REQUEST FOR PROPOSAL

APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT RISK APPETITE,TOLERANCE AND RISK BEARING CAPACITY FRAMEWORK FOR SOUTH AFRICAN CITIES NETWORK

CLOSING DATE AND TIME: 23 SEPTEMBER 2025 AT 17:00

COMPULSORY BRIEFING SESSION: N/A

EMAIL ADDRESS FOR SUBMISSION: JABULANI@SACITIES.NET.

Contents

1. Introduction

'The South African Cities Network (SACN) is an established network of South African cities and partners that encourages the exchange of information, experience and best practice on urban development and city management.'

The South African Cities Network was established in 2002 as a learning network of South Africa's largest cities and their key partners. The current participating cities of the SACN are Buffalo City Metropolitan Municipality; Nelson Mandela Bay Municipality; Mangaung Metropolitan Municipality; eThekwini Municipality; City of Ekurhuleni; City of Tshwane; and the City of Johannesburg.

The main business and object of the company is 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.

The mandate of the SACN is derived from the Memorandum of Association which indicates that the SACN, using knowledge of large city government experiences within the global and national (South African) economic development context, shall promote good governance and management of its participating cities; and will promote partnerships between or among the spheres of government in the interests of enhancing good city governance in South Africa.

Functionally, the SACN uses knowledge generation, dissemination, and application to establish itself as a credible thought leader in urban policy and development issues.

The main activity areas of the SACN have included:

- Shared learning as the basis of inter-sphere partnerships
- Updating leaders on current and emerging changes and trends in urban policy nationally and internationally
- Promoting innovation and strategic thinking between cities and other spheres of government
- Fostering cooperation and exchange of best practice
- Generating options and making recommendations to network members.

The SACN has a governance model that comprises a Council (made up of political and executive leadership of participating municipalities, i.e., Council Organizations), a Board of Directors, and a Secretariat.

The SACN Council is responsible for directing the strategic research agenda and related business of the activities of the SACN. The role of the SACN board is to effectively represent and promote the interests of the Council Organizations. Having regard to its role the board directs and supervises the management of the business and affairs of the company. The Secretariat is tasked with executing company strategy under the direction of the Board.

The risk appetite and tolerance are a core consideration in embedding effective enterprise risk management approach and principles. The framework will provide the basis to clearly state Risk Appetite, Tolerance and Risk bearing capacity for SACN the general principles for the SACN's risk taking, raise risk awareness across the organization and to guide the staff regarding acceptable and unacceptable behavior.

Therefore, the framework will help SACN better manage and understand its risk exposure, make informed decisions, allocate resources and understand risk/benefit-offs, and improve transparency for stakeholders and regulators.

Directors: Ms Yolisa Kani (Board Chairperson and Non-Executive), Ms Nontando Ngamlana (Non-Executive), Dr Gary Paul (Non-Executive), Ms Siobhain O'Mahony (Non-Executive), Ms Nosipho Hlatshwayo (CEO SACN) and Ms Yolisa Dambuza (Executive)

SACN Council Chairperson: Cllr. Xola Pakati

Company Registration Number: 2002/031754/08 / **Non-Profit Organisation Number:** 032-488-NPO

In order for SACN to benefit from a well composed and structured risk appetite statement and tolerance levels, SACN seeks to obtain the services of suitably service provider to assist with developing a Comprehensive and tailored Risk Appetite, Tolerance and Risk -Bearing Capacity Framework. The service provider is also expected to transfer skills to SACN staff in relation to the framework that will guide the organization in making informed decisions related to risk-taking, risk mitigation and strategic planning, ultimately contributing to improved governance and sustainability.

The service provider will closely work with the risk and Senior Financial Manager in relation to the developing a comprehensive and tailored Risk Appetite, Tolerance and Risk-Bearing Capacity Framework.

2. Purpose

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

- Evaluate the existing risk management processes, policies, and practices within SACN to understand the current state of risk management

- Engage key stakeholders, including SACN Officials, executive managers and relevant external partners, to gather insights, expectations and risk-related perspectives

- Define clear and measurable risk appetite and tolerance levels that align with SACN's strategic objectives, mission and values

- Determine SACN's capacity to bear various types and magnitudes of risks, taking into account financial statements, operational and reputational aspects.

- Create a concise and comprehensive risk appetite statement that communicates the acceptable level of risk taking within the organization

- Provide recommendations on how the developed risk appetite and tolerance framework can be integrated into SACN's decision-making processes, including budgeting, strategic planning and project prioritization.

- Formulate guidelines that specify the boundaries of acceptance risk within different areas and functions of SACN.

- Engage stakeholders for feedback and validation of the developed framework, making necessary adjustments and improvements as needed

- Design and deliver training programs and workshops for SACN staff to ensure they understand and can effectively implement the risk appetite, tolerance and risk-bearing capacity framework

- Develop reporting mechanisms and templates to monitor and report on risk exposure, compliance with risk tolerance levels, and action taken to manage risks.

- Provide a finalized risk appetite, tolerance and risk-bearing capacity framework, along with a detailed implementation plan that outlines the steps for integrated it into SACN's risk management practices.

- Ensure knowledge transfer to internal staff or designated personnel who will be responsible for maintaining and implementing the framework in the long term.

- Assist the organization in setting up a system for ongoing monitoring and evaluation to assess the effectiveness of the framework and recommend adjustments as the SACN's risk landscape evolves.

