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REQUEST FOR PROPOSALS

**REQUEST FOR PROPOSALS (RFP) FOR PROVISION OF PROFESSIONAL
ENTERPRISE-WIDE RISK MANAGEMENT (ERM) SERVICES TO THE HOUSING
DEVELOPMENT AGENCY**

RFP/JHB/2019/008

PROPOSALS TO BE SUBMITTED BY

NOT LATER THAN 12H00

ON 27 JANUARY 2020

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1. Terms of Reference

1.1 Overview

The Housing Development Agency (HDA) is a national public housing development agency which reports to the Minister of Human Settlements and is established by an Act of Parliament (Act 23 of 2008). The HDA's legislative mandate promotes sustainable integrated communities by making well-located land and buildings available for the development of public housing and human settlements.

The HDA's legislative mandate is located within the industrial fields of construction, project management, civil engineering and procurement which makes it susceptible to the risks of sectoral complexities, financial loss, fraud and corruption. Construction industry is rated one of the most corrupt industries in the world.

To curb the implications of these industrial challenges, the HDA seeks to establish an Enterprise-Wide Risk Management Unit that will drive the creation of a risk-free environment by promoting sound governance and provide support in managing HDA's enterprise-wide risks.

2. Scope of Work

HDA is requesting quotations from the bidders to be appointed to assist in providing the following projects which will run concurrently. Prospective bidders are required to submit separate quotation for individual projects as listed below.

It is important to note that for bidders are interested in providing services of all listed projects below it is mandatory to submit respective quotation for each project as each project will be evaluated individually.

No	Project Scope	Project Deliverable
2.1	Facilitate formulation of the HDA ERM Strategy	<ul style="list-style-type: none"> ERM Strategy ERM Route map Risk Implementation plan Fraud Prevention Policy
2.2	Enhancement of HDA ERM Governance, Implementation, monitoring and reporting structure and operating model	<ul style="list-style-type: none"> ERM Structure Operating model
2.3	Develop HDA Risk Management Policy and Framework	<ul style="list-style-type: none"> ERM Policy Risk Management Framework (Methodology) Risk Appetite and Tolerance Levels Implementation instruments and templates
2.4	Organisational risk culture and maturity assessment	<ul style="list-style-type: none"> Risk Culture and maturity assessment report with key findings and areas of improvement and recommendations Five-year risk maturity improvement plan
2.5	Provide training to key ERM stakeholders	<ul style="list-style-type: none"> Training program for both Risk Champions and Risk Owners Completed training report
2.6	Facilitate the review of the existing risk registers	<ul style="list-style-type: none"> Approved strategic risk register Approved Information Technology (IT) registers

3. Required Competencies

The service provider shall strive to use a multi-disciplinary approach to the project and give attention to fine details, with specific focus on:

- Housing Development Agency Act (HDA Act);
- Public Finance Management Act (PFMA);
- Companies Act and Regulations
- Treasury Regulations;
- COSO, ISO, IRM and National Treasury Frameworks
- King IV Report on Corporate Governance for South Africa; and

- Any other leading practices considered relevant to enhance risk management within the HDA.

3.1 Requisite skills, qualifications and other requirements:

- Qualifications of team members, years of experience in executing/ rendering the assignments/service similar to this one.
- Reasonable years of experience in providing Risk Management services and indicate current clientele.
- Extensive experience in general ERM approach; methodologies and proposed activities towards the undertaking of services to be provided.
- A clear and precise Project Implementation plan with specific timelines and milestones.
- Communication Strategy to Heads of Division and Executive Management.

4. Contract Period

- The appointment of a successful service provider will be required to complete this project before end of April 2020.
- Strict performance and quality management processes will be applied by HDA in managing this project to ensure that maximum benefits are derived by the agency on par with incurred project costs. Non-performance will result in contract termination.

5. Fees and Pricing

- Bidders are required to comply with all fees and pricing requirements, including necessary compliance rules for bidding.
- Hourly rate billed per level of employees that will be utilized during the contract period, and the cost associated with each milestone should be clearly indicated, inclusive of tax.

6. Contractual Obligations

- The contract will be entered into between the HDA and the service provider, and reports on the progress and completion of the services will be made to the Risk and Audit Manager, CFO and Audit and Risk Committee.
- The bidder will be expected to report on progress on a fortnight basis to the above structures and authorities.
- Payment will be made within 30 days on presentation of billing documents as agreed and based on meeting all deliverables and outputs as contained in this Terms of Reference.
- The service provider will be subject to evaluation of the deliverables, which will determine the continuation of the contract.
- The service provider will sign a non-disclosure agreement.
- The service provider will confirm their independence and any potential conflicts at the beginning of the work.

