



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT: PERFORMANCE MONITORING AND EVALUATION



human settlements

Department:  
Human Settlements  
REPUBLIC OF SOUTH AFRICA

## Impact and implementation evaluation of the social housing programme

### **RFP / Bid number:**

#### **Compulsory briefing session**

Date: 14 October 2014

Time: 14:00 Venue: TBC

#### **Closing date for submission of proposals: 24 October 2014**

= with provision of an electronic and 6 hard copies.

#### **Presentation of proposal**

29 October 2014

#### **Start date of the assignment**

10 November 2014

Please note that security procedures at the Union Buildings can take up to 30 minutes.

## **1 Background information**

The South African housing landscape has evolved over the past 18 years, responding through a series of policy and programmatic adjustments to a growing complexity in the nature of need and demand for affordable accommodation. The revised social housing policy and programme (approved in 2005) was based on a series of critical reviews and policy reflections that merged with the comprehensive housing sector review that was undertaken by the Department of Housing (2002-2004). This led to the framing of the Comprehensive Plan for Sustainable Human Settlements (2004) that became known by its action slogan - Breaking New Ground or BNG. It is out of this contextual paradigmatic shift and reprioritisation pivoted in the comprehensive plan that a revised social housing programme was posed as one of a range of interventions for the sector.

A key finding of the 10 and 15 Year Government Reviews was the failure to break with reproducing apartheid spatial patterns and the marginal improvements in spatial location and urban integration of social housing projects. This offered the additional opportunity to engage with an instrument that met a broader objective of urban restructuring linked to efficiency considerations and supporting the overall performance of the housing sector, able to contribute to widening the range of housing options available to the poor. Social housing's contribution to urban restructuring is given content by the notion of restructuring zones — spaces in urban areas of high economic opportunities where the poor are excluded by property markets or planning practices. The idea is that declaration of areas as restructuring zones allows for inserting social housing products into an improved continuum within the market ladder in

relationship to improved socio-economic opportunities. The theory is that through investment in restructuring zones, social housing programme achieve spatial, social and economic restructuring.

Nearly 13,000 units have been added to the housing stock through reconstruction capital grants (RCG) received by both social housing institutions and the private sector. This includes units approved, under construction and completed. In the 2013/14 financial year the Social Housing Regulatory Authority (SHRA) approved just short of 5,000 units, nearly three times the number approved in the previous year. This is projected to rise to around 27 000 units in the new Medium Term Strategic Framework (MTSF) period 2014-2019, which though commendable, is outpaced by demand.

Social housing has increasingly become an integral part of Government's housing strategy. The state has invested R1,6 billion of RCG subsidies and R830 million of institutional subsidies, leveraging around R1,25 billion of private sector loan financing and R114 million in equity from SHIs. Even though public financing is greater than private financing, it is the first real public private investment instrument for low income housing which incorporates all three spheres of government. The profile of projects has also received great public acclaim as they demonstrate a visual insertion of well managed new stock and a mix of households into strategic economic locations. These are usually centrally located in the decaying parts of the CBDs, found in every metro and a number of secondary cities. The projects are often being claimed as triggers for regeneration of housing demand, commercial use and new investment and construction. They also offer socio-economic opportunities to moderate and low income households and add new vitality to localities that were in decay. Moreover, there is a clear indication that the demand for affordable rental is growing, with census 2011 showing that the proportion of all households renting accommodation grew from 19% in 2001 to 25% in 2011.

Despite the growth of the sector, there has been limited systematic assessment of the performance of the Programme. With the National Development Plan recommending that future housing investments be in well located areas (spatial targeting) and a focus on supporting a wider variety of typologies with different tenure options, it is important to test if the social housing programme has had the desired impact on market behaviour and brought about the desired outcomes.

## **1.2 Purpose of the evaluation**

The purpose of this evaluation is to assess the extent to which the social housing programme is contributing to urban restructuring (integrating and revitalising neighbourhood spatially, socially and economically) and providing affordable quality rental accommodation to the target market and thus generating value for money, and assess the sustainability of the delivery model. The evaluation will contribute to the rental housing policy revision process.