3. Scope of Work

In terms of assisting the SACN in developing Risk appetite, Tolerance and Risk bearing capacity for the organization the service provider is expected to:

The scope of work entails the following:
- Conduct a through assessment of the SACN current risk management practices, including a review of existing policies, processes and risk management culture
- Perform an analysis to determine SACN's capacity to bear different types and magnitude of risks, considering financial , operational, and reputational aspects.

- o Develop a comprehensive framework for risk appetite ,tolerance and risk-bearing capacity that is tailored to SACN Specific needs and context.
- o Provide clear and well-documented risk appetite statements, tolerance guidelines and risk-bearing capacity assessments
- o Design and deliver training program for SACN risk champions and senior management to ensure they understand and can effectively implement the framework
- o Develop reporting mechanisms and template to monitor and report on risk exposure, compliance with risk tolerance levels and action taken to manage risks
- o Set up system for ongoing monitoring and evaluation to assess the effectiveness of the framework and recommend adjustment as needed.
- o Operate in compliance with any relevant laws, regulations and industry best practices
- o Ensure that all deliverables meet high quality standards and are tailored to the SACN unique needs
- o Engage with key stakeholders, including municipal officials and other relevant partners to gather input and insight into SACN's risk landscape.
- o Bring expertise in risk management and assist the SACN in defining clear risk appetite and tolerance levels that align with its strategic objectives

4. Reporting Requirements

Successful bidder/ consultant will be reporting to finance and corporate support services

5. Technical/Functionality Evaluation

Bid responses will be evaluated in accordance with the following technical criteria:

Evaluation Criteria	Definition	Weighting
Bidder Experience	Bidder experience in providing Enterprise Risk Appetite, Tolerance and Risk Bearing The bidder must demonstrate that they have the skills and experience to render the required service by submitting a company profile detailing similar projects undertaken that were successfully completed within the past 5 years, relevant to the TOR: • Above 5 years- 30 Points • 5 years - 25 Points • 4 years – 20 points • 3 years – 15 points • 2 years – 10 points • 1 year – 5 point • No experience – 0	30%
	Reference Letters Provide three written reference letters for risk maturity assessment services. Reference letters must include the company name, contact name, address, phone number, duration of contract, a brief description of the services that you provided. The reference letters must be on the client's letterhead and must be dated and signed. **Contactable reference letters for each service listed above** • No references = 0 points	10%

	- One reference = 2 points - Three relevant reference letters = 5 points - Five and above relevant reference letters = 10 Points	
Key Personnel Qualifications	Team /Project Leader Qualifications Provide copies of qualifications for the team/project leader. Team leader's membership with IRMSA • Team leader's membership certificate provided= 5 points • No membership certificate - 0	**5 %**
	The team/project leader must have the following qualifications and provide copies of qualifications: Tertiary Qualifications - Post graduate qualification in Risk Management/ Commerce/Business Management/MBA – 20 Points - Degree in Risk Management/Commerce/Business Management- 15 Points - National Diploma in Risk Management/ Commerce – 10 points - Certificate in Risk Management- 5 Points - No relevant tertiary qualification – 0 point	**20%**
Key Personnel Experience Provide summarized CV)	**Key Personnel Experience or Team Leader:** Provide brief CVs of the team/project leader covering experience in similar work. - Above 5 years - 5 Points 4-5 years – 4 points 3 years – 3 points 2 years – 2 points 0-1 year – 1 point	**5%**
Methodology and Approach	**Methodology and approach plan** Provide a methodology for the delivery of the scope of work and approach to be taken. **Provide a methodology and project plan** - Excellent and detailed methodology addressing all TOR requirements. Response identifies factors that will offer potential value add, with supporting evidence. No reservation on the bidder's ability, understanding, exp experience and resources to complete and deliver the project. **(30 points)** - Good and detailed methodology. Satisfies the TOR requirements, with	**30%**

		no additional benefits/value add. No reservation on the bidder's ability, understanding, experience and resources to complete and deliver the project. **(20 points)**	
		• Fair methodology. Satisfies the TOR requirements, with no additional benefits/value add. Minor reservation on the bidder's ability, understanding, experience and resources to complete and deliver the project. **(10 points)**	
		• Poor/inadequate methodology, with reservation on the bidder's ability, understanding, experience and resources to complete and deliver the project. **(05 points)**	
		• No methodology – does not comply **(0 points**	

The service providers who scored a minimum threshold of 60% will be evaluated in the next phase of price evaluation.

6. Compliance documents

Kindly submit the following document:
- Valid and Original or Certified B-BBEE Status Level Verification Certificates issued by SANAS for Generic Companies with a total turnover of R 50 Million and above
- Original Valid Tax Clearance Certificate
- CIPC Document

7. Cancellation of RFP

7.1 The SACN may prior to the award of a bid, cancel a bid for the following reasons:

7.1.1. Due to changed circumstances, there is no longer a need for the goods or services requested.

7.1.2. Funds are no longer available to cover the total envisaged expenditure.

7.1.3. No acceptable bids are received.

7.1.4. The SACN may after awarding of the tender but before the conclusion of a contract, cancel a bid for the following reasons:

7.1.4.1. Due to a change of circumstances, there is no longer a need for the services requested.

7.1.4.2. Funds are no longer available to cover the total envisaged expenditure.

8. Submissions and Enquiries

Proposals should be sent by email to Mr. Jabulani Sandleni at jabulani@sacities.net by close of business on 15 October 2025 at 17:00 PM.

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