Request for Proposals to conduct field work and write a report on the state of capacity for spatial transformation in the Metropolitan Municipalities of EThekwini, Msunduzi, Buffalo City and Nelson Mandela Bay
Contents
1. Introduction ........................................................................................................................................ 3
2. Scope of Work ...................................................................................................................................... 3
3. Project Outputs/Deliverables/Timeframes .......................................................................................... 5
4. Budget .................................................................................................................................................. 6
5. Reporting ............................................................................................................................................. 6
6. Evaluation Criteria ............................................................................................................................... 6
7. Submission of proposals ....................................................................................................................... 6
Annexure One: ........................................................................................................................................ 8
   Table 1: Individual capacity indicators ................................................................................................. 8
Annexure Two: ......................................................................................................................................... 8
   Table 2: Environmental capacity indicators ......................................................................................... 8
Annexure Three: ....................................................................................................................................... 9
   Table 3: Institutional Capacity Indicators ............................................................................................ 9
Annexure Four: ......................................................................................................................................... 10
Annexure Five: ......................................................................................................................................... 13
Annexure six: ........................................................................................................................................... 15
   Table 4: Benchmarks to provide a context within which, support, capacity building and training should be measured ........................................................................................................................................ 15
1. Introduction
The South African Cities Network (SACN) was established in 2002 by the Minister for Provincial and Local Government, in collaboration with the mayors of South Africa's largest cities and the South African Local Government Association (SALGA), as an independent Section 21 company with the mandate to:

- Promote good governance and management in South African cities;
- Analyse strategic challenges facing South African cities, particularly in the context of global economic integration and national development challenges;
- Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context; and
- Promote shared-learning partnerships between different spheres of Government to support the management of South African cities.

In line with its mandate the SACN seeks to appoint a service provider to conduct a fieldwork and write a report on the state of capacity for spatial transformation in selected South African Metropolitan Municipalities. The aim of the project is to assess local government capacity for effectively driving spatial transformation. Spatial transformation is currently at the fore of the developmental local government agenda and is viewed as integral to positioning local government as an effective driver of local and national development. The research project seeks to avail holistic fine grain details that critique local government capacity to effectively drive spatial transformation. The focus is on establishing a common understanding and existing plans for spatial transformation including a gap analysis with regards to capacity needs.

2. Scope of Work
The appointed service provider is expected to conduct fieldwork and write a report on the state of local government capacity for spatial transformation in four metropolitan municipalities (Msunduzi, eThekwini, Buffalo City and Nelson Mandela Bay). The data collection and reporting exercise must be based on three interrelated facets of local government capacity which are individual, environmental and institutional.
Individual capacity is the potential and competency found within an individual manifested in the specific technical skills and generic skills, knowledge, attitudes and behaviour obtained from education training and workplace experience. In the local government context, this means appointing appropriate individuals to the post in which their specific capacity can be used to the maximum advantage of the community served. This is normally reflected through the staff members’ self-rated power, specific qualifications, experience and functional/technical, managerial/leadership and generic competence accumulated through forms of education, training, development, experience, networks, values, membership of a professional body, and so on. Indicators are in the Annexure One - Table 1: Indicators for individual capacity.

On the other hand the environmental capacity facet denotes capacity and competency outside the municipality’s formal structures such as the tax base, demographic composition, political, legislative social capital and also available natural resources. It is the potential or competence, or lack thereof, found outside of municipalities’ formal structures. The components that constitute a conducive environment for a municipality to operate in must be deliberated on continuously and challenges made known to other spheres. Indicators are shown in Annexure two – Table 2: Indicators for environmental capacity.

Institutional capacity is the potential and competency found within organisations including human resources, strategic leadership, organisational purpose, support systems, infrastructure, and financial abilities. It is reflected through human resources (adequacy of competent individuals in the municipality); physical resources (facilities, equipment, materials, etc) and budget; intellectual resources (organisational vision, strategy, planning, performance management, business know-how and technology, inter-institutional linkages, etc.); organisational structure and systems that enable efficient utilisation of resources to realise developmental goals; leadership of the change; policy instruments, including policies, laws, regulations,

1 Peters and Van Nieuwenhuyzen, (2013) Understanding the dynamics of the capacity challenge at local government level. Submission for the 2013/14 Division of Revenue
administrative rules, standards, etc. and the enforcement of the policy instruments. The indicators are shown in Annexure Three – Table 3: Indicators for institutional capacity.

