



**ALFRED NZO**  
DISTRICT MUNICIPALITY

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**TERMS OF REFERENCE**  
**Conduct Strategic and Operational Risk Assessment - ANDM**  
**2023/24 FINANCIAL YEAR**

**Issued and Prepared by:**  
**Alfred Nzo District Municipality**  
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# **1. BACKGROUND AND OVERVIEW OF THE PROJECT**

## **1.1 INTRODUCTION**

In terms of section 62(1)(c)(i) of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

In fulfilling the above statutory requirement, ANDM seeks to obtain the services of suitably service provider to assist with facilitation of the strategic and operational risk assessment for the district in line with existing methodology, Risk Management Strategy, Risk Management Policy and Framework. The service provider is also expected to transfer skills to Alfred Nzo District Municipality staff in relation to the development and implementation of the strategic risk mitigating plans.

The service provider will directly report to the Municipal Manager and will work closely with the Risk and Compliance Manager in relation to the coordination, development and compiling of the Compliance Framework

## **1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT**

### **1.2.1 Overall objective**

Bids are invited from suitably qualified professional service providers to prepare and submit proposals to facilitate the strategic and operational risk assessment and compile risk profiles for the municipality.

### **1.2.2 Specific Objectives**

A well- managed and coordinated project that will deliver the following:

- Identification of threats and risks hindering the achievement of objectives;
- Identification of opportunities that will enhance the delivery of services to ANDM communities;
- Formulation of strategies to manage risks to be within acceptable levels.

## **2. SCOPE AND EXTENT OF WORK**

In terms of assisting the municipality in conducting Strategic and Operational risk assessment, the service provider is expected to:

- a) Achieve a deep understanding of the municipality mission, vision, strategic goals and objectives and long term development plans as reflected in the Integrated Development Plan;
- b) A thoroughly understanding of the district and goal statements, strategies, systems capabilities and readiness as reflected in the 2023/2024 Council Strategic Plan Abridged Report;

- c) Gather views and data on Strategic and Operational risks;
- d) Review and update the current risk registers i.e. Fraud, ICT and Strategic risk to ensure harmonization;
- e) Facilitate a session of identifying inherent risks that pose a threat to the municipality
- f) Facilitate a session of assisting management, councilors to identify the current controls in place to mitigate possible strategic risks identified;
- g) Facilitate a session of identifying current and desired residual risks and their possible impacts on the municipality;
- h) Facilitate a session for the municipality to put in place sound controls to mitigate the risks to be within the municipality's risk appetite and risk tolerance levels;
- i) Prepare a preliminary risk profile;
- j) Validate and finalize the strategic risk profile;
- k) Develop a risk management action plan;
- l) Communicate the risk profile.

### **3. PROJECT TIME FRAME**

The project time frame will be one month from the date of appointment of the service provider.

### **4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES**

- a) Top ten strategic risks and their mitigating plans,
- b) Submit weekly progress to Risk Manager,
- c) Produce a Risk Assessment reports, depicting the risk profile of the business units,

d) Submit a close out report with recommendations to the Municipal Manager and the Risk Manager.

e) A well- managed and coordinated project that will deliver credible Strategic and Operational risk registers.

## 5. REPORTING MECHANISM

It is expected that regular progress reports will be submitted to ANDM a Weekly basis. The Project Manager has the right to change the frequency of reporting as and when necessary.

## 6. SUBMISSION OF BIDS

Quotations must be placed in a sealed envelope and clearly marked: **“Conduct Strategic and Operational Risk Assessment - ANDM”** and placed in the Bid box in the Alfred Nzo District Municipality not later than 10H00 on the\_\_\_\_\_

## 7. CAPACITY TO EXECUTE THE WORK

Evaluation criteria of the Bids;

**The bids will be evaluated in two stages, namely:**

- Stage 1- Functionality
- Stage 2- Price and Specific Goal

Only Bidders who score 70% or more on stage 1 would be evaluated further and therefore eligible for the award

ITEM	Scoring
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<b>STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK</b>	<b>100</b>
• <b>Previous Experience</b>	<b>50</b>
• <b>Capacity and Expertise</b>	<b>50</b>
<b>Total Scoring</b>	<b>100</b>

### Price and Preference

Quotations will be evaluated according to the 80/20 Point System in compliance with Preferential Procurement Policy Act (5/2000) and Preferential Procurement Regulations 2022.

<b>Preferential Procurement Goals</b>	<b>Proof to be Attached to Claim full Points</b>	<b>Points</b>
Price	N/A	80
Specific Goal		20
<b>Bidders will score Specific Goals as follows</b>		
Empowerment of Women	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more.	5
Youth	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more.	4
Rural	Attach Proof of Residence of the Business or Lease Agreement.	3
Disabled	Attach a Signed Letter from Health Practitioner	4

Black Owned Companies	Attach CK and ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	4
<b>Total Scoring</b>		<b>100</b>

<b>Previous Company Experience</b>	<b>Scoring</b>
<b>Note: The scoring in this section is not cumulative.</b>	
Traceable record for successful completion for minimum of 3 or more projects of strategic and operational risk assessments in municipal environment or any public sector institution to a minimum value of R70 000.00 each.	50
Traceable record for successful completion for minimum of 2 projects of strategic and operational risk assessment in municipal environment or any public sector institution to a minimum value of R70 000.00 each.	30
Traceable record for successful completion for minimum of 1 project of strategic and operational risk assessment in a municipal or any public sector institution to a minimum value of R70 000.00 .	20
<b>Total Scoring</b> <b>Note COMPULSORY attachments for verifying work done:</b> <ol style="list-style-type: none"> <li><b>1. The ANDM Assessment Bidder Form must be completed, stamped and signed by previous employer as a means of verifying references for each project undertaken. If 3 Projects were done, 3 Assessment bidder forms must be completed.</b></li> <li><b>2. In addition to the above, a traceable record will be evaluated on the basis of:</b> <ul style="list-style-type: none"> <li><b>- An appointment letter or</b></li> <li><b>- Official purchase order.</b></li> </ul> </li> </ol>	<b>50</b>



<b>Capacity and Expertise to Undertake the Project</b>	<b>Scoring</b>
<b>Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee</b>	<b>[50]</b>
<b>A Project Team with the following areas of expertise:</b>	<b>[50]</b>
<ul style="list-style-type: none"> <li>• Must have a minimum of National Diploma (NQF Level 6) in Risk Management/Accounting/Internal Auditing/ Completed Articles coupled with post article experience.</li> </ul>	30
<ul style="list-style-type: none"> <li>• One or more personnel must be registered to one of the relevant Professional Body or Proof of registration of the company with Professional Body; i.e. IRMSA, SAICA, IIA.</li> </ul>	20
<b>NB: Attach CV and certified copies not older than 3 months for all qualifications</b>	<b>Total Scoring 50</b>
	<b>Total Scoring [30+20] 50</b>

For any queries regarding this tender, please contact Mr Khambula for project related queries; on (039) 254 5105 or;

Supply Chain Management Mr V Cita contact for SCM related queries at telephone number 039-254-5134 during office hours.

### **Alfred Nzo district Municipality**

Yours in municipal administration,



**Mr. M Khambula**

**MANAGER: RISK MANAGEMENT**

**Recommended/Not Recommended**



13/04/2023

**Mr. Zamile H Sikhundla**

**Municipal Manager**

**Approved/Not Approved**



**Mr. L. Mdutyana**

**BSC Chairperson**

**Comments by Chairperson:**

Conduct Strategic and Operational Risk Assessment - ANDM 2023/24 fy.