



Sekhukhune Development Agency

Ignite | Inspire | Invest

TERMS OF REFERENCE (TOR) FOR APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO SOURCE FUNDING

1. Background

The Sekhukhune Development Agency (SDA) is mandated to promote sustainable economic growth, infrastructure development, investment attraction, and job creation within the Sekhukhune District Municipality.

In pursuit of this mandate, the Agency intends to appoint a panel of suitably qualified and experienced service providers to identify, package, source funding, design, and oversee the implementation of strategic development projects within the district.

Service providers will be appointed on a risk basis, meaning that they will be responsible for sourcing funding for projects, and remuneration will only become payable upon successful funding acquisition.

2. Purpose of the Bid

The purpose of this bid is to appoint a panel of professional service providers with a proven track record in sourcing project funding from public, private, development finance institutions, international donors, and investors to support priority development initiatives within the district.

Successful bidders will be responsible for:

- Identifying viable development projects
- Structuring and packaging projects for investment
- Sourcing funding from relevant funding institutions
- Designing and overseeing the implementation of the funded projects under a Turnkey Project Model

3. Scope of Work

The appointed Service Providers will be required to perform the following functions:

3.1 Project Identification and Concept Development

The Service Provider shall:

- Identify bankable development opportunities aligned with district and municipal priorities.
- Conduct preliminary feasibility assessments.
- Develop project concept notes and investment proposals.
- Align projects with national, provincial, and municipal development frameworks.

3.2 Project Packaging and Investment Structuring

The Service Provider shall:

- Prepare detailed feasibility studies.
- Develop financial models and project funding structures.
- Conduct market and economic viability analysis.
- Structure projects to attract investors, development finance institutions, and grant funding.

3.3 Funding Mobilisation

The Service Provider shall:

- **Source funding from:**
 - Development Finance Institutions
 - Commercial Investors
 - Government Funding Programmes
 - International Donor Agencies
 - Public-Private Partnerships (PPP)
- Facilitate negotiations with funding institutions.
- Prepare and submit funding proposals.
- Secure funding commitments or signed funding agreements.

3.4 Project Design and Implementation Oversight

Once funding is secured, the Service Provider shall:

- Provide project design and implementation planning.
- Coordinate professional teams where required.
- Oversee project implementation and delivery.
- Monitor project progress and compliance with funding conditions.
- Report regularly to the Agency.

3.5 Stakeholder Coordination

The Service Provider shall facilitate coordination with:

- Municipalities within the Sekhukhune District
- Provincial and National Government Departments
- Private sector investors
- Community stakeholders
- Development partners.

4. Project Categories

Service Providers may apply for one or more of the following categories:

4.1 Renewable Energy and Green Economy Projects

Including but not limited to:

- Solar energy projects
- Waste-to-energy initiatives
- Energy efficiency projects

4.2 Local Economic Development, Manufacturing and Agricultural Projects

Including:

- Agro-processing facilities
- Industrial manufacturing hubs
- Agricultural value chain projects

4.3 ICT Infrastructure Projects

Including:

- Broadband connectivity infrastructure (e.g. Rural Broadband Connectivity Project, Public Wi-Fi Hotspot, Municipal Fibre Network Deployment)
- Smart municipal infrastructure
- Digital infrastructure projects

4.4 Mining Industrial Development and Inputs Supply Park

Including:

- Mining support infrastructure
- Industrial supply parks
- Mineral beneficiation initiatives

4.5 Tourism Development Projects

Including:

- Tourism infrastructure
- Eco-tourism developments
- Cultural heritage tourism initiatives

4.6 De Hoop Dam Secondary Use Development

Projects aimed at unlocking economic potential of De Hoop Dam, including:

- Tourism and recreation infrastructure
- Waterfront commercial development
- Aquaculture projects
- Environmental protection initiatives

4.7 Property Development Projects

Including development of Erf 488 Groblersdal Extension 5, including:

- Commercial developments
- Mixed-use property developments
- Business/office park

4.8 Skills Development Projects

Including:

- Technical training programmes
- Apprenticeship programmes
- Skills development centres

5. Deliverables

The appointed Service Providers shall deliver:

- Bankable project proposals
- Feasibility studies
- Signed Funding proposals submitted to investors or funders
- Signed funding agreements or funding approvals
- Project implementation plans
- Regular (quarterly/ when necessary) project progress reports

6. Presentation by Shortlisted Bidders

Shortlisted service providers with a proven track record in sourcing funding will be invited to present their proposals to the Evaluation Committee.

The presentation must cover:

1. Company Profile
2. Types of Projects Undertaken
3. Profile of Areas where Funding was Successfully Sourced
4. Motivation for Appointment
5. Proposed Project Methodology and Implementation Strategy

7. Payment Structure

The appointment will be at 100% risk.

Service Providers will only be remunerated upon successful funding mobilisation.

The Service Provider will be entitled to:

10% of the total project funding secured as a Project Management Fee.

Payment will be made in accordance with the terms and conditions of the Service Level Agreement (SLA) to be entered into with the Sekhukhune Development Agency.

8. Evaluation Criteria

Bids will be evaluated using the Functionality and B-BBEE criteria.

Only bidders who score 70 points or above on functionality will be invited to make presentations.

Total functionality points: 100

Criteria	Maximum Points
Company with Previous Experience in Successfully Obtaining Funding (attach reference)	40
Experience of Directors in Sourcing Funds (attach reference)	30
Viable Project Methodology and Implementation Plan	30
Total	100

9. Service Level Agreement

Successful bidders will be required to enter into a Service Level Agreement (SLA) with the Sekhukhune Development Agency, which will outline:

- Scope of services
- Roles and responsibilities
- Payment terms
- Reporting requirements
- Performance monitoring mechanisms

10. Risk Allocation and Compliance Requirements

10.1 Risk Allocation

The appointment of service providers under this bid will follow an “at-risk” funding model, whereby the Service Provider assumes responsibility for sourcing funding for development projects.

