



ALFRED NZO
DISTRICT MUNICIPALITY

TERMS OF REFERENCE
INFRASTRUCTURE PROJECT RISK ASSESSMENT
2025/26 FINANCIAL YEAR

Issued and Prepared by:
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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.

The Alfred Nzo District Municipality (ANDM) is committed to enhancing the quality and reliability of its infrastructure to ensure the efficient provision of water and sanitation services to its residents. As a district municipality overseeing four local municipalities, ANDM faces significant challenges in managing and maintaining its extensive infrastructure network, including water treatment plants, water boreholes, sewer plants, maintenance vehicles, and fire trucks.

To address these challenges and mitigate potential risks, the Risk Management Unit of ANDM seeks to engage a qualified service provider to conduct a comprehensive infrastructure risk assessment. This assessment aims to identify, evaluate, and prioritize risks associated with the municipality's infrastructure assets, thereby enabling proactive risk management and informed decision-making.

The successful service provider will work closely with ANDM's Risk Management Unit to ensure a thorough and accurate assessment of all relevant infrastructure. The project will involve site inspections, data analysis, stakeholder consultations, and the development of a detailed risk assessment report. This initiative is critical for maintaining the municipality's infrastructure, improving service delivery, and safeguarding public health and safety.

1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT

1.2.1 Overall objective

The overall objective of this project is to conduct a comprehensive infrastructure project risk assessment in line with adopted Risk Adjusted Strategy (RAS) for Alfred Nzo District Municipality to ensure the effective management, maintenance, and sustainability of its critical infrastructure,

thereby enhancing service delivery, safeguarding public health and safety, and promoting economic development within the district.

1.2.2 Specific Objectives

The specific objectives of the project require the undertaking of the following

1. Identify and Assess Risks: To identify potential risks associated with the municipality's infrastructure projects, to conduct a thorough risk assessment of its assets.
2. Develop Risk Controls and Mitigating Strategies: To identify appropriate controls and develop effective mitigating strategies to address the identified risks, ensuring the continued functionality and safety of the infrastructure.
3. Enhance Infrastructure Management: To assist in improving the management and maintenance of Alfred Nzo District Municipality's infrastructure assets, ensuring their longevity and operational efficiency.
4. Support Informed Decision-Making: To provide the municipality's leadership with a detailed risk assessment report that supports informed decision-making and strategic planning.
5. Develop an Infrastructure Project Risk Register: To create a comprehensive infrastructure project risk register that will be monitored regularly to ensure ongoing risk management and compliance.

2. SCOPE & EXTENT OF WORK

Quotations are invited from suitably qualified professional service providers to prepare and submit proposals to undertake the Infrastructure Risk Assessment, the service provider is expected to:

- a) Achieve a deep understanding of the municipality's mission, vision, strategic goals, and objectives, as well as its long-term development plans as reflected in the Integrated Development Plan (IDP).

- b) Gain a thorough understanding of the district's infrastructure assets, including water treatment plants, sewer plants, maintenance vehicles, and fire trucks, along with the operational strategies and systems capabilities as reflected in the relevant municipal reports and plans.
- c) Collect and analyze data on the current state of infrastructure, including maintenance records, inspection reports, asset registers, and operational data.
- d) Review and update the existing infrastructure documentation to ensure it reflects the current state and operational status of all infrastructure assets.
- e) Conduct site visits to inspect the physical condition and operational status of infrastructure assets and engage with key stakeholders, including municipal staff, to gather additional insights.
- f) Facilitate sessions to identify inherent risks that pose a threat to the municipality's infrastructure, including potential environmental, operational, and maintenance-related risks.
- g) Facilitate sessions with management and relevant stakeholders to identify current controls in place to mitigate the identified infrastructure risks.
- h) Facilitate sessions to identify desired residual risks and assess their potential impacts on the municipality's ability to deliver essential services.
- i) Facilitate sessions to develop sound controls and mitigating strategies to ensure risks are managed within the municipality's risk appetite and tolerance levels.
- j) Prepare a preliminary risk profile based on the identified risks, existing controls, and proposed mitigating strategies.
- k) Validate and finalize the infrastructure risk profile with the municipality's management team, incorporating feedback and additional insights as necessary.
- l) Develop a comprehensive infrastructure risk register that includes all identified risks, controls, and mitigating strategies, and provide training and guidance on its use and maintenance.
- m) Develop a risk management action plan outlining the steps and timelines for implementing the proposed controls and mitigating strategies.

n) Communicate the finalized infrastructure risk profile and risk management action plan to the municipality's management team through a detailed report and presentation, ensuring clear understanding and commitment to the proposed measures.

