



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA

REQUEST FOR QUOTATION (RFQ) FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT A RAPID AND COMPREHENSIVE COMPARATIVE STUDY ON RED TAPE REDUCTION WITH A FOCUS ON MUNICIPAL BUSINESS LICENSING PROCESSES AND SYSTEMS.

DSBD 01 RFQ RED TAPE/2026

DATE ISSUED : 06 FEBRUARY 2026

CLOSING DATE AND TIME : 20 FEBRUARY 2026 at 11:00AM

BID VALIDITY PERIOD : 120 DAYS.

Submission of Proposals:

Email: dsbdtenders@dsbd.gov.za

**Department Address : Department of Small Enterprise Development
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1. PURPOSE

- 1.1. To appoint a suitably qualified and experienced service provider to undertake a rapid and comprehensive comparative study on red tape reduction, with a specific focus on municipal business licensing processes and systems across South Africa within 2 months.
- 1.2. The study will generate evidence-based insights to support the effective implementation, monitoring and continuous improvement of the Red Tape Reduction (RTR) Framework, particularly at local government level.

2. BACKGROUND

- 2.1. The Department of Small Business Development (DSBD), in terms of section 18(1) of the National Small Enterprise Act, 1996 (as amended), is mandated to lead and coordinate interventions aimed at reducing red tape and improving the regulatory and business environment for Micro, Small and Medium Enterprises (MSMEs), Co-operatives and informal businesses.
- 2.2. Red tape remains a persistent structural constraint to economic participation, investment and enterprise development. At municipal level, business licensing processes are frequently characterised by complex administrative procedures, lengthy turnaround times, fragmented institutional arrangements and limited standardisation. These challenges disproportionately affect MSMEs and informal enterprises.
- 2.3. The Red Tape Reduction (RTR) Framework, approved by the Minister on 10 November 2025, provides a coordinated national approach to reducing unnecessary regulatory and administrative burdens across all spheres of government, with particular emphasis on improving municipal service delivery related to business operations. While the Framework establishes a strong policy foundation, its implementation requires robust, evidence-based analysis to inform prioritisation, sequencing and monitoring of interventions.
- 2.4. Municipal business licensing processes represent a critical gateway for business entry into the formal economy and a key interface between entrepreneurs and the state. However, there is currently no consolidated, comparative assessment of how these processes operate across municipalities, nor an evaluation of their alignment with the principles of the RTR Framework.

3. PROBLEM STATEMENT

- 1.1. Despite the policy intent of the RTR Framework, municipal business licensing processes continue to impose disproportionate compliance costs and administrative burdens on MSMEs, Co-operatives and informal businesses. These challenges include inconsistent application of licensing requirements, duplication of documentation, limited digitalisation, unclear service standards and fragmented regulatory oversight.
- 1.2. Whilst the effects of regulation on small businesses vary depending on their sector, size, formalization and regional localization¹, regulatory burdens are high in South Africa with complexity of regulatory and bureaucratic procedures (OECD,2017). Additionally, sector specific requirements for licensing and permits are barriers to entry for these markets².
- 1.3. The absence of a systematic, cross-provincial comparative analysis limits DSBD's ability to identify structural bottlenecks, benchmark good practices and prioritise targeted red tape reduction interventions. Without such evidence, implementation of the RTR Framework risks being uneven and insufficiently responsive to the operational realities faced by businesses at municipal level.

4. RATIONALE

- 4.1. In response to the problem statement, DSBD seeks to commission a rapid and comprehensive comparative study on red tape reduction, with a specific focus on municipal business licensing processes and systems.
- 4.2. The study will provide DSBD with an evidence-based understanding of regulatory and administrative burdens experienced by MSMEs, Co-operatives and informal businesses across provinces and municipalities. By identifying inefficiencies, variations and good practices, the study will support informed decision-making, strengthen intergovernmental coordination and enhance the operationalisation of the RTR Framework.

