



**For the Provision of  
Organizational Development and  
Human Resource Management Support  
- Human Settlements Development Bank Business Case**

**RFP GTAC PN910/HSDB/OD**

Version 2.0

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## **1. INTRODUCTION**

The National Housing Finance Corporation SOC Limited (NHFC) is seeking proposals from a highly qualified, skilled and experienced human resources and organisational development specialist (the service provider) to provide professional services to advise and support the Department of Human Settlements (DoHS) in the development of the Organisational Development / Human Resource Components of the Human Settlements Development Bank (HSDB) Business Case.

These terms of reference detail the skills and experience required, the work expected to be performed as well as other relevant contractual and working arrangements that will apply.

Proposals will be accepted from individuals or companies that propose to provide individuals for this work.

## **2. BACKGROUND**

There are three DFIs reporting to the Minister of Human Settlements: the Rural Housing Loan Fund (RHLF), the National Urban Reconstruction and Housing Agency (NURCHA) and the National Housing Finance Corporation (NHFC).

National Treasury undertook a review of the mandates of South Africa's DFIs in 2008 at the request of Cabinet. The review was conducted in consultation with the national departments responsible for the DFIs. To support expanded housing delivery, the review recommended amalgamating the three housing sector DFIs into a single institution. The proposed new Consolidated DFI would have three main divisions focusing on:

- Intermediary lending
- Project financing for contractors and developers
- Housing finance

Following the Treasury Review, the DoHS undertook an investigation into finance delivery mechanisms for the Human Settlements Sector. One of its main findings was that the existing expertise and capacity in these DFI's is an important resource for the sector and should be retained. It is proposed that a consolidated Human Settlements

Development Bank (HSDB) should be established comprising a consolidation of the existing DFIs. In consolidating these institutions, there is a need to optimise and extend their operations to improve the impact of public finance for housing and human settlements.

In 2016 the DoHS entered into an MOA with the Government Technical Advisory Centre (GTAC), to support the development of the HSDB Business Case and its establishment. In terms of the agreement and Project Charter signed between the GTAC and the DoHS, GTAC will provide a comprehensive set of technical advisory services to assist with the merger process. This includes project management and technical advice for:

- Transaction finalisation and short-term integration activities.
- Human resources management and organisational development.
- Change management and internal communications.
- Business Case and corporate plan development,

This Terms of Reference speaks specifically to the human resources and organisational development components of the project. The NHFC in support of the GTAC team, intends to procure the services of a human resources and organisational development specialist. This expert service provider will work as part of the GTAC project team to support the HSDB establishment process.

The specific objective for the service provider is to develop the key organisational and human resource components for the HSDB Business Case in accordance with the requirements as prescribed by the Department of Public Service and Administration (“DPSA”) and the National Treasury.

The expected immediate output is a Business Case that meets the requirements of the National Treasury and the DPSA and which will contribute in the medium-term to a new focussed DFI which is properly structured and organised, capacitated, motivated and aligned to deliver on its mandate.

### **3. SCOPE OF WORK AND TECHNICAL REQUIREMENTS**

#### **3.1. Tasks to be Performed**

The service provider will work with the project team and report to the project manager. They will be responsible for developing a work plan and process which will be presented to the project team and management committee (Manco) for approval. Thereafter, it will be the service provider's responsibility to drive the process and report regularly to the project team and Manco via the Project Management Office (PMO) which has been established at the NHFC.

The following are the main tasks to be performed:

- a) Review the staffing structures, status of positions, and capacity of the current employees of each of the existing DFIs.
- b) Review the strategy and business operations proposals emerging from the work done for the business case and present an understanding of the human resource requirements to deliver on the strategic objectives.
- c) Compile a proposal for consolidating the organisational structure and transferring the functions (note this will be an input to the business case); and provide a description of:
  - the functions to be transferred; and
  - any restructured functions to be established.
- d) Develop a Competency Dictionary as well as Job Profiles for all Senior Managers.
- e) Provide a description of the staff complement (in terms of numbers, occupation, rank designation and salary level) required.
- f) Review the terms and conditions of employment and develop aligned and integrated terms and conditions for the merged organisation.
- g) Review and develop aligned and integrated remuneration and performance management policies and procedures for the new organisation.
- h) Develop a human resource plan and migration strategy according to which the merged organisation's staff will be managed, placed in the revised organisational structure and recruited.

- i) Provide advice in respect of compliance with the provision in the Public Service Regulations 1/VII/G.4.2 (which requires compliance with section 197 of the Labour Relations Act, 1995).