## **2 The focus of the evaluation**

### **2.1 Evaluation questions**

The evaluation is part implementation and part impact evaluation of the social housing programme. The evaluation should establish the extent to which the programme is contributing to urban restructuring, reaching its target market and thus achieving value for money.

The evaluation responds to three broad questions focusing on the concept of restructuring zones; SHI performance over the years and the extent to which the Programme is creating affordable rental accommodation. Specifically the evaluation responds to the following questions:

#### **2.1.1 Impact questions**

1. To what extent have the social housing projects that have been implemented contributed to the achievement of spatial, economic and social restructuring policy goals?

### 2.1.2 Implementation questions

2. How have Restructuring Zones (RZ) been identified by municipalities and which factors/criteria determine the identification of a RZs and is this in line with the specified criteria?
  - Have the published RZs also been identified as urban restructuring/regeneration/revitalisation areas?
  - How has the structuring of public roles and responsibility and the finance in the agreed restructuring zones offered incentives to private finance?
  - What planning has gone into these areas about tipping markets (getting the right level of investments) such that they produce the desired medium term private commercial and residential investment?
3. To what extent have SHIs developed capacity to deliver at scale and build a financially viable model?
  - Has the requirements and rigour of the SHRA SHI accreditation been adequate to address their viability?
  - Are SHIs in the RCG subsidised projects building up reserves (maintenance and equity) as required and according to the results of the project viability assessment? What are the reasons in case of deviations?
  - What measures are put in place to support SHIs in the sector and how effective are these?
  - What is the relation with the municipality/local authorities and have annual performance agreements been implemented?
  - What are the average vacancy, rent arrear levels and bad debt write offs over the past 12 months and what is the related loss of income?
4. Is the programme able to respond to the complex and growing need for affordable rental in SA and to what extent are the tenants satisfied with the product?
  - How effective has the programme been in reaching its targeted population? What was the income mix just after the project was implemented and what is the income mix at this point in time?
  - What were the rent levels just after completion and what are the rent levels at this point in time? Which factor(s) determine the rental increase per SHI?
  - What is the turn-over in the RCG subsidised projects and what are the reasons of former tenants to vacate the units?
  - What is the percentage of tenants paying a different rental price for the same unit?
  - What is the impact of the rental increase on the affordability especially for the primary target market?

### Monitoring and oversight

5. How effective have been the monitoring and oversight system for social housing programme and how can this be strengthened?

### Value for money

6. Is the programme generating value for money?

## 2.2 Intended users and stakeholders of the evaluation

Institution	Possible use
SHRA	Identify possible bottlenecks in the sector and specific areas where interventions

	are needed to strengthen the performance of the sector and establish if the investment is correctly targeted.
NASHO	Identify the support that SHIs require and use the results of the evaluation to lobby for necessary reforms.
Department of Human Settlements	Review the policy and the institutional arrangements set up to support the sector and better positioned to perform the oversight (support and monitoring) role.
Treasury	Make budgetary adjustments for the Programme to ideally respond to broader construction challenges, linked to inflation targets..
NHFC	Revise its funding model for the sector at affordable lending rates.
Municipalities	Review the process of identifying RZs and provide better link with performance agreements to strengthen social housing's contribution to urban regeneration.
Provinces	Facilitate correct targeting of top-up subsidies.

## 2.3 Scope of the evaluation

In order to respond to the questions the following should be done:

### Impact questions

- In at least 6 projects (one in each municipality) determine the spin offs from the social housing investment by:
  - Analysing demographic trends (population group, income distribution, etc.) in the urban centres where social housing projects are located), to determine the changes in demographic makeup of the areas ;
  - Analysing investment trends in the area; have they increased/decreased, source of investment and areas attracting most investments;
  - Analysing spatial changes in the areas;
  - Assessing the cost of building social housing units in each project against the observed changes in the urban environment.

