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**REQUEST FOR PROPOSALS**  
**MARKET SURVEY TO INFORM RESIDENTIAL HOUSING**  
**DEVELOPMENT IN ALFRED DUMA LOCAL MUNICIPALITY**

**RFP/KZN/2017/002**

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**PROPOSALS TO BE SUBMITTED BY**  
**NOT LATER THAN**  
**12 NOON ON**

08 December 2017

# **TERMS OF REFERENCE TO CONDUCT MARKET SURVEY TO INFORM RESIDENTIAL HOUSING DEVELOPMENT IN ALFRED DUM LOCAL MUNICIPALITY**

## **1. INTRODUCTION**

The Housing Development Agency (HDA) is a national public development agency that promotes sustainable communities by making well-located and appropriately-planned land and buildings available for the development of human settlements. As its primary activity, the HDA assembles state, private and communal land and buildings and releases it for development. In addition the HDA provides project delivery support services to organs of state at local, provincial and national level.

Section 7(2) (d) of the Housing Development Agency Act (HDA), Act 23 of 2008 requires the HDA to *introduce and manage a land inventory and information system* in support of the identification and acquisition of state, privately and communally owned land which is suitable for residential and community development.

The KZN Department of Human Settlements in collaboration with the Housing Development Agency (HDA) is considering to acquire land known Ladysmith extension 18 (Model Kloof) in Alfred Duma Local Municipality measuring approximately 43.4 ha

In order for this housing development plan and methodology to be developed, special attention will be given to conducting the housing demand and supply survey which will assist the Provincial government to determine the potential for housing on the identified land and further inform the type of housing developments required in line with affordability levels.

This assignment requires the services of a service provider with experience in conducting market surveys in the human settlements sector.

## **2. BACKGROUND AND CONTEXT**

### **2.1 Policy Context – Human Settlements Development**

The National Comprehensive Plan for Human Settlements (2004) shifted emphasis from Housing to Integrated Sustainable Human Settlements, seeking to create non-racial integrated societies that are in well designed and located areas with access to adequate socio-economic infrastructure. The plan targets housing as a key strategy for poverty alleviation, utilizing the provision of housing as a job creation strategy, as an asset for wealth creation, to leveraging growth in the economy and combating crime and improving quality of life for the poor.

The Municipality and the HDA are responding to the above policy context.

## **3. DESCRIPTION OF THE ASSIGNMENT**

### **3.1 Overall Objectives**

The overall objective of the assignment is to conduct a demand and supply investigation in order to examine the potential housing market drawn from the proposed mandated area in Ladysmith.

This study will give the KZN DHS, HDA, Alfred Duma Local Municipality and housing developers some insights into the potential demand that exists for different categories of housing. In addition the study will highlight the affordability issues facing households within the

different income ranges and the risks these households face in maintaining the rental/ownership housing. The results of the investigation will also assist the Alfred Duma Local Municipality to update its human settlements strategy.

### **3.2 Scope of Work**

The investigation will be done within the Alfred Duma Local Municipality mandated area and will cover the following:

#### *Mixed Use-Housing Demand Investigation*

- Integrated Residential Development Programme;
- Social housing and other rental programmes demand investigation; and
- Gap Housing and other ownership programmes demand investigation

#### *Demographic analysis*

- Demographic analysis with specific emphasis on issues of affordability and capacity to sustain
  - A small retail development; and
  - Social Facilities

#### **3.2.1 Housing Supply Data**

The investigation should gather data which will provide an analysis of housing supply in general and specific focus must be on popular forms of housing typologies that will be relevant to the municipality. Data to be collected and reviewed may include:

- Housing market information including numbers of rentals units by monthly rental range by location, by bedroom count, together with vacancy rates; home ownership opportunities by price range, by location and with anticipated listing days until sale.
- Housing preferences of the households in the income range including, tenure type, flat/house sizes, location, and amenities/services; level of understanding of the housing market and its costs that inform these preferences.
- Available Public/Private Sector owned stock and its status, if any.

#### **3.2.2 Housing Demand side Data**

The investigation should also gather data which will provide an analysis on demand of housing in general terms within various categories. The demand side data may include review of:

- Population trends - urban to rural; rural to urban out of Bethlehem and into Bethlehem
- Stability of employment and levels of employment/unemployment within the area
- Nature and composition of industries in the area
- Projected growth/decline of various economic sectors over the next five years
- An estimation of the number of households that have already accessed government housing subsidies and the estimated backlog of those who have not.

#### **3.2.3 Demographic Analysis**

Generally, non-full subsidy housing is targeted for people who are employed, or who have the potential to pay for their accommodation.