7. Evaluation Criteria

- The HDA needs to be satisfied, in all respects, that the service provider selected has the necessary resources and capabilities for the provision of large-scale professional consulting services.
- The general methodology of selection will be that proposals will be evaluated on their technical ability to perform the task. **Any proposals scoring below 70% of the points noted in the functionality table below will be disqualified.**

Evaluation Criteria

The table below sets out the criteria that will be used to evaluate.

FUNCTIONALITY: 100

CRITERIA	SUB-CRITERIA	Scoring Scale	Score
Level of Experience and expertise	Track record of the company in similar assignments i.e. ERM and related services. (Signed reference letters in letterheads) <ul style="list-style-type: none"> No reference letter = 0 points 1 reference letter = 3 points 2 reference letters = 5 points 3 reference letters = 10 points 	10	10
Detailed explanation of methodology and process to be adopted to fulfill the assignment within timeframe	<ul style="list-style-type: none"> No methodology =0 points Methodology included but very brief, not detailing processes to be followed= 15 points Comprehensive methodology, with clear processes to be followed and sequence of events aligned = 30 points 	30	30
Skills, Knowledge and Competencies of the team including relevant qualifications and professional designations	Skills, knowledge and competencies in Risk, Compliance and Governance at a Director level 1 Director <ul style="list-style-type: none"> Expertise in one area= 3 points Expertise in two areas=5 points Expertise in all three areas 10 points 	10	40
	Skills, knowledge and competencies in Risk, Compliance and Governance at a Manager level 1 Manager <ul style="list-style-type: none"> Expertise in one area= 1 point Expertise in two areas=3 points Expertise in all three areas 5 points 	5	
	Skills, knowledge and competencies in Risk, Compliance and Governance at a Practitioner level (3) Practitioners <ul style="list-style-type: none"> Expertise in one area= 1 point Expertise in two areas=3 points Expertise in all three areas 5 points 	5	

CRITERIA	SUB-CRITERIA	Scoring Scale	Score
	<ul style="list-style-type: none"> Relevant tertiary risk management or similar qualification (such as internal audit) of the team members. Relevant risk management or similar (e.g. internal audit) professional designation of Partner/Director and Manager. 	10	
Thought Leadership Contribution	Evidence of contribution by the company's lead expert(s) in the development or updating of leading practice frameworks in governance, risk management and/or internal controls	10	10
Professional membership	Membership with Institute of Risk Management or similar professional body (e.g. IIA) <ul style="list-style-type: none"> Student member = 3 points Associate member = 5 points Fellow member = 10 points 	10	10
TOTAL	Total		100

Threshold

The threshold on the technical evaluation criteria is 70 %. Service providers would be deemed technically unacceptable if they score less and will thus not be evaluated further.

Table 2 – Price and B-BBEE

CRITERIA	SUB-CRITERIA	WEIGHTING/ POINTS
Price	Detailed budget breakdown	80
B-BBEE Status Level Verification Certificate from accredited verification agencies.	B-BBEE Level Contributor	20
Total		100

Proposals will be evaluated as per PPPFA regulations.

8. General Tender Information

8.1. Below are compulsory requirements for this service

It is important to note that the successful bidder will work under the supervision of a HDA representative, abide by HDA's Code of Conduct and other organizational guidelines

- a. Kindly submit the following compulsory documents:
 - Registration with the National Treasury Central Supplier Database (CSD Report), if not yet registered use the following link to register : <https://secure.csd.gov.za/>
 - SBD Forms (SBD4, SBD6.1, SBD8 and SBD9) obtainable from HDA Website: www.thehda.co.za/procurement. Under compliance checklist.

- Valid and Original or Certified B-BBEE Status Level Verification Certificates issued by the following agencies SANAS, IRBA or CCA.

8.2 Further information regarding technical matters can be sent via email to:

Sibusiso.Majola@thehda.co.za; Teddy.Letlhakwane@thehda.co.za or, and

8.3 Further information regarding supply chain matter and queries can be sent via email to:

Nqobile.mkhwanazi@thehda.co.za

SUBMISSION OF PROPOSALS

Proposals must be submitted by not later than 12h00 on 27 January 2020 to the following address:

**The Procurement Officer
The Housing Development Agency
Block A, 6-10 Riviera Road,
Killarney,
2193
Tel: 011 544 1000**

The selection of the qualifying proposal will be at the HDA's sole discretion. The HDA does not bind itself to accept any particular bid/proposal, and the HDA reserves the right not to appoint the service provider. Bidders are requested to submit two (2) copies of the proposal and bid documents; one (1) original plus one (1) copy.