These three elements form the basis of factors that affect the capacity of local government. They manifest in four main ways namely competence, efficiency of policy instruments, and conduciveness of the socio-political environment. The factors are complementary in the sense that they cumulatively equate to availability or lack of capacity in the context of local government.

Data gathering and collection should target municipal departments that are involved in spatial transformation initiatives in their respective jurisdictions. These include Human Resources (HR), Planning, Engineering, Transportation and Human Settlements. The interview guide for these different departments is in Annexure four and five.

After the data gathering and collection exercise the service provider must analyse the data and write a report on the state of capacity for spatial transformation in the four metropolitan municipalities. The report must categorize each municipality’s capacity on the basis of the benchmarks that provide the context within which support, capacity building and training should be measured. The DCoGTA South Africa (2012) identifies benchmarks for support, capacity building and training based on the results from capacity assessments for local government. They are categorised through a transformation continuum with four stages namely Establishment; Stabilisation; Consolidation; and Sustainability as shown in Annexure six - Table 4.

The analysis of data will require interaction with the SACN project team to ensure consistency across the overall project. Sample reports can also be provided as guide.

3. Project Outputs/Deliverables/Timeframes
The following are the envisaged deliverables and timeframes of the project:

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a) Inception report that confirms the scope and approach to the project. This report should be submitted 1 week following the inception meeting.

b) Preliminary findings report for presentation during the first week of March 2015 at the Urban Conference.

c) Final reports on the state of capacity in the four metropolitan municipalities by Mid-May 2015.

4. Budget
The total budget for this project is R 180 000 including VAT. Prospective consultants can bid to conduct research in all the four metropolitan municipalities or alternatively in only two on a regional basis i.e Msunduzi/eThekwini or Nelson Mandela Bay/Buffalo City.

5. Reporting
The service provider will report to the Project Management Team that will be confirmed at appointment. Further communication channels and frequency of progress reports will also be confirmed at the inception meeting.

6. Evaluation Criteria
Proposals will be adjudicated on relative value for money assessed against the following criteria:

- Framing of the intent of the project as well as good understanding of the RFP scope of work as demonstrated through the context, methodology and work plan = 30 points
- Project costing / professional fee structure = 30 points
- Qualifications, capacity & track record of previous relevant work = 30 points
- Empowerment of previously disadvantaged individuals defined as active participation in the project = 10 points

7. Submission of proposals
Interested service providers should provide the SACN with a detailed proposal that cover the proposed approach, methodology and project plan (specify if any particular capabilities, innovations, or limitations exist); an all-inclusive time-based budget inclusive of VAT indicating the applicable rates; as well as brief description of
corporate profiles and personnel CVs that will work on the project to support the evaluation.

Completed proposals must be emailed to Mrs Sadhna Bhana at Sadhna@sacities.net on or before 30 January 2015. Enquiries on this RfP can be done telephonically on +27 11 407 6206 during office hours or emailed to Sadhna. Guaranteed responses will be provided to those enquiries that are brought to the SACN from the beginning up to the end of the second week of the tender period.

Please note that SACN reserves the right not to appoint any consultant on the basis that submitted proposals are deemed not to meet the selection criteria.
Annexure One:

**Table 1: Individual capacity indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
</table>
| Skills    | 1. Match between job requirements and qualifications, experience as well as competence of employees.  
           | 2. The institution has adequate staff in all key positions.  
           | 3. Compensation is adequate and equitable.  
           | 4. Monetary and non-monetary incentives support targeted behavior.  
           | 5. The staff turnover rate is low.  
           | 6. Opportunities exist for staff professional development and on-the-job training.  
           | 7. Staff is held accountable for getting work done according to clear performance standards.  
           | 8. Staff needs are analyzed in the planning process.  
           | 9. Recruitment and promotion policies provide for internal and external staff growth. |

Annexure Two:

**Table 2: Environmental capacity indicators**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-economic</td>
<td>Demographics, geography, non-municipal infrastructure, natural, mineral and environmental resources etc.</td>
</tr>
<tr>
<td>Civil society role</td>
<td>Is the civil society sufficiently mobilised to ensure accountability of local government?</td>
</tr>
<tr>
<td>Private Sector</td>
<td>Does the private sector mutually interact with local government in governance issues?</td>
</tr>
<tr>
<td>Legislative context</td>
<td>Is the national, provincial and local government legislative context support of local government?</td>
</tr>
<tr>
<td>Stakeholder engagement and support</td>
<td>Is the local authority engaged in a mutually sympathetic relationship with stakeholders of government e.g government line departments both national and provincial?</td>
</tr>
</tbody>
</table>
## Annexure Three:

### Table 3: Institutional Capacity Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional Stock</strong></td>
<td>1. The institution’s legal framework, policies, rules, and procedures provide a consistent referent for operations.</td>
</tr>
<tr>
<td></td>
<td>2. Appropriate facilities and equipment are available to support operation.</td>
</tr>
<tr>
<td></td>
<td>3. The institution has access to logistical and communications needs (vehicles, telephone, telex, FAX, etc.).</td>
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<tr>
<td></td>
<td>4. The organizational structure meets needs of efficiency and control.</td>
</tr>
<tr>
<td></td>
<td>5. Organizational subsystems for administration, production, financial management, and other operations operate efficiently.</td>
</tr>
<tr>
<td></td>
<td>6. The institution possesses needed technological resources.</td>
</tr>
<tr>
<td><strong>Financial Resources</strong></td>
<td>1. The institution has access to resources in line with planning budgets (including credit, where appropriate).</td>
</tr>
<tr>
<td></td>
<td>2. The institution has control over its own budget.</td>
</tr>
<tr>
<td></td>
<td>3. The institution has awareness of its future resource needs.</td>
</tr>
<tr>
<td></td>
<td>4. Effective financial management and accounting procedures are in place.</td>
</tr>
<tr>
<td></td>
<td>5. Budgets are used as a planning and monitoring tool.</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>1. Institutional management has a high degree of autonomy.</td>
</tr>
<tr>
<td></td>
<td>2. The institution has adequate management depth.</td>
</tr>
<tr>
<td></td>
<td>3. The institution’s management style is participatory and enabling.</td>
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<tr>
<td></td>
<td>4. Managers have a clear sense of realistic goals and priorities.</td>
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<tr>
<td></td>
<td>5. There is effective delegation of management responsibility to second-level managers.</td>
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<tr>
<td></td>
<td>6. Managers have a high level of fiscal and operational awareness.</td>
</tr>
<tr>
<td></td>
<td>7. Staff can clearly describe their roles and responsibilities.</td>
</tr>
<tr>
<td><strong>Enabling Environmental Mastery</strong></td>
<td>1. Appropriate links exist with other institutions.</td>
</tr>
<tr>
<td></td>
<td>2. Bureaucratic support is evident for the institution’s activities.</td>
</tr>
<tr>
<td></td>
<td>3. Major environmental influences are identified and assessed for relative degree of influence and are accurately forecast.</td>
</tr>
<tr>
<td></td>
<td>4. The institution has controlled access to essential natural resources and other inputs.</td>
</tr>
<tr>
<td></td>
<td>5. The institution has access to needed technologies.</td>
</tr>
<tr>
<td><strong>Programme Delivery</strong></td>
<td>1. The institution maintains reliable evidence of the degree of client or constituent satisfaction.</td>
</tr>
<tr>
<td></td>
<td>2. The institution has structures of accountability to clients and constituents.</td>
</tr>
<tr>
<td></td>
<td>3. The institution’s scope of program or other activities is appropriate to its financial and management capabilities.</td>
</tr>
<tr>
<td></td>
<td>4. Program outcomes are measured and documented and widely known to institutional managers.</td>
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<tr>
<td></td>
<td>5. The institution's program contributes to institutional condition.</td>
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<tr>
<td></td>
<td>6. The institution possesses appropriate economic, sector, or market analysis capability.</td>
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<tr>
<td></td>
<td>7. If market-driven, the institution has measurable &quot;bottom-line&quot; results.</td>
</tr>
<tr>
<td><strong>Institutional Character</strong></td>
<td>1. The institution has a documented mission that is clear and understood by staff and/or members.</td>
</tr>
<tr>
<td></td>
<td>2. The institution establishes its own policies, goals, and structure.</td>
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<td></td>
<td>3. Institutional activities mesh with institutional mission and priorities.</td>
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<td></td>
<td>4. Staff morale is high and regularly evaluated by the institution.</td>
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<tr>
<td></td>
<td>5. Staff are clearly aligned in attitude and performance with institutional goals.</td>
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<tr>
<td></td>
<td>6. &quot;Critical events&quot; analysis indicates that the institution is effective at defining and acting on those opportunities of most significance to its development and impact.</td>
</tr>
<tr>
<td></td>
<td>7. High job satisfaction is evident at all levels of the institution.</td>
</tr>
<tr>
<td></td>
<td>8. The organization learns from its mistakes and staff are rewarded for confronting rather than concealing errors.</td>
</tr>
<tr>
<td></td>
<td>9. Information is shared openly within the organization.</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>1. The institution’s policy contributes to achievement of institutional goals and strategies.</td>
</tr>
<tr>
<td></td>
<td>2. Management effectively represents the institution to external interests.</td>
</tr>
<tr>
<td></td>
<td>3. The institution has a clear vision, affirmed at all levels in shared values.</td>
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<tr>
<td></td>
<td>4. There is evidence of effective institutional innovation and learning.</td>
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<tr>
<td></td>
<td>5. The institution is characterized by effective staff involvement and teamwork in planning and work.</td>
</tr>
<tr>
<td></td>
<td>6. Staff at all levels are oriented toward producing results that meet institutional goals.</td>
</tr>
<tr>
<td></td>
<td>7. The external institution image is consistent with its goals and objectives.</td>
</tr>
<tr>
<td></td>
<td>8. The institution’s leadership philosophy is clear to internal and external stakeholders.</td>
</tr>
</tbody>
</table>
Annexure Four:

Interview schedule: Municipal Departments involved in Spatial Transformation (except Hr)

a) Department vision and understanding of local government agenda

1. How do you describe the overall mission and goals of your Department?
2. What are the key strategic initiatives for this Department?
3. How can you describe the developmental agenda of local government?
4. To what extent and in what ways can you say your municipality fulfils the developmental agenda?
5. What can you say are the main developmental/planning challenges facing your municipality?
6. To what extent can you say your municipality is resilient to these challenges?
7. What is your understanding of the spatial transformation agenda of local government? What can you say are the key aspects of spatial transformation?
8. Have you started putting in place plans for Spatial Transformation? If yes, what are they, and do you think they are adequate? If no, what do you think needs to be put in place?

b) Match between job requirements and qualifications, as well as qualifications of employees

1. To what extent can you say there is a match between job requirements and qualifications as well as experience of employees in your department?
2. What is the staff complement for your Department?
3. What skills and knowledge are most critical in this Department?
4. Does your Department have all the adequate staff in all key positions?
5. What is the staff turnover rate in this department?
6. Can you say the compensation for employees in the department is adequate and equitable?
7. What opportunities exist for staff professional development and on-job training?
8. In what ways and to what extent is staff held accountable for getting work done according to clear standards?

c) Structure/Culture

1. What is the management style in this municipality?
2. How are decisions made? Do people feel included in the process?
d) Institutional Stock
1. To what extent do you think the institution's legal framework, policies, rules, and procedures provide a consistent referent for the department's operations?
2. Are there appropriate facilities and equipment available to support the operations of the Department?
3. Does the department have access to logistical and communications needs?
4. Do you think the departmental structure meets needs of efficiency and control?
5. In what ways do the organizational subsystems for administration, production, financial management, and other operations operate efficiently?

e) Financial Resources
1. To what extent does the department have access to resources in line with planning budgets?
2. Does the department have control over its own budget?
3. Are there effective financial management and accounting procedures that are in place?

f) Management
1. Does your department have a high degree of autonomy?
2. To what extent do you think that this department has adequate management depth?
3. To what extent is your department's management style participatory and enabling?
4. Do the managers for different programmes involved in spatial transformation have a clear sense of realistic goals and priorities with regards to this goal?
5. Is there effective delegation of management responsibility to second-level managers?
6. Do the managers for the different programmes involved in spatial transformation have a high level of fiscal and operational awareness?
7. Can staff involved in spatial transformation clearly describe their roles and responsibilities?