The data to be analysed in this area should provide:

- Numbers of households within defined income bands and changes anticipated over the next five years within each band, based on economic status of the country and individual strategy.

- Demographic profile of the households living in the study area with joint monthly incomes between:
  - a) R800 - R1,500;
  - b) R1,1501 - R3,500;
  - c) R3,501 - R7,500;
  - d) R7,501 - R15,000; and
  - e) 15,000+
- Demographic profile to also include number of households in various housing tenure types, current rents paid, current ownership costs including debt payments, utilities, municipal rates and maintenance;
- Determine disposable income and typical non-housing related expenditures of the households in the intended income range.
- Current location of households in the target range; transportation and parking costs; availability and/or lack of services and social facilities in the area.
- Assuming a housing cost of 30% of income as “affordable”, estimate the number of households in the target income range living in affordable and unaffordable housing.

### **3.3 Results to be achieved and reports to be delivered**

#### **3.3.1 Results**

The Service provider is expected to achieve the following:

- A report on demand and supply assessment in order to ascertain an appropriate housing market for the proposed Integrated Sustainable Human Settlements in Alfred Duma Local Municipality.
- A report on demographic analysis

#### **3.3.2 Final deliverables**

Anticipated final deliverables are as follows:

- 4 copies of the report on the market survey investigation submitted in hard copy and in CD-ROM-all raw data must also be submitted.
- A briefing workshop and the presentation workshops with the representatives of HDA; KZN DHS and Alfred Duma Local Municipality.

### **3.4 Specific Activities and Project Timeframe**

#### **3.4.1 Activities**

It is expected that the Service Providers’ work plan will include both quantitative and qualitative information gathering techniques, including interviews with key relevant government and private sector stakeholders. Prior to the investigation, the task team expects a desktop study to be done to collect and review information that already exists on the area that can serve to inform the investigation, for example:

- Provincial Master Plan For Human Settlements
- Strategic documentation of the Municipality (IDP, SDF, Housing sector plan, etc.)
- Housing waiting list information
- Census indicators
- Employers’ surveys
- Information from the banks relating to gap market
- Information from rental organizations and private developers

- Information from estate agents
- Provincial and municipal plans for the area that could affect the project

The service provider will also define the logistics of the investigation in terms of selecting respondents, describing all proposed sources of information to complete the study, sampling and other features of the methodology for the study, and the system for the collection and analysis of the data. The data collected must be valid and reliable in terms of the purpose of the study.

### 3.4.2 Structure and phasing of the work

The proposed structure and phasing of the investigation is detailed in the table below. The service provider will have to develop a detailed methodology on how each phase will be approached:

Phase	Project Objectives
Pre inception	Pre-Inception meeting Inception report
Part 1	Desktop Review: <ul style="list-style-type: none"> <li>- Collection and analysis of existing data.</li> <li>- Identify variables and hypotheses from existing research.</li> <li>- Briefing workshop</li> <li>- Agree on specific objectives of the project.</li> <li>- Refine variables.</li> </ul> <p><b><i>Service provider to estimate time required in days and should outline the approach and methodology</i></b></p>
Part 2	<ul style="list-style-type: none"> <li>- Conduct the market research</li> <li>- Data capturing and analysis</li> </ul> <p><b><i>Service provider to confirm time required in days and should outline the approach and methodology</i></b></p>
Part 3	<ul style="list-style-type: none"> <li>- Presentation of Draft Report at a workshop</li> </ul> <p><b><i>Service provider to confirm time required and should demonstrate how progress update or interim reporting will be done towards the final product</i></b></p> <ul style="list-style-type: none"> <li>- <b><i>Service provider to confirm delivery date of draft report- October 2013</i></b></li> </ul>
Part 4	<ul style="list-style-type: none"> <li>- Presentation of Final Report</li> </ul> <ul style="list-style-type: none"> <li>- <b><i>Service provider to note delivery date of the final report is April 2018</i></b></li> </ul>

### 3.4.3 Timeframe

It is expected that the project should be concluded within 2 months from the initiation of the project (to be stipulated in the appointment letter).

### 3.4.4 Geographic area to be covered

The assignment will be undertaken in the mandated area of Alfred Duma Local Municipality in Model Kloof Extension 18

## 4. INSTITUTIONAL ARRANGEMENTS

A Task Team comprising of the HDA, KZNDHS, and officials from Alfred Duma Local Municipality will be established. The HDA will lead the Task Team. The task team will meet the service provider at mutually agreed times at the beginning of the assignment and in between for reporting.

## **5. REQUIRED SKILLS**

The skills and experience should demonstrate, among others the following:

- Market survey specialists with experience of working in the human settlements sector and government sector broadly;
- Proven excellence in research design and analysis;
- Experience in database creation, data filling, large data sets and data analysis;
- Knowledge and usage of statistical software;
- Demonstrable conceptual and project understanding and subject matter command in the proposed approach, process, deliverables and outputs;
- Demonstration of superiority of proposed methodology, detailing of process, description of tasks in relation to linkage of process, outputs and deliverables, reporting and presentation; and
- Effectiveness and efficiency of proposed method and process plan as shown in the workplan and as to confirm responsiveness to delivery within tight time schedules of the assignment.

The above professional staff composition is the minimum requirements. The consultants are advised to propose their own team composition based on the scope of work as defined above.

## **6. EVALUATION**

- In order to facilitate a transparent selection process that allows equal opportunity to all production companies, the HDA has a policy for the appointment of consultants that will be adhered to. Proposals will be evaluated in terms of the prevailing supply chain policy applicable to the HDA. It should be noted that proposals will be assessed using the 80: 20 formula for Price and B-BBEE as per the PPPFA 2017.
- The HDA needs to be satisfied, in all respects, that the organisation/individual 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.
- The general methodology of selection will be based on proposals that will first be evaluated on their technical ability to perform the task. Any proposals scoring below 75% of the points noted in the table below will be disqualified for the second evaluation.
- The second evaluation of technically competent proposals will be evaluated against Price and B-BBEE using 80/20 Price/B-BBEE formula.

- Proposals will be evaluated using the 80/20 point system, where 80 points are for functionality and price and 20 points for empowerment of historically disadvantaged individuals.
- The following are the key criteria that will be taken into account by the HDA:

**Table 1**

<b>CRITERIA</b>	<b>SUB-CRITERIA</b>	<b>WEIGHTING/ POINTS</b>
Experience, knowledge and skill (provide CV of project team)	<ul style="list-style-type: none"> <li>○ Market survey specialists with experience of working in the human settlements sector and government sector broadly; <b>[20 points]</b></li> <li>○ Proven excellence in research design and analysis; <b>[5 points]</b></li> <li>○ Experience in database creation, data filling, large data sets and data analysis; <b>[5 points]</b></li> </ul>	30
Understanding of the work	<ul style="list-style-type: none"> <li>○ Extensive understanding of human settlements programmes and sector at large – provide evidence <b>[10 points]</b></li> <li>○ Demonstrable conceptual and project understanding and subject matter command in the proposed approach, process, deliverables and outputs; <b>[10 points]</b></li> </ul>	20
Capacity (human resource) and	<ul style="list-style-type: none"> <li>○ Demonstrated capacity of the firm/consultant <b>[10 points]</b> <ul style="list-style-type: none"> <li>- Good coordination and team working skills <b>[5 points]</b></li> <li>- Demonstrated ability to meet the project capability deadline <b>[5 points]</b></li> </ul> </li> </ul>	20
Approach and methodology	<ul style="list-style-type: none"> <li>○ A detailed project plan specifying the approach, methodology and the indicators of success for each deliverable <b>[30 points]</b></li> </ul>	30
<b>TOTAL</b>		<b>100</b>

**Table 1 – Price and BBEE**

<b>CRITERIA</b>	<b>SUB-CRITERIA</b>	<b>WEIGHTING/ POINTS</b>
Price	Detailed budget breakdown	80
B-BBEE Status Level Verification Certificate from accredited verification agencies	B-BBEE Level Contributor	20

**7. PAYMENT STRUCTURE**

- 7.1. 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.
- 7.2. No payment will be made where there is an outstanding information/work by the service provider/s.

## 8. GENERAL

### 8.1. Below are compulsory requirements for this service

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

8.1.2. Kindly complete and submit the following:

- Valid original tax clearance certificate.
- SBD Forms (SBD4, SBD8 and SBD9) obtainable from HDA Website: [www.thehda.co.za/procurement](http://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 an email to: [thulani.bhengu@thehda.co.za](mailto:thulani.bhengu@thehda.co.za) or telephone: 031 3357300

8.3. Further information regarding supply chain matter and queries can be send via email to: [jane.mahlanqu@thehda.co.za](mailto:jane.mahlanqu@thehda.co.za) or tel: 011 544 1000

## 9. SUBMISSION OF PROPOSALS

9.1. Proposals should be submitted on or before the 08 December 2017 by no later than 12h00 to the following address:

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

9.2. 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.