the following documents:

- Valid original tax clearance certificate.
- SBD Forms (SBD4, SBD6.1, SBD8 and SBD9) obtainable from HDA Website: www.thehda.co.za/tenders under compliance checklist.
- Price proposals on all work to be done.
- Valid and Original or Certified B-BBEE Status Level Verification Certificates issued by the following agencies SANAS, IRBA or CCA.

9.2. Further information regarding supply chain matters, queries can be sent via email to: Mxolisi.Zondo@thehda.co.za or at tel: 011 5441000

10. TERMS AND CONDITIONS

10.1 HDA undertakes to pay in full within thirty (30) days, all valid claims for work done to its satisfaction upon presentation of a substantiated claim/invoice.

10.2 No payment will be made where there is an outstanding information/work.

11. SUBMISSION OF PROPOSAL

11.1. Proposals should be submitted on or before the **22nd MARCH 2019** by no later than 12h00 to:

**Attention: Supply Chain Management
Block A, Riviera Office Park
6-10 Riviera Road, Killarney
Johannesburg**

11.2 The approval of the project execution plan and costs will be at the HDA's sole discretion. The HDA does not bind itself to accept any particular project execution plan proposal, and the HDA reserves the right terminate the assignment at any stage of the project.