

## TERMS OF REFERENCE

### ENHANCING WATER SERVICES AUTHORITY/PROVIDER PERFORMANCE AND IDENTIFICATION OF GOOD PRACTICES THROUGH BENCHMARKING



## Introduction

The National Water Services Benchmarking Initiative (NBI) was initiated in 2005 through a partnership between then Department of Water and Forestry (DWA), Water Research Commission (WRC) and the South African Local Government Association (SALGA) for a period of three years from 2005 to 2008.

NBI was conceived and launched with the purpose of promoting good practices amongst Water Services Authorities in order to enhance water services delivery (performance). Since its inception, three successful cycles of data gathering and workshops were held (2005 – 2008) respectively and reports to this effect were produced as a means of communicating the benchmarking results to the participating member municipalities.

Over the years the NBI was embraced by all member municipalities who participated in the initiatives through data gathering processes, good practices accredited classes, including mini workshops, and launches of the NBI publications.

The last cycle of the NBI was from 2016 – 2018 where data was gathered and municipal reports published including the yearly report. Thereafter, due to financial constraints the programme was put on hold. However, SALGA and the WRC have initiated a process of reinstating the initiative.

## Purpose

The purpose of the NBI is to promote sustainable water services through both performance assessment and performance improvement. Central to this purpose is the identification of best practices and providing a platform where water services institutions can share and learn from best practices as well as identify areas requiring improvement, together with solutions.

Within this purpose, the **overall objective** of the NBI is to provide support to the achievement of better, more sustainable water and sanitation services through promoting and measuring performance targets and indicators across all water services authorities and providers to systematically improve performance.

### **Objectives of the assignment**

Using better management information systems

- Data is collected and captured from various sources on water services provision across all water services authorities and their service providers
- Statistical analysis of water services performance against indicators and performance targets to come up with a set of findings and recommendations for improvement
- Peer learning based on the benchmarking analysis is facilitated whereby best practices are shared
- Comparative performance assessment across all municipalities with a set of findings per performance target and related indicators

- Mechanisms to resolve common challenges are established whereby all relevant municipalities are able to participate
- The systems and models to analyse the data and benchmark the indicators and targets are institutionalized within SALGA whereby SALGA staff are also trained in utilizing the systems to ensure the sustainability of the benchmarking programme going forward

A number of mechanisms and instruments were utilised to attain the purpose and objective of the NBI.

## **Background**

After years of successful implementation of the NBI, the parties saw it important to undertake a review process to evaluate the progress and achievements, as well as applicability of the initiative and its impacts over the years and most importantly to define a way forward i.e. design a benchmarking programme that is efficient and cost effective and will respond to the ever-changing environment, as well as that which will further enhance benefits to municipalities and ultimately improve performance of service delivery.

The immense progress made during the implementation of the initiative has enabled the partners to draw a number of lessons and experiences that could be used to reshape a better benchmarking initiative that will respond to the needs of the participating members notably by introducing technological and reliability elements amongst others.

During the implementation of the programme a review process was undertaken which envisaged and proposed a new phase of the National Benchmarking Initiative, distinct from the previous phase. The review findings indicated the importance of an outcomes based approach and importantly amplifying the objective to use municipal water services benchmarking as the focal point of a SALGA-led initiative to strengthen municipal performance management systems, with a particular emphasis on municipal information management systems for water services and having a vision as follows:

“Municipalities use the water services benchmarking initiative to strive for continual performance improvement while building on the experience of their peers to make the most efficient use of available resources to improve service delivery and customer services.”

Furthermore, the following approaches will be key features in the re-engineering new phase of the initiative.

- Hands-on capacity building and support to municipalities to strengthen their information collection and management systems
- Data collation through a web-based database, able to generate automatic easily readable reports including a dashboard, linked to SALGA's Digital Framework<sup>1</sup>, Maximum inclusiveness, through a stratified, modular approach to performance reporting, to make it possible for any municipality to participate,
- Ensuring participation of municipalities in determination and definition of key performance indicators,
- Ensuring that participation in benchmarking carries no threats to the poor and struggling municipalities
- Ensuring that benefits of participating in benchmarking are clearly communicated early on and appreciated by the municipalities who are consequently encouraged to be eager to participate

Some of the key elements of the review study were implemented in the last cycle and the new phase will build on these as part of the design of the NBI cycle of 2021 – 2024.

## **SCOPE OF THE INITIATIVE**

Ideally, the new phase must offer innovation which contributes to greater efficiency in costs and process, as well as providing enhanced benefits to Municipalities to attain breakthrough performances through innovative mechanism/s and instruments. Technology and Innovation would be an important part of the phase. Further, it is suggested that the new phase consider the gains made in building and enhancing linkages with the blue and green drop certification programmes, stakeholders' initiatives such as the budget benchmarking assessments undertaken by National Treasury, data analytics by various organs of state including private sector entities. The envisaged overall mission will be to ensure alignment and consolidation of efforts in a quest to have a seamless data intelligence and establishment of measuring instruments for better decision making, benchmarking and good practices.

