**TERMS OF REFERENCES**

**FOR**

**BOARD APPRAISAL SERVICES**

**NTINGA O.R TAMBO DEVELOPMENT AGENCY SOC LTD**

Address:

Old Government Printers

No.5 Textile Street, Vulindlela Heights

Opposite Pick & Pay, Southernwood

Mthatha; 5099

Tel: +27 47 531 0346

Fax: +27 47 531 4121

Proposal Submission Date: Tuesday, 16 April 2019.

Time: 12h00

1. **SUMMARY**

Ntinga O.R Tambo Development Agency SOC LTD is requesting proposals from suitable, qualified and experienced service provider(s) to submit proposals to render Board Appraisal Services for the Board and Audit Committee. (Board Selection, Composition and Evaluation processes- This is the Performance Evaluation Instrument).

1. **PROPOSAL GUIDELINES AND REQUIREMENTS**

The service provider/firm/company must demonstrate experience of 5-10 years of providing a service of a similar nature.

The proposal must contain signatures of duly authorized officers or agents of the company submitting the proposal.

In your pricing schedule include the fee structure, guarantee and terms. The price the service provider propose should be inclusive of Vat and disbursements. If your price excludes certain fees or charges, the service provider must provide a detailed list of excluded fees with a complete explanation of the nature of those fees.

Provisions of this RFP and the contents of the successful response will be included in the final contractual obligations.

1. **CONTRACT TERMS**

Ntinga O.R Tambo Development Agency SOC LTD will negotiate contract terms upon selection. All contracts are subject to review in terms of Ntinga’s Supply Chain Management Policy, and a project will be awarded upon signing of an agreement of contracts that will outline the terms, scope, budget, and other necessary items.

1. **NTINGA O.R TAMBO DEVELOPMENT AGENCY BACKGROUND**

Ntinga O.R Tambo Development Agency was established in January 2003 as a municipal entity of the O.R. Tambo District Municipality and has converted to a State Owned Company (SOC).

The **mandate** bestowed upon Ntinga by the parent municipality, O.R. Tambo District Municipality (ORTDM), is:

To perform activities which falls within the functions and powers of district municipalities as contemplated in Section 84(1) of the Municipal Structures Act, 1998 (Act 117 of 1998), in particular Section 84 (1), which are:

* Integrated Development Planning;
* Potable Water Supply Systems;
* Domestic and Industrial Waste-water and Sewage Disposal Systems;
* Fresh Produce Markets and Abattoirs;
* Local Tourism Promotion;
* Municipal Public Works;
* Taxes, Levies and Duties, and
* Discretionary Activities.

***Vision***

*“Vibrant and Sustainable Communities”*

## Mission

“*Being a catalyst for innovation in promoting socio-economic development and sustainable services to communities, through strategic partnerships and new investments”*

## Value Proposition

*“Responsive and Reliable Entity (RRE)”*

## Values

* Nurture and Care.
* Leadership.
* Agility.
* Innovation and Creativity.
* Good Governance, Accountability and Transparency.
* Reliable and dependable service offering.
* Integrity and honesty.

1. **PROJECT BACKGROUND**

The Revised Corporate Governance Framework for Public Bodies 2012 has indicated the importance for a Board Performance Evaluation stating inter alia that “The Board of a Public Body should be subject to a formal and rigorous appraisal of its performance and that of its committees and individual members”. The Performance Evaluation Instrument serves as an important tool for providing valuable feedback to the Minister and Board Chairperson to evaluate if the objectives of the Board are being met in keeping with aims and objectives set out by the Government for that Board and identify the skills gap which can be addressed by appropriate training. Based on the foregoing, the Performance Evaluation instrument will also help the Board to improve the effectiveness of the leadership and governance of the Public Body, while giving the Board the opportunity to “reflect on its performance” in the pursuit of fulfilling its role.

1. **ASSIGNMENT OBJECTIVES**

The objective of this assignment is to develop a Performance Evaluation Instrument for the Board and Audit Committee of Ntinga O.R.Tambo Development Agency SOC LTD. The Evaluation Instrument will be used to assess key performance standards for the Board of Ntinga.