### Implementation questions:

- Analysis of restructuring zones in at least six municipalities: Johannesburg, Cape Town, eThekweni, Polokwane, Buffalo City and Mangaung. This should include:
  - Interviews with municipal officials, document analysis, site visit to the restructuring zones, GIS analysis of the restructuring zones, analysis of IDP to establish the medium term plans for the restructuring zones areas
- Performance and financial analysis of 6 of the accredited SHIs operating in the 6 municipalities. This should include:
  - Interviews with the management of the institutions, analysis of audited financial statements, analysis of delivery data for the SHI, analysis of SHI quarterly performance reports.
- Analysis of financial and performance reports from SHRA and NHFC, interviews with at least four senior officials from NHFC and SHRA (including the investment officer, accreditation manager and member of the Technical Evaluation Committee)
- Interviews with National DHS officials (M&E, Social Housing programme management, Policy and Governance oversight)
- Analysis of annual reports and M&E reports/data from DHS on social housing

Note a detailed analysis of the funding model for the sector and effectiveness thereof is excluded from this evaluation and will be a separate exercise.

### 3 Evaluation approach, design and methodology

A number of studies have been conducted on different components that make up social housing, while SHRA and DHS routinely collect administrative and performance data from SHIs and Programme. The evaluation questions can be responded to through a combination of meta-analysis of existing datasets; review of administrative reports and literature with limited primary data collection through interviews.

Evaluation questions	Method	Main data sources
How have RZs been identified by municipalities and which factors/criteria determine the identification of a RZ and is this in line with the specified criteria?	Document reviews	Council resolutions about restructuring zones, Agreement between SHI and Municipality, IDPs, Land availability agreement
	Interviews	Interviews with Municipal officials
To what extent have SHIs developed capacity to deliver at scale and build a financially viable model?	Document review  Interviews	State of the sector report Quarterly reports to SHI 20 year review background papers SHRA accreditation reports for each of the SHIs in the sample With the CEO and CFO of SHIs, NASHO, SHRA, DHS, and other related institutions
Is the programme able to respond to the complex and growing need for affordable rental in SA	Document review and analysis of existing data	Demand research reports by SHF Census 2011 and GHS data Demand reports in the RCG application for each of the project
How effective have been the monitoring and oversight system for social housing programme and how can these be strengthened?	Interviews	Interviews with DHS, NASHO, NHFC and SHRA
	Document review	Annual reports from Municipalities, Provinces and DHS Quarterly reports to SHRA Reports to NHFC
Is the programme generating value for money?	Document review	SHRA project management information and reports  FFC reports including the exploring alternative finance and policy options for effective and sustainable delivery of housing; Expenditure Performance Review,
	Interviews	Interviews with NT, DHS, other key informants;
To what extent has the implemented social housing projects contributed to the achievement of spatial, economic and social restructuring policy goals?	Interviews	Interviews with municipalities, DHS, NASHO, Provincial officials, and other related key informants
	Meta-analysis	Analysis of IDP, Census data and Municipal data (built environment plans approval, Integrated transport plans, local economic development)

Though an evaluation approach has been suggested, this does not preclude a service provider from recommending a different methodological approach considered more responsive or more innovative. Should a service provider apply the approach provided in the ToRs, the service provider will be expected to propose a detailed methodology and innovation and creativity in this regard will be an added advantage.

## 4 Evaluation plan

### 4.1 Deliverables expected from the evaluation

The following are the deliverables of this project:

- Inception Report by the service provider as a follow-up to the proposal with a revised evaluation plan, overall evaluation design and indication of how each evaluation questions and sub-questions will be responded. This forms the basis for judging performance;
- Theory of change and logical framework for the programme as is currently operating
- Literature review reflecting both international and national literature defining key concepts to provide a conceptual framework for the evaluation
- Report structure, evaluation method matrix, analysis plan, detailed methodology, final data collection instruments
- Fieldwork report Draft evaluation report and refined theory of change for review
- Workshop with stakeholders to present the draft reports
- Version two of draft report incorporating feedback from stakeholders
- The final evaluation report, both full report and in 1/5/25 format, in hard copy and electronic;
- All data collected in the evaluation
- A Powerpoint or audio-visual presentation of the results (and the service provider is likely to have to present this to senior management of DHS).