Further, the focus of the re-engineered initiative will be to ensure that the municipal business is turned around using benchmarks and both local and international good practises that need to find expression at a political level through regular reporting, information systems and data analytics. Lobbying, advocacy and decision-making will be central in the endeavour to improve municipal performance.

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<sup>1</sup> A data warehouse and analytic platform is being developed within SALGA from which all data products will read and function from as part of SALGA's digital framework.

Lastly, a key requirement going forward will be to establish a self funding initiative through contributions from participating municipalities. Importantly to ensure fund raising efforts are put in place to sustain the initiatives. Mistakes of the last cycle should not be repeated.

## **SCOPE OF WORK**

The scope of work, over the period (Aug 2021 – March 2024) is expected to include the following:

- Developing a re-launch programme in collaboration with key water sector stakeholders
- Creating innovative mechanisms on how to improve key performance indicators as the process unfolds
- Improve the web-based MUNIBENCH system to capture the key performance indicators as per the modular approach and maintenance of such;
- Developing and defining key performance indicators as per the agreed upon national benchmarking indicators,
- Developing technological approaches modular approach for each category of municipalities
- Include the elements of frontier analysis in the approach and method of benchmarking
- Link and facilitate the roll out of benchmarking with other national initiatives and international benchmarking networks
- Support data collection methods in some municipalities particularly in category Bs and Cs that need support
- Develop a communication plan
- Produce an annual benchmarking report and municipal report cards with comparative analysis of the participants including recommendations for council decisions
- Undertake mid-term progress review of the programme i.e. after 1.5 years and produce a report with recommendations
- Organise a peer review session amongst the best practise participants that should include decision makers
- Produce an overall comprehensive report on the role out of the entire programme with clear recommendations
- Provide training and capacity building where necessary

## **EXPECTED OUTPUTS**

### **Phase 1: Set up and system development (August 2021 – March 2022)**

- Set up the benchmarking initiative A-Z framework. The framework should identify appropriate structures and areas of focus (benchmarking themes and modules) to be used to measure performance for the 3 year period of the programme;
- Consolidate data from the last cycle of the initiative including data analytics from stakeholders for the same period and produce a consolidated synopsis report;

- Develop a data catalogue with the consolidated and new indicators identified
- Design a technology and innovation uptake barometer which will serve as a data platform that measures the uptake of new water and sanitation technologies and innovations by municipalities. The barometer should measure and provide comparative progress over time based on the data in the system. In addition, the barometer will be integrated into SALGA's data warehouse and analytics platform in-line with the SALGA Digital Framework.
- Facilitate engagements with member municipalities on the proposed barometer
- Compile a chapter on the barometer in the benchmarking report to be produced by end of March 2022.
- SALGA and WRC to work in collaboration with the appointed PSP to ensure that all WSAs are part of the process
- Re-launch the re-engineered initiative (*benchmarking report and barometer*) in March 2022 during water week.

### **Phase 2: Implementation and Evaluation (April 2022 – March 2023)**

- Identify, add and review indicators with the steering committee on a regular basis
- Re confirm the benchmarking indicators to be measured and the precise definition on each indicator through a workshop with municipalities and stakeholders if and when necessary, using the National Treasury set of indicators as a baseline
- Roll out the web based system for data gathering in municipalities
- Ensure all data is gathered on an annual basis by designing a data gathering process
- Produce an annual benchmarking report and score cards for each WSA utilising MuSSA information
- Conduct Master classes on emerging good practises
- Organise workshops if and when necessary
- Convene an annual benchmarking report launch
- Establish communication and dissemination processes.
- Produce a sustainability and funding model plan for the benchmarking initiative whereby it is institutionalised within SALGA and self-funded

### **Phase 3: Implementation and sustainability (April 2023 – March 2024)**

- Same as in phase 2
- Finalise the sustainability and funding plan and institutionalisation thereof
- Compile a hand over report inclusive of the data collection and management with recommendations
- Develop a consolidated report on the three years and the impact thereof

### **Suggested Project Team**

The team will be required to be multi-disciplined and have strong knowledge of the water services sector particularly at Local Government level

The **core team** should have amongst others, the following skills:

- A researcher with water services and local government research experience;
- An IT specialist on databases;
- Water and Sanitation Technology and Innovation specialist
- Economist with minimum of 3 yrs experience in the water sector;
- Engineer with minimum of 5yrs experience in municipal environment;
- Business analyst with minimum of 3 yrs in the water sector;
- Project Management and
- Knowledge management specialist

The team should have a good understanding of benchmarking and performance measurement using various methods and instruments such as web-based data collection and analytics platforms including the understanding of international benchmarking norms and standards.