1. **SCOPE OF WORK**

In keeping with the assignment objectives, the consultant will be required to specifically:

1. Develop and assess the appropriate methodologies for determining the instrument to be used to conduct Board and Audit Committee Performance Evaluations:
2. Review Corporate Governance Framework for Public Bodies and other documents which provide guidance on the expectations in improving the governance of Boards and compliance with the Code of Conduct and the MFMA:
3. Review available reports and conduct literature review on issues related to Board and Audit Committee Performance Evaluation processes in Ntinga and identifying best practices in addressing similar issues:
4. iii. Develop appropriate consultation strategy to gather information that will inform the design of the instruments.
5. Document findings, analysis and recommendations, make presentation to the Implementation Oversight Committee and stakeholders, and incorporate feedback into final report.
6. Develop Board evaluation procedures that will clearly identify roles and responsibilities of the Chairman of the Board and the Audit Committee of the Board, Portfolio Minister, Permanent Secretary, Financial Secretary and/or any other relevant stakeholder that will be responsible for conducting and reporting on the results of Board evaluations. The procedures should also include any action or sanctions that may be taken to improve Board performance under this new initiative.
7. Design the most suitable Board Evaluation instrument to be used, based on consultation with the Board Chairperson..
8. Develop a performance framework that will allow the Ministry of Finance and Planning and Portfolio Ministries to evaluate and report on Board effectiveness and good practices across the Public Sector.
9. **METHODOLOGY**

The Consultant is expected to use international standards and methodologies for developing the Performance Evaluation Instrument for Boards of Public Bodies. The Consultant should prepare a detailed methodology and work plan indicating how the objectives of the assignment will be achieved.

1. **KNOWLEDGE TRANSFER**

The approach to the assignment must be participative, and technical Proposals must contain details of the consultant’s ability to respond to this policy requirement. It is expected that the Consultant/Firm will involve the project leader and Senior Management in all phases of the assignment so as to secure ‘buy-in’ and skills transfer of the methodologies used in the development of the instruments.

1. **DELIVERABLES** 
   1. **Minimum Standards for Deliverables**

The deliverables under this project are as specified in the table below and should be submitted either in hard copy and/ or electronic editable format:

a) use language appropriate for a non-technical audience;

b) be comprehensive, properly formatted and well presented;

c) provide justifications;

d) a draft outline is to be submitted and presented to the Implementation Oversight Committee and approved prior to the final deliverable being submitted;

e) all submissions must show evidence of Consultation.

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| **#** | **Key Deliverables** | **Standard for Delivery** |
| **1.** | Inception Report, Project Implementation Plan and Consultation Strategy. | An Inception report which outlines a clear understanding of the requirement of the Corporate Governance Framework in relation to Board and Audit Committee Performance Evaluation. The Plan should include a strategy for stakeholder engagement that applies the guidelines of the Public Sector Consultation Code.  Work plan in Gantt Chart format that include tasks, duration, start and finish dates and resources.  These should be submitted **10 days** after the signing of the contract. |
| **2.** | Data Assessment Methodology & Tool | A report documenting the methodology used and the tool developed for Board and Audit Committee Performance Evaluation which will include an electronic based system.  This should be submitted **20 days** after the signing of the contract. |
| **3.** | Report with findings from consultation and application of Board Performance Evaluation Tool. | A Report detailing the findings from the assessment and consultation with key stakeholders on the Board Performance Evaluation Tool. These should be submitted **40 days** after the signing of the contract. |
| **4.** | Presentation to the Implementation Steering Committee on findings from the assessment. | PowerPoint presentation to the Implementation Oversight Committee on the findings and recommendations from the assessment which will outline details to the responses received from the methodology used.  These should be submitted **55 days** after the signing of the contract. |
| **5.** | Final Report and all consultancy materials related to the Board Evaluation Tool. | Report that fully outlines the Board and Audit Committee Evaluation Tool inclusive of an electronic based system, with the performance indicators and scale being recommended and the Evaluation Process to be used.  The tool should assess:   1. Leadership/strategic oversight; 2. Ensuring effective internal control is in place; 3. Monitoring and evaluation of government policies and strategies and business plans by the Public Body ; 4. Board and Audit Committee Effectiveness – How well the Board performed against agreed performance objectives.   iii. Board Members Effectiveness –   1. Board and Audit Committee members have a clear understanding of their respective roles and responsibilities 2. Board members are prepared for meetings and contribute meaningfully to the discussions 3. Board and Audit Committee members attend meetings and training as scheduled 4. . Board and Audit Commitee members add value and insight to Board and Committee assignments 5. Strategic Direction of the Company – 6. Delegation of authority to management, 7. Determination of the pace of current operations and future developments, 8. Formulation and revision of policies, 9. Identifying and managing risks. 10. Board Competencies – 11. Board and Audit Committee possess the right mix of knowledge, skills and experience to maximize performance in accordance with strategic/business plans,   vi. Corporate Governance Practices–   1. How well the Board responds to problems or crises in keeping with the Code of Ethics and developments in the regulatory environment and market. 2. Ensuring adequate management responses are made to all audit queries 3. Ensuring that the Government’s Corporate Governance Framework is effectively implemented 4. Ensuring adherence to the Standing Orders of the Board, Code of Conduct   vii. Compliance with Statutory Requirements   1. Ensuring that there is adherence to all statutory requirements   viii. Accountability to Shareholders/Stakeholders-   1. The extent to which the interest of shareholders and relevant stakeholders are understood and taken into account   ix. Effectively manage communications with shareholders and stakeholders. This Instrument will be used in tandem with the Competency Profile Instrument to assist in improving Board selection and composition processes in order to enhance Board effectiveness as articulated through the Corporate Governance Framework for Public Bodies.  All materials developed and acquired during the Consultancy should be submitted along with the report.  These should be submitted **70 days** after the signing of the contract. |