### **3.2. Anticipated Outputs**

The following outputs are envisaged:

- a) Human resource and organisational design inception report and process plan (outlining the proposed approach and timeframes for the work to be done) for approval by the project team and discussion with the steering committee.
- b) A report that presents the findings from the scoping, research and engagement activities and outlines proposed options for the consolidation of the structure and the transfer and restructuring of functions (as an input to the Business Case and for discussion with the stakeholders through the steering committee and in focus groups or workshops)
- c) A detailed implementation plan that is based on the agreed consolidated organisational structure, descriptions of functions, the migration plan, communications plan, links to the change management processes
- d) Various outputs that facilitate compliance with the applicable labour and public management legislation. This work will relate closely to the change management work being undertaken as part of this process, and will thus have to collaborate with that work very closely.

### **3.3. Required Expertise**

This section sets out the requirements that must be met by the service provider in terms of skills, expertise and experience. These requirements will be key to the selection for this assignment.

The human resources and organisational development specialist (team lead) will be the key individual in the project and will be directly responsible for the project. The service provider is expected to identify what additional capacity and resources they will bring into the project as part of their response to this request for proposal.

The human resources and organisational development specialist (team lead) should have at least 10 years' experience in organisational development and human resources.

Public sector exposure, public sector entity business case development and experience with public sector entity mergers are critical.

Experience with DFI's and/or financial services or grant making entities is considered very desirable.

An understanding of and insight into the human settlements sector would be advantageous.

The service provider should demonstrate the following skills:

- a) Organisational design and HR management
- b) Public sector entity organisational development / human resource management experience
- c) Business case development experience including human resource costing and budgeting
- d) Understanding of public sector human resource / labour relations policy, frameworks and regulations
- e) Experience with DFI's, financial services or grant making entities
- f) Experience in the Human Settlements Sector
- g) Report writing and presentations.
- h) Good communication and facilitation.
- i) Maturity in interpersonal relationships and the ability to work well within a team.

Where specific aspects are not covered by the service provider an indication should be given as to how any additional capability may be acquired as required. Please note that any changes in the assigned service provider would need approval of GTAC and the client department.

#### 4. CONTENT OF THE PROPOSAL

The tender proposals submitted for the provision of Organizational Development and Human Resource Management Support - Human Settlements Development Bank Business Case should include a technical and a financial component.

**a) The Technical Proposal must include the following:**

- Company profile and relevant experience.
- Proposed methodology and approach to be used in keeping with the scope of works.
- Full and comprehensive description of similar work undertaken in the past 3 years.
- List of current clients and references
- Composition of the project team.
- Abridged CV of each member of the proposed team (qualifications, experience, expertise etc.)

*Additional compliance documentation requirements are set out in Section 9.*

**b) Financial Component must include the following:**

The Financial Proposal must indicate the proposed cost for the service which gives an indication of the following:

- Overall fixed price inclusive of VAT and disbursements
- Rate per resource on the team per hour
- Breakdown of anticipated out-of-pocket expenses (disbursements).

#### 5. APPOINTMENT, COMMENCEMENT AND DURATION

The service provider will be appointed for the period commencing on 01 March 2017 for a period of five (5) months ending 31 July 2017.

The project has already started, which places the human resources and change specialist under pressure to align with existing processes and milestones and is noted as a risk.

Key milestones include:

- Draft Business case – 31 March 2017

- Final Business case 31 May 2017 (including Implementation plan for migration and restructuring of functions)
- Various outputs that facilitate compliance with the applicable labour and public management legislation and support the establishment process – 31 July 2017
- Conclusion and close out report 31 July 2017.

## **6. PROJECT MANAGEMENT**

### **6.1. Performance of Assignments**

The service provider, although procured by the NHFC, will be contracted by GTAC. The service provider will report to:

- a) the GTAC project leader and manager;
- b) the Manco established to oversee the merger of the 3 DFI's and the establishment of the HSDB;
- c) key project stakeholders through a steering committee.

The regularity of the meetings and reporting will be negotiated with the successful service provider, but the proposal should include at least two days a month for project reporting and oversight.

### **6.2. Reports**

The following project reports will be required to be submitted in the pre-agreed formats as proof of delivery of services:

- Monthly project progress reports,
- End of assignment / projects reports, including assessment of contracted work,
- A closure report.

In addition, the service provider will be expected to attend the project team, Manco and steering committee meetings as required; and to ensure that all reports, files, notes, electronic files and documents are filed according to GTAC requirements.

Invoices submitted by the Service Provider for payment by GTAC for professional services rendered, will not be approved unless accompanied by a

monthly timesheet and monthly progress report confirming deliverables during the period of service.

### 6.3. Quality Assurance and Evaluation

The GTAC Project Manager will approve the outputs of the consultants and will be responsible for quality control.

The work of the Service Provider will be evaluated based on an assessment of the quality and completeness of the activities outlined in section 3.

## 7. EVALUATION CRITERIA

The proposal will be evaluated in terms of the Preferential Procurement Policy Framework regulations of 2011. The 80:20 point system will be applied as follows:

Category	Criteria	Weighting
1.	<p><b>Experience and Expertise of Key Personnel</b></p> <ul style="list-style-type: none"> <li>- Organizational track record and external references</li> <li>- Organisational design and HR management experience</li> <li>- Public sector entity organisational development / human resource management experience</li> <li>- Business case development experience including human resource costing and budgeting</li> <li>- Understanding of public sector human resource / labour relations policy, frameworks and regulations</li> <li>- Experience with DFI's, financial services or grant making entities</li> <li>- Experience in the Human Settlements Sector</li> </ul>	40
2.	<p><b>Approach and Methodology</b></p> <ul style="list-style-type: none"> <li>- Understanding of terms of reference &amp; brief</li> <li>- Quality of methodology and approach</li> <li>- Applicability of methodology and approach</li> </ul>	20
3.	<p><b>Price</b></p> <ul style="list-style-type: none"> <li>- Detailed cost breakdown</li> <li>- Value for money</li> <li>- Price competitiveness</li> <li>- Total cost</li> </ul>	20

<b>Category</b>	<b>Criteria</b>	<b>Weighting</b>
<b>4.</b>	<b>BEE</b> <ul style="list-style-type: none"> <li>- Equity Ownership</li> <li>- Management Control</li> <li>- Employment Equity Program</li> <li>- Skill transfer initiatives</li> <li>- Procurement</li> <li>- Corporate Social Investment</li> </ul>	20
	<b>TOTAL</b>	<b>100</b>

A three step evaluation process will be followed:

- Step 1: Technical Evaluation: Submissions need to score a minimum of 70% (42 out of 60) for Technical (components 1 and 2 above) in order to proceed to the second and third step of the evaluation.
- Step 2: Price evaluation
- Step 3: BEE evaluation

## **8. COMMERCIAL OBLIGATIONS**

This section of the document outlines the general commercial process and obligations of the service provider.

### **8.1. Contracting**

A contract will be concluded between GTAC and the successful service provider which will incorporate the following:

- The letter of acceptance to the successful bidder
- The original tender documents;
- The proposal of the successful service provider, and
- Terms and conditions as stipulated above and general contract terms and conditions.

### **8.2. Material Rights**

The product of this project will be confidential information, and will be the property of the NHFC, DOHS and GTAC, and no disclosure of information to

other parties will be made without prior written approval of the NHFC, DOHS and GTAC.

### **8.3. Rules of Bidding**

- The NHFC reserves the right to amend or cancel this RFP at any time, at its sole discretion;
- Tax Clearance certificates dated within six months of the closing date of this bid must be submitted
- The NHFC is not bound to accept any of the proposals submitted, and reserves the right to call for best and final offers from the short-listed bidders before final selection;
- The NHFC reserves the right to call for interviews with short-listed bidders before final selection;
- The NHFC reserves the right to negotiate price with the preferred bidder;
- An eligible Bidder, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in this proposal;
- NHFC reserves the right to award a contract in part, to reject any and all quotations in whole or in part, to waive technical defects, irregularities and omissions, at its sole discretion;
- Late submissions will not be considered.

## **9. PROPOSAL COMPLIANCE REQUIREMENTS**

This section contains the requirements for Proposal Compliance; all submissions must consist of a Technical and a Financial Proposal as explained below:

**a. Procedural Matters**

**i. Documents to be submitted:**

- Technical Proposal
- Financial Proposal
- BBBEE Credentials Certified copy of Valid BEE Certificate or Affidavit)
- Original Valid Tax Clearance Certificate
- ID copies of Shareholder/Directors
- VAT registration evidence
- Declaration of interest
- Declaration of Bidders Past Supply Chain Practices
- Central Supplier Database Registration Report

**ii. Copies**

One original and three hard copies and a soft copy (CD/USB) must be submitted in a sealed envelope, appropriately addressed.

**iii. Submission Address**

Proposal, endorsed with **RFP GTAC PN810/HSDB/OD: For the Provision of Organizational Development and Human Resource Management Support - Human Settlements Development Bank Business Case**, must be hand delivered to:

NHFC Tender Box  
The Isle of Houghton  
Old Trafford 3, 1st Floor  
11 Boundary Road  
Houghton  
Johannesburg

Attention Mrs. Pumza Nsukwini

**iv. Submission Date**

The Proposal with quotation must reach the NHFC **by Monday 27 February, 11:00 am.**

**v. Proposal Cost**

The cost of compiling a Proposal is and remains the prospective service provider's own cost and will not be paid for by NHFC.

**vi. Contacts**

The contact person for information pertaining to the RFP proposal is Mrs. Pumza Nsukwini, telephone numbers 011-644 9800 fax number 011 484 0204 and e-mail [pumzan@nhfc.co.za](mailto:pumzan@nhfc.co.za).