### **Project Duration and Estimated Total Budget**

The duration of this project is 36 months from the 1 August 2021 – July 2024.

R 6.0 Million inclusive of VAT over 36 months (as R2.0M per annum)

### **Project Management**

This project is being co-funded by the WRC and SALGA, and will be executed through the WRC, using WRC procurement processes, requirements and related matters.

The project will be managed by SALGA and the WRC, as well as a project steering committee consisting of municipal officials and relevant stakeholders. Appointed service provider to indicate who from the team will take overall responsibility as Project Leader. The overall Project Leader must have extensive project management experience as well as be able to allocate sufficient time for the management of this project.

### **Project Reporting**

The service providers will have two reporting streams to adhere to:

Firstly, they will be required to report to the Project Steering Committee made up of water sector stakeholders and municipalities - the primary role of the steering committee will be to provide strategic leadership on the project advise ;

Secondly, they will report to the WRC on a quarterly basis. Quarterly written progress that indicate objectives, verifiable indicators, outputs and progress towards achieving these must be submitted. A final project report must be submitted at the end of the consulting assignment.

The final project closure report should cover the following:

Objectives of the project

Approach to achieving the objectives

Project variations (if appropriate) and reasons

Project management

Recommendations

Financial Statement

All deliverables are to be included as appendices to the final report.

### **Transfer of Skills**

In line with the WRC and SALGA skills transfer approaches - the appointed service provider will be expected to work in close co-operation with the Project Manager and other nominated WRC and SALGA officials as part of the transfer of skills. Further to this, the service provider must in the proposal take this requirement into consideration.

### **PROJECT PROPOSAL submission and review process**

The proposal will be evaluated according to the WRC Evaluation System.

Interested applicants are requested to submit proposals (electronically to [jayb@wrc.org.za](mailto:jayb@wrc.org.za) and in hard copy format in a sealed envelope for the attention of Mr Jay Bhagwan – WRC) using the standard WRC format for proposals at [http://www.wrc.org.za/Pages/DisplayItem.aspx?ItemID=8706&FromURL=%2fpages%2fResearch\\_DocumentsAndGuidelinesExamplesAndTemplates.aspx%3frdt%3dExamples%2band%2bTemplates](http://www.wrc.org.za/Pages/DisplayItem.aspx?ItemID=8706&FromURL=%2fpages%2fResearch_DocumentsAndGuidelinesExamplesAndTemplates.aspx%3frdt%3dExamples%2band%2bTemplates). The Guidelines for Proposal Preparation and Submission document is available to assist proposers in preparing their proposals at [www.wrc.org.za](http://www.wrc.org.za)

### **Proposals**

#### **Selection Criteria**

Following the initial screening, the focus of the selection process is primarily on the applicability of the proposal and the quality of the proposal. Furthermore, the selection criteria help to ensure that the WRC's expectations and requirements with regard to strategic initiatives such as capacity development, equity and redress, knowledge dissemination and innovation, will be met.

#### **The selection criteria include:**

Applicability and relevance

Scientific/Technical credibility

Potential contribution to capacity building and competence development

Innovation

Knowledge application



Knowledge dissemination

Leveraging of resources

Financial and in-kind contributions from organisations other than the WRC and SALGA

Anticipated value for money (through critical assessment of the proposed budget)

Track records of research team, project leader and lead organisation (where applicable)

Make-up of the research team with regard to equity and redress

Criteria are appropriately weighted and a final merit score is ascertained to assist in decision-making. It should be noted that these scores are used as a guide rather than as an absolute basis for the prioritisation and ranking of proposals during the evaluation and selection process.

## **Review Process**

Review and final selection of suitable proposals follows a four-stage process:

The first step is the screening of proposals for completeness of the submitted information, relevance, to ensure that proposals address Terms of Reference.

- Proposals which qualify will then may be referred to external or expert reviews (with particular reference to the selection criteria)
- Based on the review assessments, the WRC will prepare recommendations for further evaluation and consideration to the committee of WRC and SALGA.
- Recommendations emanating from the assessments are then presented to the WRC Executive. Final decisions made at this level, complete the selection process.

Selected proposals must meet all the necessary proposal requirements. These should also include the following:

Intellectual Property declaration form

Tax clearance certificates

Status of BEE and certificate

CVs and indication of competencies

## **Proposal Submission closing date**

XXXXXX 2021 at 12:00 hrs

## **Further enquiries:**

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