### 4.3 Time frame for the project

The evaluation is expected to take 32 weeks (eight months) between November 2014 and July 2015.

**Table 3: Outline project plan and payment schedule**

Deliverable	Expected milestones	% payment
Submission of inception report (should include an indication of how the evaluation will be implemented and each evaluation question responded to)	24 November 2014	
Presentation and approval of inception report	1 December 2014	10%
Submission of literature review	10 December 2014	30%
DPME, DHS and partners comment on literature review	15 December 2014	
Approval of report structure and evaluation method matrix, analysis plan, detailed methodology, final data collection instruments	15 January 2015	
Field work report	23 February 2015	
Submission of draft evaluation report for review	29 March 2015	20%
DPME, DHS and partners comment on draft evaluation report	6 April 2015	
Submission of revised draft report	13 April 2015	

Deliverable	Expected milestones	% payment
A workshop with stakeholders to discuss the draft report	30 April 2015	
Final draft evaluation reports both full and the 1/5/25 format	18 May 2015	10%
Approval of final evaluation report	29 May 2015	
Submission of approved final evaluation reports both full and the 1/5/25 format	12 June 2014	20%
Submission of all datasets and data collection documentation (including interviews) and powerpoint or audiovisual presentation of the results	29 June 2015	10%
Project closure meeting	03 July 2015	

## 5 Management Arrangements

### 5.1 Role of technical working group and steering committee

The evaluation will be managed by a Technical Working Group-TWG (comprised of the DPME, DHS, SHRA and NHFC) and a Steering Committee (comprised of the DHS, SHRA, NHFC, other key agencies involved in the implementation of the Social Housing Programme and other identified experts in the field). The TWG will deal with the technical detail of the evaluation while the Steering Committee is responsible for managing the evaluation, providing substantive guidance to the evaluation, and making key decisions including approving key reports i.e. the inception report; literature review, evaluation reports, other main deliverables, etc, prior to payments.

### 5.2 Reporting arrangements

The project will be commissioned by DPME and contractual matters will be managed by Ms Matodzi Amisi at the DPME.

## 6 The proposal to be submitted

### 6.1 Structure of proposal

A potential structure of a good proposal is shown in Box 4.

#### Box 4: Potential structure of a proposal

The tenderer must provide the following. Failure to provide this will lead to disqualification.

- 1 Understanding of the intervention and the TORs
- 2 Approach, design and methodology for the evaluation (eg literature and documentation review, data collection, tools, sample, suggestions for elaboration or changes to scope and methodology as outlined in the TORs, examples of evaluation questions suggested, process elements)
- 3 Activity-based evaluation plan (including effort for different researchers per activity and time frame linked to activities)
- 4 Activity-based budget (in South African Rand, including VAT)
- 5 Competence (include list of related projects undertaken of main contractor and subcontractors, making clear who did what, and contact people for references)
- 6 Team (team members, roles and level of effort)

7	Capacity development elements (building capacity of partner departments and PDI/young evaluators)
8	Quality assurance plan (to ensure that the process and products are of good quality)

**Attachments**

Example of a related evaluation report undertaken

CVs of key personnel

Completed supply chain forms, tax clearance etc

**6.2 Evaluation team**

This is a complex evaluation that requires an understanding of the social housing programme, policy, legislation and regulation; the overall housing programmes of government and its relation with the rest of the property market and its space in the country's political and social landscape. Therefore a team made up of the following expertise is preferred:

- Housing policy
- Property market specialist (with specific emphasis on rental sub-market)
- Impact evaluation
- Implementation evaluation
- Finance (with specific emphasis on housing finance)

The team must demonstrate commitment to capacity building through the incorporation of the previously disadvantaged and officials from DHS and DPME, in the evaluation team.