3. PROJECT TIME FRAME

The project time frame will be two months from the date of appointment of the service provider.

4. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

1. Detailed Risk Assessment Report: A comprehensive report that includes the findings of the Infrastructure project risk assessment, detailing identified risks, current controls, and proposed mitigating strategies.

2. Infrastructure Project Risk Register: A structured risk register that lists all identified risks, associated controls, and mitigating strategies, with provisions for regular monitoring and updates.

3. Validated Infrastructure Risk Profile: A finalized risk profile that has been validated and endorsed by the municipality's management team, reflecting the prioritized risks and proposed management actions.

4. Risk Management Action Plan: A detailed action plan outlining steps, responsibilities, and timelines for implementing the risk controls and mitigating strategies identified during the assessment

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 QUOTATIONS

Completed quotations in sealed envelopes endorsed Bid number above, must be deposited in the bid box at Alfred Nzo District Municipality offices, Erf 1400, Ntsizwa Street, Mt Ayliff not later than stipulated time and date, where bids will be opened in public shortly afterwards at ANDM Conference Centre. Late, incomplete, electronic, telegraphic, telexed, faxed bids will not be considered. The lowest or any proposal will not necessarily be accepted and Alfred Nzo District Municipality reserves the right to accept or not to accept any proposal either in whole or in part. And any assistance in completing partly or full the proposal from ANDM Official or Councillor will result in disqualification of bid.

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NB: No Dropbox or links will be accepted

7. CAPACITY TO EXECUTE THE WORK

Evaluation criteria of the Quotations;

The Quotations will be evaluated in two stages, namely:

- Stage 1- Capacity to Execute Work
- 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
STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK	100
• Previous Experience	50
• Capacity and Expertise	50
Total Scoring	100

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.

Preferential Procurement Goals	Proof to be Attached to Claim full Points	Points
Price	N/A	80
Specific Goal		20
Bidders will score Specific Goals as follows		
Empowerment of Women	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to	5

	obtain full points the percentage of equity held must be 51% or more.	
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
Total Scoring		100

Previous Company Experience	Scoring
Note: The scoring in this section is not cumulative.	
Traceable record for successful completion for minimum of 3 or more projects of strategic, infrastructure and operational risk assessments in municipal environment or any public sector institution to a minimum value of R50 000.00 each or more.	50
Traceable record for successful completion for minimum of 2 projects of strategic, infrastructure and operational risk assessment in municipal environment or any public sector institution to a minimum value of R50 000.00 each or more.	30
Traceable record for successful completion for minimum of 1 project of strategic, infrastructure and operational risk assessment in a municipal or any public sector institution to a minimum value of R50 000.00 or more.	20
Total Scoring Note COMPULSORY attachments for verifying work done: 1. The ANDM Assessment Bidder Form (available on our website, www.andm.gov.za) 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. 2. In addition to the above, a traceable record will be evaluated on the basis of:	50

Handwritten signature/initials

- An appointment letter or - Official purchase order.	
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Capacity and Expertise to Undertake the Project Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee	Scoring [50]
A Project Team with the following areas of expertise:	[50]
• Must have a minimum of NQF Level 7 in Risk Management/Accounting/Internal Auditing with minimum if five years' experience.	30
• 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.	20
Total Scoring NB: Attach CV and certified copies not older than 3 months for all qualifications	50
Total Scoring [30+20]	50

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

Supply Chain Management contact Mr .B.C.W. Makiwane for SCM related queries at telephone number 039-254-5218/5134 during office hours.

Alfred Nzo district Municipality

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Mount Ayliff

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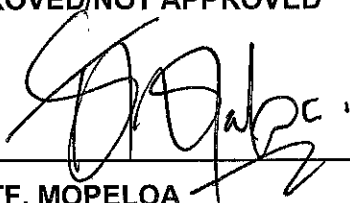
RECOMMENDED/ ~~NOT RECOMMENDED~~



MR. NR XOLO
DIRECTOR: STRATEGIC GOVERNANCE

DATE

APPROVED/NOT APPROVED



MR. TF. MOPELOA
ACTING MUNICIPAL MANAGER

2/9/2024
DATE

Comments:

