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6-10 Riviera Road,
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REQUEST FOR PROPOSALS

**DEVELOPMENT OF HOUSING DEVELOPMENT AGENCY LAND
BANKING STRATEGY AND ITS IMPACT ON THE AGENCY AND THE
NATIONAL HUMAN SETTLEMENTS DEVELOPMENT PROGRAMMES
AND PROJECTS**

RFP/JHB/2017/003

**PROPOSALS TO BE SUBMITTED BY
NOT LATER THAN
12H00 MONDAY, 05 JUNE 2017**

MAY 2017

TERMS OF REFERENCE

Development of a HDA Land Banking Strategy and its impact on the Agency and the National Human Settlements development programmes and projects

1. INTRODUCTION

- 1.1. The Housing Development Agency (HDA) is established as a national public development agency and enacted in terms of section 3 of the Housing Development Act 23 of 2008, which promotes sustainable communities by making well located land and buildings available for the development of human settlement. As its primary activity, the HDA identifies, acquires, **holds**, develops and releases state, private and communal land and buildings as part of its objectives to support government to deliver sustainable, integrated and appropriate housing delivery options on acquired land parcels.
- 1.2. Suitable land is often located close to jobs, growing residential areas, and transportation corridors. Researching local zoning designation, history and trends can provide invaluable information for predicting future growth trends. National, Provincial and Local Governments and agencies designate specific growth paths. As cities expand, more land is needed for residential developments, industry and roadways. Land Banking along these paths typically yields the highest return on investments.
- 1.3. Increasing population in South Africa and sprawling cities make land a hot commodity. Private corporations and developers identify and purchase open real estate for future commercial, retail and residential use in the paths of growth. When holding land for 10 or more years HDA can maximize returns by capturing multiple value spikes on their parcels.
- 1.4. Available methods of securing land, both public and private, such as land nationalisation, expropriation or the regulation of the private sector have not been successful in most instances. Public authorities have not managed to deliver land and housing at the required scale on their own. Current trends suggest that a partnership between public authorities and the private sector is the best way to secure well located affordable housing. There are a number of state-managed strategies for acquiring land for affordable housing. These include, making publicly owned land available, subjecting land to social use requirements, **land banking**, control land-use through planning and zoning to avoid wasteful or environmentally detrimental uses.
- 1.5. Land banking implies the acquisition of land in advance of needs. Its main advantages are that it allows the purchase of land at a relatively cheap rate, for public purposes and provides a tool to influence the pattern of development in accordance to overall government planning objectives.
- 1.6. The current land holding setup in the HDA is that, the timing of the release of properties acquired for Provinces and Municipalities is determined by the availability of development funding and its readiness to take on the properties. On some instances the properties were directly transferred from the seller/donor to the municipality due to lack of management funding and, availability of management resources.
- 1.7. It is in above that the land banking strategy will seek to, among others, address the land shortage challenges, unavailability of well located, amenable to sub-division and suitable to human settlements development, and to secure future property development sites

today, at the current price. The approach is primarily on the focus of the land required to address the poor communities housing needs.

2. PURPOSE

- 2.1. The terms of reference call for the appointment of a professional consultant to conduct an overview study on the land banking in South Africa and internationally, its effects, impacts and feasibility, and utilise information to:
- Develop a Land Banking Strategy document for the HDA. The strategy relates to overall holding of immovable property for longer period considering the impact, effects on costs and also exploring cost containment methods and revenue generating strategies.
 - Determine the impacts on the HDA in relation to its relevant policies, Legislation, mandate, programmes and projects as well as and the related legislative requirements.

3. PROJECT SCOPE OF WORK

- 3.1. The successful service provider/consortium will be responsible for the following:

A. Development of a Land Banking Strategy for the HDA and related high level implementation plan

- Unpacking and analysing the Agency's Act and its mandate in relation to the holding of land and buildings owned or held in trust on behalf of Provinces for human settlements development.
- Unpacking and analysing the relevant legislation, policies and regulations, and any other requirements applicable to public sector immovable asset management.
- Unpacking a business case and rationale for HDA to hold land with short, medium and long term outlook including conditions and situations for land banking and if this should be considered by the Agency
- Investigate the social, developmental and financial implications of the land banking strategy implementation to the sector in general
- Outline and consider revenue maximization opportunities and strategies for the Agency and/or sector
- Identification of high level strategic risks associated with land banking and mitigation measures.
- Linking of the strategy to internal organisational policies such as finance, land release, etc.
- Drafting and presentation of draft land banking strategy document to the HDA technical committee, Board Sub Committee and Board for approval and possible response to key strategy questions from these committees.

B. Consultation and engagement with other government departments and agencies holding land or dealing with land banking matters to draw learnings, best practices, and example strategy approaches from these role players as relevant to the human settlement sector and the development of the HDA land banking strategy

C. Consultation and engagement with some private sector land holding organisations to draw learnings, best practices, and example strategy approaches from these role players as relevant to the human settlement sector and the development of the HDA land banking strategy.