**6.3 Competencies and skills-set required**

The competencies for evaluation are summarised from the Evaluation Competencies available on the DPME website. The service provider will be assessed against these competencies (see 8.4.2):

Domain/descriptor	Demonstrated ability to
<b>1 Overarching considerations</b>	
1.1 Contextual knowledge and understanding	Have knowledge of relevant sectors and government systems in relation to the 14 priority outcomes and can appropriately relate the evaluation to current political, policy and governance environments
1.2 Ethical conduct	Understand ethical issues relating to evaluation, including potential or actual conflict of interest, protecting confidentiality/anonymity, and obtaining informed consent from evaluation participants.
1.3 Interpersonal skills	Lead an evaluation and its processes using facilitation and learning approaches, to promote commitment and ownership of stakeholders
<b>2 Evaluation leadership</b>	
2.1 Project management	Lead and manage an evaluation team effectively and efficiently, and manage the project effectively to completion in a way which delivers high quality evaluations and builds trust of stakeholders.
2.2 Composition of the team	Strong project manager, evaluation specialist, and sector specialist (not necessarily three people) as well as other relevant team members for the specific assignment



Domain/descriptor	Demonstrated ability to
2.3 Involvement of PDIs	At least 30% of team are Previously Disadvantaged Individuals (PDIs) <sup>1</sup> and they must play a meaningful role in the evaluation (shown in the activity table)
2.4 Capacity development	Meaningful capacity development to departmental staff as agreed with the relevant departments
<b>3 Evaluation craft</b>	
3.1 Evaluative discipline and practice	Use knowledge base of evaluation (theories, models including logic and theory based models, types, methods and tools), critical thinking, analytical and synthesis skills relevant to the evaluation, and use evidence appropriately to inform findings and recommendations.
3.2 Research practice	Design specific research methods and tools that address the evaluation's research needs. This may include qualitative, quantitative or mixed methods. Systematically gather, analyse, and synthesise relevant evidence, data and information from a range of sources, identifying relevant material, assessing its quality, spotting gaps, and drawing appropriate findings and recommendations.
<b>4 Implementation of evaluation</b>	
4.1 Evaluation planning	
Theory of change	Develop clear theory of change with quality programme logframes with good programme logic and indicators
Design	Design and cost an appropriate and feasible evaluation with appropriate questions and methods, based on the evaluation's purpose and objectives.
4.2 Managing evaluation	Manage evaluation resources to deliver high quality evaluations and related objectives on time and to appropriate standards
4.3 Report writing and communication	Write clear, concise and focused reports that are credible, useful and actionable, address the key evaluation questions, and show the evidence, analysis, synthesis, recommendations and evaluative interpretation and how these build from each other
Total	

Furthermore, it is important that service providers nominated exhibit the following skills and attributes:

- Are team players and analytical and lateral thinkers;
- Have excellent communication skills with the ability to listen and learn;
- Have good facilitation skills for strategic thinking, problem solving, and stakeholder management in complex situations;
- Have the ability to work under consistent and continuous pressure from varied sources, yet be able to maintain a supportive approach; and
- Have excellent computing skills including detailed knowledge and use of: Word, Excel, Power Point, Microsoft Project or similar compatible software.

## 7 Information for service providers

Compulsory briefing: 14 October 2014

<sup>1</sup> By PDIs we mean people of Black, Indian, and Coloured ethnicity. For example if a team consists of 10 members, 3 of them should be PDIs.

## 7.1 Key background documents

The following documents are key to the evaluation of the social housing programme and must be consulted:

- Social Housing Policy and guidelines, the Social Housing Act and Regulations
- Housing Code 2009
- Comprehensive Plan for the Development of Sustainable Human Settlements
- SHRA Act, Business Plan and Strategic Plan, Accreditation and investment processes and tools
- SHRA state of the sector report
- National Housing Finance Corporation funding processes, requirements and guidelines
- Outcome 8 delivery Agreements + Business Plan
- National Rental Housing Strategy

## 7.2 Evaluation criteria for proposals

This refers to the criteria for assessing the received proposals and the scores attached to each criterion. There are standard government procurement processes. Two main criteria are functionality/capability and price. Functionality/capability factors include:

- Quality of proposal;
- Service provider's relevant previous experience including of any subcontractors;
- Team leaders' levels of expertise;
- Qualifications and expertise of the evaluation team;
- Inclusion of PDI members in the evaluation team who will gain experience.