1. **SIGN-OFF” PROCEDURE**

The Implementation Oversight Committee will have responsibility for the review of deliverables and quality control of the consultancy. Deliverables will be considered approved when they are accepted by the Implementation Oversight Committee and the Project Manager based on the defined and agreed performance standards for delivery.

1. **VARIATIONS**

All proposed changes to the work plan and deliverables must be discussed with the Project Manager or the Unit Director and where necessary, will be submitted for approval to the Implementation Oversight Committee. Where such changes are not considered minor, they will have to be further authorized by the Accounting Officer.

1. **TECHNICAL EXPERTISE REQUIRED**

The Consultant will have the demonstrated capability of developing performance evaluation instruments particularly for Boards in the Private and Public Sectors.

The Consultant will be required to provide evidence of successfully completed similar work and have the following minimum qualifications:

i) Graduate Degree in Governance, Strategic Human Resource Management, MBA with working knowledge of Performance Management Systems.

ii) A minimum of five years’ experience working in the area of Performance Management Systems with at least two major projects of similar scope successfully implemented within the last five years;

iii) Demonstrated experience in analyzing and developing Performance Evaluation Instruments for Board of Directors particularly in the Public Sector over the past five years.

1. **FUNCTIONALITY CRITERIA**

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|  | Evaluation Criteria | Maximum Points |
| 1. | **Specific experience of Expert for the assignment**  Demonstrated capacity in successfully conducting assignments of a similar nature and scope | **35** |
|  | * 1. **Experience in designing Performance Evaluation Instruments in the Public & Private Sectors within the last 10 years;**   1.1.1. Three or more related projects in designing Performance Evaluation Instruments (15)  1.1.2. At least two related projects in designing Performance Evaluation Instruments (10)  1.1.3 At least one related project (5) | 15 |
|  | **1.2. Ten years’ or more experience working with Public or Private Sector Governing Boards (15)**    1.2.1 between five and nine years’ experience working with Public or Private Sector Governing Boards (10)  1.2.2 between two and four years’ experience working with Public Sector Governing Boards (5) | 15 |
|  | **1.3. Adequacy of samples of research/writing (5)**  1.3.1 Document technically sound (3)  1.3.2Document is understandable to non-technical readers (2) | 5 |
| 2. | **Adequacy of the proposed work plan and methodology in responding to the TOR** | **40** |
|  | 2.1 Methodology reflects a clear understanding of the assignment and suitably responds to each element of the scope of work (30) | 30 |
|  | 2.2 Work plan allows for the effective completion of the assignment in the required timeframe (10) | 10 |
| 3. | **Highest Level of academic training, and professional qualifications** | **15** |
|  | Graduate level in Governance, Strategic Human Resource Management, MBA (15); or | 15 |
|  | Graduate level in other area of study (10) | 10 |
| 4. | **Professional References** | **10** |
|  | 4.1 Professional references which indicate successful completion of similar work (Provide contact information for 2 references)  - Projects completed within time(5)  - Work submitted meet the assignment goals(5) | 10 |
|  | **TOTAL** | **100** |

**Website Please visit** [**http://www.ntinga.org.za**](http://www.ntinga.org.za)

**APPROVED BY**

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**N Mningiswa –Manager Office of the CEO Date**