3.2. The projects scope must amongst other things cover the following aspects:

- Introduction
- Role of the Housing Development Agency
- Human Settlement Sector Overview
- Developmental state perspective to land banking for Human Settlements
- Land Banking: Definition
 - Objectives of Land Banking
 - Housing Policy Rationale
 - International Best Practices
 - Local Best Practices
 - Land Banking Implications
 - Short Term Outlook
 - Medium Term Outlook
 - Long Term Outlook
 - Land Release
 - Legislative and Policy Imperatives
- Business case for land banking for human settlements
- Land banking as a service offering to provinces, municipalities and other sector role players
- Risks and Mitigation Measures
- Strategic Priorities and Opportunities
- Implementation Arrangements

3.3. The outline of the scopes mentioned above may be improved or enhanced.

3.4. The HDA would prefer companies and/or organisations with the following skills and expertise to be involved in this work:

- Land holding, banking, property management and real estate knowledge and experience in both public and private sectors
- Understanding of government housing delivery context, policies, legislation and requirements
- Understanding of land holding, banking, property management and real estate policies and legislation and related real estate matters
- Experience in drafting strategy documents

3.5. The proposal to provide a clear project scale with specific tasks, responsibilities, timeframes, methodology, as well as an outline of stakeholders to be engaged to the task.

3.6. The project shall be managed by a single entity in order to produce a coherent final product.

3.7. The project will be managed by a project team within the HDA and the consultant team will report to this project team.

4. DELIVERABLES & OUTPUTS

4.1. The following deliverables are expected:

- Inception report, findings on the engagements, draft report and final report
- HDA land banking strategy and high level implementation plan
- Various presentations of the draft reports and information internally to the HDA

- Background information and research collected during the assignment and when consulting with various stakeholders

4.2. All data and information collected as well as contact persons for information is to be compiled in a register in electronic and hard copy for the HDA.

5. DURATION

- 5.1. The final report and any related supporting annexures should be submitted to the HDA within a period of three (3) months from the project commencement date (to be stipulated in the appointment letter).
- 5.2. An inception report for the project should be developed within two weeks of appointment.
- 5.3. The first draft reports and deliverables should be prepared in consultation with the Agency officials to be presented within 45 days after appointment.
- 5.4. The bi-weekly or ad hoc discussions to be held with Agency's officials for draft and final recommendations.

6. TECHNICAL EVALUATION CRITERIA

- 6.1. In order to facilitate a transparent selection process that allows equal opportunity to all consultants, the HDA has a policy that will be adhered to. Proposals will be evaluated in terms of the prevailing supply chain policy applicable to the HDA.
- 6.2. The Table below (Table 1) will demonstrate the criteria to be used for allocation of points for functionality. Bids scoring less than **75 points** on functionality will be set aside.
- 6.3. Submissions are to consist of a short report that must provide the HDA with sufficient information to make an evaluation of the proposal. It should include, but not be limited to:
 - A detailed statement of the applicant's approach or methodology.
 - A detailed statement of previous experience and track record in similar projects,
 - A detailed statement substantiating the claim to provide creativity and innovation in the execution of the assignment
 - A detailed statement of the proposed composition of the team, clearly stating each team member's qualifications, past experience and level and extent of involvement in the project

Table 1 - Functionality

CRITERIA	SUB-CRITERIA	WEIGHTING/ POINTS
Company profile (Attach Organogram)	Company profile (s) to be submitted (in case of a joint Venture, all companies must submit separate profiles) indicating the Lead Company	10
Organisational Capacity and Experience	Related work and experience in fields related to this project i.e. knowledge of Treasury Regulations, GIAMA, PFMA, public sector entities, human settlements and property development and management, etc.	20
	Proof of related and contactable references (attach copies of reference letters). Minimum of 3 references.	10

Capacity and Experience of the proposed team	Project team demonstrable skills and capacity, level of relevant knowledge and experience of housing and built environment and professional experience in similar projects. Attach CV's.	10
Approach, Methodology, Work Plan and Process	Detailed approach, methodology and process to be adopted in the project. Project plan to be linked to deliverables and outputs	40
Innovation and creativity	Detailed statement substantiating the Company's claim to provide creativity and innovation in the execution of the assignment	10
TOTAL		100

The following criteria will be used for points allocation for price and BEE compliance on a 80/20 point system:-

Table 2 – Price and BEE

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

- The HDI proposal will be evaluated as per PPPFA regulations.

7. GENERAL

7.1. Below are compulsory requirements for this contract

A. There will be no briefing session for this project

B. 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.

C. **Kindly submit the following documents:**

- A company profile
- CSD registration report (Registration with the National Treasury Central Supplier Database, 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 / Valid Sworn Affidavit Certified by Commissioner of Oath.
- Fully detailed Quotation.

8. SUBMISSION OF PROPOSALS

8.1. Proposals should be submitted in a sealed envelope clearly marked “**Development of Housing Development Agency land banking strategy and its impact on the agency and the national human settlements development programmes and projects:**

RFP/JHB/2017/003 and deposited in a tender box on or before the **05 June 2017**, not later than **12H00** to the following address:

**The Procurement Specialist
The Housing Development Agency
Block A, 6-10 Riviera Road, Killarney, 2193**

Further information regarding technical matters can be sent an email to: thabiso.limpe@thehda.co.za or at tel: 011 544100, and

Further information regarding supply chain matter and queries can be send via email to: ephraim.mathiba@thehda.co.za or at tel: 011 5441000

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.