## 7.3 Pricing requirements

All prices should be inclusive of VAT. Price escalations and the conditions of escalation should be clearly indicated. No variation of contract price or scope creep will be permitted and price proposals should be fully inclusive to deliver the outputs indicated in these terms of reference.

## 7.4 Evaluation of proposals

There are three stages in selection – ensuring bids comply with administrative requirements, checking that functionally the proposal is adequate to do the job, and lastly the price is acceptable.

### 7.4.1 Administrative compliance

Only proposals and quotations that comply with all administrative requirements will be considered acceptable for further evaluation, and incomplete and late bids/quotes will not be considered. The following documentation should be submitted for each quote/bid:

- Documents specified in the tender documents (distributed separately from the ToR)
- Any other requirement specified in the ToR

### 7.4.2 Functional Evaluation

Only bids/quotes that comply with all administrative requirements (acceptable bids) can be considered during the functional evaluation phase. All bids/quotes will be scored as follows against the functional criteria indicated below. The table below shows the scores providing a link to the competencies:

1 – Does not comply with the requirements

- 2 – Partial compliance with requirements  
 3 – Full compliance with requirements  
 4 – Exceeds requirements

Domain/ descriptor	Functional Evaluation Criteria	Weight (out of 4)	Score	Weight x score	Minimum
<b>The quality of the proposal</b>	<b>Addressing the TORs</b> 1= The requirements of the evaluation not addressed at all. 2= Requirements of the evaluation partially addressed but not convincing. 3= Requirements of the evaluation addressed well and convincingly. 4= Requirements of the evaluation addressed well and additional value added	4			8
<b>The quality of the team</b>	Team demonstrate the following key competences related to this assignment, with the ability to:				
<b>1 Overarching considerations</b>					
1.1 Contextual knowledge and understanding	Understand the relevant sector/intervention and government systems in relation to the evaluation and can appropriately relate the evaluation to current political, policy and governance environments.  1= Unconvincing that understand the sector/intervention 2= Some understanding of the sector but not deep 3= Good understanding of the sector and how implementation happens 4= Good understanding of the sector nationally and internationally, and can bring international insight	3			6
<b>2 Evaluation leadership</b>	Lead an evaluation team effectively to project completion, using facilitation and learning approaches, to promote commitment and ownership of stakeholders in relation to the following three key role players				
Composition of team	<b>Project manager</b> has experience of managing successfully projects of this size previously (examples and references to be provided) 1= Managed successfully <3 projects or of less than R1m 2= Managed successfully 1-2 projects of R1m and above 3= Managed successfully 3 projects of R1m and above 4= Managed successfully 3 evaluation or research projects of R1m and above	3			6
	<b>Impact evaluation specialist</b> has experience of undertaking successfully impact evaluations of this size (examples and references to be provided) 1= Undertaken successfully <3 evaluations of a similar nature and over R500 000 2= Undertaken successfully 3-5 evaluations of a similar nature and over R500 000 3= Undertaken successfully >5 evaluations of a similar nature and over R500 000 (convincing as an evaluator in this type of work) 4= Undertaken successfully >5 evaluations of a	4			8