g) Enabling Environmental Mastery
1. Do appropriate links exist between your Department and other institutions with regards to spatial transformation initiatives?
2. In what ways and to what extent are the aforementioned links effective?
3. Is major environmental influences identified and assessed for relative degree of influence and are accurately forecasted?

h) Programme Delivery
1. Do your Department maintain reliable evidence of the degree of client or constituent satisfaction?
2. Does the Department have structures of accountability to clients and constituents with regards to spatial transformation initiatives?
3. Is the Department’s scope of program for spatial transformation activities appropriate to its financial and management capabilities?
4. Are the spatial transformation program outcomes measured and documented and widely known to departmental managers?

i) Institutional Character
1. Do the departmental activities mesh with municipal missions and priorities with regards to spatial transformation?
2. Is information concerning departmental spatial transformation activities shared openly within the department and also other relevant stakeholders?

j) Environmental capacity
1. Are there any non-municipal, natural, mineral and environmental resources that support the department’s role in spatial transformation?
2. Is the civil society mobilised in ways that support the department’s role in spatial transformation initiatives?
3. Is the national, provincial and local government legislative context supportive to the department’s role in spatial transformation?
4. Is the department engaged in a mutually sympathetic relationship with stakeholders of government e.g. government line departments both national and provincial?
Annexure Five:

QUESTIONNAIRE: MUNICIPAL HUMAN RESOURCES DEPARTMENTS

a) Department vision and understanding of local government agenda

1. How do you describe the overall mission and goals of your municipality?
2. How do you describe the overall mission and goals of your Department?
3. What is your understanding of human capacity in the context of local government?
4. What are the core activities and services of this department?
5. What are the key strategic initiatives for this Department?
6. How can you describe the developmental agenda of local government?
7. To what extent and in what ways can you say your municipality fulfils the developmental agenda?
8. What can you say are the main developmental/planning challenges facing your municipality?
9. To what extent can you say your municipality is resilient to these challenges?
10. What is your understanding of the spatial transformation agenda of local government? What can you say are the key aspects of local government spatial transformation?
11. Have you started putting in place plans for Spatial Transformation? If yes, what are they, and do you think they are adequate? If no, what you think needs to be put in place?
12. What do you think are the local government capacity requirements to drive spatial transformation?
13. What is your municipality’s human capacity situation? Do you think it is in a position to effectively drive spatial transformation?

b) Match between job requirements and qualifications, as well as qualifications of employees

1. To what extent can you say there is a match between job requirements and qualifications as well as experience of employees?
2. What is the staff complement for your Municipality?
3. Does your Municipality have all the adequate staff in all municipal departments’ key positions?
4. What is the staff turnover rate in the different municipal departments responsible for spatial transformation?
5. Can you say the compensation for employees in the municipality is adequate and equitable?
6. What opportunities exist for staff professional development and on-job training?
7. In what ways and to what extent is staff held accountable for getting work done according to clear standards?
8. Is your municipality concerned about having a shortfall of talent in the next 3-5 years for any of the reasons outlined below?
9. Does your municipality have an intentional company-wide pro-active strategy involving assessment tools and processes to continuously grow and develop talent within the company?
Annexure six:

Table 4: Benchmarks to provide a context within which, support, capacity building and training should be measured

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment</td>
<td>The municipality as an institution has been established to fulfil certain functions, however, it is not yet functioning as it should; in terms of what is expected of it</td>
</tr>
<tr>
<td>Stabilisation</td>
<td>The municipality is functioning but not yet functioning or performing or delivering its services effectively</td>
</tr>
<tr>
<td>Consolidation</td>
<td>The municipality as institution has moved beyond establishment and stabilisation and is beginning to undertake functioning or performing or delivering its services effectively but nonetheless still has some way to go before it is efficient, responsive and accountable</td>
</tr>
<tr>
<td>Sustainability</td>
<td>A state of good practice for a municipality where it is able to effectively undertake its allocated functions and illustrates good practice elements [i.e. it is effective, efficient, responsive and accountable] in its functionality, performance and service delivery</td>
</tr>
</tbody>
</table>