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**REQUEST FOR PROPOSALS**

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**RENDER RISK AND COMPLIANCE SERVICES TO THE HOUSING DEVELOPMENT  
AGENCY (HDA) FOR A PERIOD OF 1 (ONE) YEAR**

**RFP/JHB/2016/017**

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**TENDER PROPOSALS TO BE SUBMITTED BY  
NOT LATER THAN  
12H00 WEDNESDAY, 13 OCTOBER 2016**

## **1. INTRODUCTION**

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 integrated communities by making well-located land and buildings available for the development of housing and human settlements. As an organ of state, the HDA is accountable through its board to the Minister of Human Settlements. Visit [www.thehda.co.za](http://www.thehda.co.za) for more information.

## **2. Purpose of the terms of Reference**

The purpose of the terms of reference is to appoint a suitably qualified and experienced service provider to provide risk and compliance service to the Housing Development Agency (HDA)

## **3. Introduction and Objectives**

The Successful bidder shall assist HDA with the Risk and Compliance Function. The objective will be to ensure the effective management of compliance and risk (strategic, operational and reputational) throughout the entity in support of the strategy and in line with the risk appetite and applicable Compliance and Risk Framework.

## **4. Key roles and responsibilities**

The successful bidder will be responsible for:

- Ensuring the rigorous implementation of the applicable framework for risk and compliance management, including the recommendation for developing, reviewing and approval of relevant policies and procedures.
- Requesting and receiving sufficient information to satisfy itself that the risk and compliance framework, policies and procedures are operating as intended.
- Commission root cause analyses into significant policy breaches or control breakdowns.
- Investigating any matters of concern of a regulatory nature; and
- Periodically reporting the outcomes of its reviews to the necessary level of management within HDA, including the Chief Executive Officer, the Chief Financial Officer and the Audit and Risk Committee or the Board, if necessary.
- Assist with the introduction of ERM into the organization, leveraging on bidder's expertise in risk management and control.
- Providing advice, facilitating workshops, coaching the organization on risk and control and promoting the development of a common language, framework and understanding.
- Supporting management as they work to identify the best way to mitigate risks.
- Visiting the various HDA offices on a frequency agreed to with the service period.

## **5. Expected outcomes and deliverables**

The successful bidder will be responsible for the following:

### **5.1 Risk Management**

- A clearly defined Risk universe for the HDA that will help achieve a comprehensive and complete approach to identifying, analysing and managing all the risks the entity is exposed to.
- Ensuring the effective operation of the risk management framework in relation to all risk types (Risk Universe).
- Ability to define and document specific contributing and causal factors for each risk within the risk universe (key indicators).
- Monitor the entity's risk profile in order to confirm that the entity is operating within the approved risk appetite.
- To identify inter-related risks with either common contributing factors or common mitigating controls / strategies.
- Set risk limits within the risk appetite and tolerance criteria.
- Annually perform risk assessments workshops to confirm the relevance of existing risk and identification of new risks within HDA.
- Develop or maintain, review and update the consolidated risk register which reflects all material risks across HDA.
- Review operational and reputational risk exposures and ensure appropriate action is taken where necessary.
- Ensure there is a suitable structure in place to identify the changing nature of risks and to react to forward-looking risk issues.
- Manage the process for developing and reviewing the risk policies and procedures for approval by the Audit and Risk Committee.
- Review the risk rating methodology for new and existing risks and make recommendations to the Audit and Risk Committee for approval.
- Assisting in Information Technology (IT) Risk Management.
- Quarterly reporting to the Audit and Risk Committee.
- Reporting to management as and when required.

### **Compliance**

- A clearly defined Compliance universe for the HDA that will help achieve a comprehensive and complete approach to identifying and managing compliance with all applicable legislation.
- Ensure that HDA complies with all the relevant laws and regulations applicable to schedule 3A entities.
- Develop or maintain, review and update the consolidated compliance register which reflects all related legislation that HDA should comply with.
- Recommend appropriate framework, policies and procedures for approval to ensure the HDA's ongoing compliance with relevant legal and regulatory requirements.
- Perform periodic reviews to satisfy themselves that the compliance framework is operating as intended.
- Use the results of such reviews in assisting management to implement appropriate required action.
- Liaise with Internal Audit on areas of concern in relation to risk, compliance and regulatory matters.
- Review all compliance issues raised by both the Internal and External auditors and assist management in addressing them.
- The bidder will have responsibility for reviewing a number of HDA's policies on an annual basis or more frequently if required and making recommendations to the Audit Committee for approval.

### **Training and Skill transfer**

- Ensure that there are risk and compliance training programmes effected to ensure the strengthening of a risk and compliance awareness culture within the HDA.
- Transfer risk and compliance knowledge and skills to HDA staff.
- Conduct specific training workshops to executive management on Corporate Governance, Risk Management and Compliance.

### **Combined Assurance**

Assist HDA with combined assurance through development and implementation of the 3 (three) lines of defence model.

### **The following competencies are required**

The service provider shall strive to work in a multi-disciplinary approach and giving attention to details with:

- Public Finance Management Act (PFMA);
- Treasury Regulations;
- COSO Framework;
- ISO 31000;
- King III on corporate Governance related matters; and
- Other relevant acts and regulations.

The requisite skills will include;

- Qualification of team members in terms of years of experience in executing / rendering the assignments / service.
- Company profile, reasonable years of experience in providing Risk and Compliance Management services indicating current clientele.
- General approach; planned methodologies and proposed activities towards the undertaking of services to be provided.
- Capacity / resources on the services to be provided.
- A clear and precise Project Implementation plan with specific timelines. The project plan should consider the availability of a resource(s) to be allocated to HDA at a frequency that will best assist in managing risk and compliance. The resource(s) should be well versed in risk and compliance.

### **6. Duration of the Contract**

The appointment of the successful service provider will be for 1 (one) year subject to review and satisfactory performance. The contract can be renewed for an additional period determined appropriate by HDA.

### **7. EVALUATION PROCESS**

7.1. 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.

7.2. 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 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.

**Table 1 – Evaluation Criteria**

**Functionality**

<b>CRITERIA</b>	<b>SUB-CRITERIA</b>	<b>WEIGHTING/ POINTS</b>
<b>Resource (s) Experience</b>	Relevant previous Risk and Compliance Management experience with minimum 4 years' experience in the public and / or private sector, supported by confirmation / reference letters from the relevant institution	<b>10</b>
<b>Methodology / Approach</b>	Technical approach, planned methodology and proposed project plan towards the undertaking of the project.	<b>50</b>
<b>Resource (s) Qualifications</b>	Relevant qualification and experience of the proposed project resources supported by CVs. Registered with a professional body.	<b>30</b>
<b>Training/Transfer skill</b>	Approach to training the HDA employees.	<b>10</b>
<b>TOTAL</b>		<b>100</b>

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

**Table 2 – Price and B-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
<b>Total</b>		<b>100</b>

The HDI proposal will be evaluated as per PPPFA regulations.

## 8. PAYMENT STRUCTURE

8.1 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.

8.2. No payment will be made where there is any outstanding information/work by the service provider/s.

## 9. GENERAL

### 9.1 Below are compulsory requirements for this service

9.1.1. 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.

9.1.2. Kindly complete and submit the following:

- Valid original tax clearance certificate.
- SBD Forms (SBD4, SBD6.1 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.**

9.2 Further information regarding technical matters can be sent an email to: [naomi.edwards@thehda.co.za](mailto:naomi.edwards@thehda.co.za).

9.3 Further information regarding supply chain matters and queries can be send via email to: [ephraim.mathiba@thehda.co.za](mailto:ephraim.mathiba@thehda.co.za) or Tel: 011 544 1000

## 10. SUBMISSION OF PROPOSALS

10.1. Proposal should be submitted in a sealed envelope clearly marked "**Proposals: Render risk and compliance services to the Housing Development Agency (HDA) for a period of 1 (one) year :RFP/JHB/2016/017**" and deposited in a tender box on or before the **13 October 2016**, not later than **12H00** to the following address:

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

11. 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.