Domain/ descriptor	Functional Evaluation Criteria	Weight (out of 4)	Score	Weight x score	Minimum
	similar nature and over R1 000 000 and with knowledge of international best practice (convincing internationally as an evaluator in this type of work)				
	<b>Implementation evaluation specialist</b> has experience of undertaking successfully implementation evaluations of this size (examples and references to be provided) 1= Undertaken successfully <3 evaluations of a similar nature and over R500 000 2= Undertaken successfully 3-5 evaluations of a similar nature and over R500 000 3= Undertaken successfully >5 evaluations of a similar nature and over R500 000 (convincing as an evaluator in this type of work) 4= Undertaken successfully >5 evaluations of a similar nature and over R1 000 000 and with knowledge of international best practice (convincing internationally as an evaluator in this type of work)	4			8
	<b>Housing policy/Property (rental) specialist</b> has deep knowledge of housing policy and property markets, with specific focus on rental sub-market 1= Worked in the sector for less than 3 years For all others a minimum of a masters degree plus: 2= Worked in the sector for 3-5 years and a reasonable understanding 3= Worked in the sector for 5-10 years and a strong understanding of the sector and the intervention concerned 4= Worked in the sector for 10+ years and a strong understanding of the sector and the intervention concerned as well as international good practice	4			8
	<b>Financial Analyst:</b> has deep knowledge of financial sciences and financial analytic methods and tools, and has experience applying them 1= Worked in the sector for less than 3 years For all others a minimum of a masters degree plus: 2= Worked in the sector for 3-5 years and a reasonable understanding 3= Worked in the sector for 5-10 years and a strong understanding of the sector and the intervention concerned 4= Worked in the sector for 10+ years and a strong understanding of the sector and the intervention concerned as well as international good practice	3			6
PDI role in team	<b>At least 30% of team are Previously Disadvantaged Individuals (PDIs)<sup>2</sup></b> and they must play a meaningful role in the evaluation 1= Team consists of less than 30% PDIs and less than 30% of person-days allocated to PDIs 2= Team consists of 30% PDIs but less than 30% of person-days allocated to PDIs	3			9

<sup>2</sup> By PDIs we mean Blacks, Indians, and Coloureds. For example if a team consists of 10 members, 3 of them should be PDIs.

Domain/ descriptor	Functional Evaluation Criteria	Weight (out of 4)	Score	Weight x score	Minimum
	3= Team consists of at least 30% PDIs, at least 30% of person-days allocated to PDIs (either staff or could be a joint venture with a BEE company) 4= Team consists of at least 30% PDIs, at least 30% of person-days allocated to PDIs, and one of the specialists above is PDI (either staff or could be a joint venture with a BEE company)				
Capacity development	<b>Capacity development</b> elements and building capacity of government partners, namely: 1= No indication of capacity development 2= Some capacity development included in proposal but not well thought through 3= Well thought through strategy of how they would use junior government staff on the evaluation 4= Interesting/innovative model for building capacity in evaluation of junior and potentially other government staff	3			6
<b>3 Evaluation craft</b>					
3.1 Evaluative discipline and practice	<b>Demonstrated experience of undertaking quality evaluations (so using evaluation knowledge) relevant to the evaluation.</b> 1= Organisation has undertaken successfully <2 evaluations of a similar nature and over R500 000 2= Organisation has undertaken successfully 3-4 evaluations of a similar nature and over R500 000 3= Organisation has undertaken successfully 5 evaluations of a similar nature and over R500 000 (convincing as an evaluator in this type of work) 4= Organisation has undertaken successfully 5 evaluations of a similar nature and over R1 000 000 (convincing as an evaluation organisation in this type of work)	4			8
	Knowledge of and exposure to international good practice, particularly in middle-income and African countries. 1= No international experience available 2= Proposal makes mention of international experience but not convincing in how this will benefit the project 3= Organisation has undertaken international work and shows in the proposal how it will draw in international experience and insight 4= Recognised international expertise included in the team (either sector or evaluation)	1			2
3.2 Research practice	<b>Demonstrated experience of systematically gathering, analysing, and synthesising relevant evidence,</b> data and information from a range of sources, identifying relevant material, assessing its quality, spotting gaps, and writing effective research reports. 1= Organisation has undertaken successfully <2 evaluations or research projects which	3			6