Key risk allocation principles include:

a. Funding Risk

The Service Provider will carry the primary responsibility for identifying and securing funding from credible sources. The Sekhukhune Development Agency will not be liable for any costs incurred by the Service Provider during the funding mobilisation process.

b. Project Development Risk

Service Providers will be responsible for conducting feasibility studies, project packaging, and financial structuring to ensure that projects are bankable and capable of attracting funding.

c. Implementation Risk

Upon successful funding approval, the Service Provider will oversee the implementation of the project in accordance with the agreed implementation plan and funding conditions.

d. Financial Risk

The Agency will not provide upfront payments for funding mobilisation services. Payment will only become payable upon successful funding acquisition and project commencement.

10.2 Compliance Requirements

Service Providers must ensure that all project proposals and funding arrangements comply with the following legislative and regulatory frameworks:

- Municipal Finance Management Act 56 of 2003
- Municipal Systems Act 32 of 2000
- Preferential Procurement Policy Framework Act 5 of 2000
- Public Finance Management Act 1 of 1999
- National Treasury Supply Chain Management Regulations
- Municipal Infrastructure Grant and Public-Private Partnership Regulations (where applicable)

All projects must also align with:

- District Integrated Development Plans (IDP)

- Municipal Spatial Development Frameworks (SDF)
- Provincial and National Development Strategies.

10.3 Governance and Reporting

The Service Provider shall:

- Submit quarterly progress reports to the Agency.
- Provide funding application status reports.
- Report on negotiations with potential funders and investors.
- Provide compliance documentation required for municipal audit purposes.

Funding Mobilisation

Deliverables:

- Submission of funding proposals to funders
- Investor engagement and negotiations
- Securing funding approvals or funding agreements.

Evidence required:

- Signed funding agreement
- Funding commitment letters.

11. Performance Monitoring

The performance of appointed Service Providers will be assessed based on:

- Number of projects packaged and submitted for funding
- Value of funding secured
- Implementation progress of funded projects
- Compliance with reporting and governance requirements.

12. Conflict of Interest and Ethical Conduct

12.1 Conflict of Interest

All bidders must declare any actual, potential, or perceived conflict of interest that may arise during the bidding process or execution of the project.

12.1.1 A conflict of interest may arise where:

- A director, shareholder, or employee of the bidding company is employed by, or has a direct relationship with, the Sekhukhune Development Agency, Sekhukhune District Municipality, or any of its local municipalities.
- The bidder has a financial interest in another bidder participating in the same tender.
- The bidder has relationships that may influence impartial decision-making during the procurement process.

All bidders must submit a Declaration of Interest Form as part of the bid submission.

12.2 Failure to disclose a conflict of interest may result in:

- Disqualification of the bid
- Termination of the contract
- Blacklisting from future procurement processes.

12.3 Confidentiality

All information provided by the Sekhukhune Development Agency during the tender process must be treated as confidential and may not be disclosed to third parties without prior written consent.

13. Bid Evaluation Process

All bids received will be evaluated in accordance with the Supply Chain Management Policy of the Sekhukhune Development Agency and relevant legislation.

The evaluation process will consist of the following stages:

Stage 1: Administrative Compliance

Bids will first be evaluated for compliance with mandatory administrative requirements.

The following documents must be submitted:

- Completed bid documents
- Company registration documents (CIPC)
- Valid Tax Compliance Status

- Certified copies of directors' identification documents
- B-BBEE certificate or sworn affidavit
- Declaration of Interest form
- Proof of previous projects and experience (where applicable)

Failure to submit mandatory documents may result in disqualification.

Stage 2: Functionality Evaluation

Bids that pass administrative compliance will be evaluated on functionality.

The minimum qualifying score will be 70 points out of 100.

Evaluation Criteria	Maximum Points
Company Previous Experience in Successfully Obtaining Funding	40
Experience of Company Directors in Sourcing Funds	30
Project Methodology, Scenario Planning and Implementation Strategy	30
Total	100

Only bidders scoring 70 points or above will be eligible to proceed to the next stage.

Shortlisted bidders may also be required to present their proposals to the Bid Evaluation Committee.

Stage 3: Preference Point System (Price and B-BBEE)

Bidders who qualify on functionality will be evaluated using the Preferential Procurement Point System in terms of the Preferential Procurement Policy Framework Act 5 of 2000.

Depending on the estimated contract value, one of the following systems will be applied:

80/20 Preference Point System

Criteria	Points
Price	80
B-BBEE Status Level	20
Total	100

OR

90/10 Preference Point System

Criteria	Points
Price	90
B-BBEE Status Level	10
Total	100

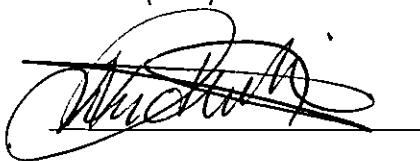
The applicable system will be determined based on the estimated value of projects to be implemented.

Stage 4: Final Recommendation and Appointment

Following evaluation, the Bid Evaluation Committee will submit recommendations to the Bid Adjudication Committee for approval.

Upon approval:

- Successful bidders will be appointed to the Panel of Service Providers.
- The successful Service Providers will enter into a Service Level Agreement (SLA) with the Sekhukhune Development Agency.



Dr Rosa Mdluli

Acting CEO SDA