Domain/ descriptor	Functional Evaluation Criteria	Weight (out of 4)	Score	Weight x score	Minimum
	<p>demonstrate knowledge of (qualitative or quantitative research)*<sup>3</sup> and are over R500 000</p> <p>2= Organisation has undertaken successfully 3-4 evaluations or research projects which demonstrate (qualitative or quantitative research)* and are over R500 000</p> <p>3= Organisation has undertaken successfully 5 evaluations or research projects which demonstrate (qualitative or quantitative research)* and are over R500 000</p> <p>4= Organisation has undertaken successfully 5 evaluations or research projects which demonstrate (qualitative or quantitative research)* and are over R1 000 000 (convincing as an organisation undertaking this type of research)</p>				
<b>4 Implementation of evaluation</b>					
4.1 Evaluation planning	<p><b>Approach, design, methodology for the evaluation</b></p> <p>1= Not likely to address the needs of the evaluation</p> <p>2= Some parts of the evaluation addressed satisfactorily but overall not convincing</p> <p>3= Addresses these satisfactorily. Confident the evaluation can be implemented.</p> <p>4= Addresses these satisfactorily. In addition some very interesting approaches suggested for undertaking the evaluation which are likely to increase the use</p>	4			12
	<p><b>Quality of activity-based plan</b> (including effort for different consultants per activity and time frame linked to activities)</p> <p>1= No plan</p> <p>2= Activity-based plan produced but not convincing that the methodology can be delivered using resources proposed</p> <p>3= Activity-based plan clear and realistic to address the methodology</p> <p>4= Activity-based plan clear and realistic to address the methodology, and innovative so that more can be delivered</p>	3			9
4.3 Report writing and communication	<p><b>Write clear, concise and focused reports</b> that are credible, useful and actionable, address the key evaluation questions, and show the evidence, analysis, synthesis, recommendations and evaluative interpretation and how these build from each other</p> <p>1= No examples of writing provided or examples show poor writing skills</p> <p>2= Examples provided show adequate but not good writing skills, but use of evidence is not good</p> <p>3= Examples provided show good reports which demonstrate use of evidence, good logic, and are well-written</p> <p>4= Well-written and punchy reports with good use of infographics, good summaries, good use of</p>	3			6

<sup>3</sup> Define the nature of research expertise needed depending on the type of evaluation

Domain/ descriptor	Functional Evaluation Criteria	Weight (out of 4)	Score	Weight x score	Minimum
	evidence				
Total		50			

Minimum requirement: Service providers should be required to meet the minimum scores for each element as well as the overall minimum score (75%), based on the average of scores awarded by the evaluation panel members.

Proposals should clearly address the project description and the functional evaluation criteria mentioned above.

#### 8.4.3 Price evaluation: The PPPFA

Only bids/quotes that meet the minimum score required indicated under the functional evaluation above will be evaluated in terms of the Preferential Procurement Framework Act and related regulations. The 90/10 evaluation method will be used for bids from R1 million and above and the 80/20 method for bids/quotes below R1 million. Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table contained in SBD 6.1.

In the application of the 80/20 preference point system, if all bids received exceed R1 000 000, the bid has to be cancelled. If one or more of the acceptable bid(s) received are below the R1 000 000 threshold, all bids received have to be evaluated on the 80/20 preference point system.

In the application of the 90/10 preference point system, if all bids received are equal to or below R1 000 000, the bid will be cancelled. If one or more of the acceptable bid(s) received are above the R1 000 000 threshold, all bids received will be evaluated on the 90/10 preference point system.

In this case the 90/10 preference point will apply.

## 9 Intellectual property rights

Evaluation material is highly sensitive. The ownership of the material generated during the evaluation shall remain with the commissioning department. All evaluations that are part of the national evaluation plan will be made publically available, unless there are major concerns about making them public.

## 10 General and special conditions of contract

The awarding of the final contract is subject to the conclusion of a service level agreement between the Department and the successful service provider.

## 11 Enquiries

For content queries please contact Arie Diephout at DHS [arie.diephout@dhs.gov.za](mailto:arie.diephout@dhs.gov.za) or for enquiries about the commissioning or evaluation process contact Matodzi Amisi, DPME [Matodzi@po-dpme.gov.za](mailto:Matodzi@po-dpme.gov.za).