¹ Department of Small Business Development. 2017. Regulatory Burden on Small Business: Options for Improvement.

² The Organization for Economic Co-operation and Development.2017.Issues for Discussion South Africa 2017 report.

5 OBJECTIVES OF THE STUDY

The objectives of the assignment are to:

5.1 Undertake Provincial-Level Research:

Conduct a comprehensive study across all nine provinces, selecting **4–5 district municipalities per province**, to assess licensing practices and identify administrative bottlenecks impacting MSMEs, Co-operatives and informal businesses.

5.2 Map Licensing Requirements Across Sectors:

Examine key sectors that require business licenses and gather detailed information on:

- **Average timeframes** for issuing licenses.
- **Direct and indirect costs** associated with obtaining licenses.
- **Number and complexity of forms** required for applications.
- **Volume of regulations and legislative instruments** businesses must comply with to secure a license.

5.3 Evaluate Compliance Burden and Efficiency:

Analyse how current licensing processes align with the principles of the Red Tape Reduction Framework, focusing on simplification, proportionality, and cost-effectiveness

5.4 Provide Evidence-Based Recommendations:

Develop actionable proposals to streamline licensing procedures, reduce compliance costs, and promote digital integration, ensuring a more enabling environment for small businesses and informal traders.

6. RESEARCH METHODOLOGY

The research study will employ a mix of qualitative and quantitative research methods, along with industry and market analysis tools. The methodology will be designed to ensure objectivity and comprehensive coverage of the subject matter.

- 6.1. **Desktop and Regulatory Review:** Conduct a systematic review of applicable legislation, policies, municipal by-laws, guidelines and existing studies relevant to business licensing and red tape reduction at local government level.
- 6.2. **Stakeholder engagements:** Engage with key stakeholders, including municipal officials, regulatory and enforcement authorities, MSMEs, Co-operatives, informal businesses,

business associations and relevant government entities, to obtain insights into licensing processes, compliance requirements and support mechanisms.

- 6.3. **Benchmarking Analysis:** Undertake benchmarking of municipal business licensing processes across selected municipalities to identify variations, inefficiencies and good practices, including comparison against national policy objectives and, where relevant, recognised best practices.
- 6.4. **Administrative Burden and Efficiency Analysis:** Analyse administrative requirements associated with business licensing, including documentation, turnaround times, costs and procedural complexity, to assess the compliance burden imposed on MSMEs, Co-operatives and informal businesses.
- 6.5. **Comparative analysis:** Conduct a comparative analysis of municipal licensing systems and practices across provinces and municipalities, with an emphasis on identifying systemic bottlenecks, regulatory inconsistencies and barriers to business entry and formalisation.
- 6.6. **Trend and Cross-Cutting Issues Analysis:** Identify cross-cutting issues, emerging trends and sector-specific challenges affecting municipal licensing processes, including the extent of digitalisation, institutional coordination and alignment with the principles of the Red Tape Reduction Framework.

In addition to the proposed methodology, the appointed Service Provider will be required to further elaborate on and finalise the methodological approach in the inception report.

The sampling approach must take into account geographical diversity, including urban, township and rural municipalities, as well as the range of businesses affected by municipal licensing requirements.

7. SPECIFICATIONS/SCOPE OF WORK

The service provider, with the necessary expertise and capacity will be required to undertake the following activities:

7.1 Data Collection and Organization

- Obtain data on the RTR study from DSBD.
- Collect data from the sampled municipalities.
- Collect and review all relevant documentation provided by DSBD.
- Conduct additional desktop research where necessary to address information gaps.

- The sampling approach must ensure representation of economically diverse municipalities, including urban, township and rural contexts.

7.2 Analysis and Framework Development

- Develop an analytical framework for comparing research inputs.
- Analyze the data using relevant analytical methods.
- Categorize responses, Identify cross-cutting issues, sector-specific concerns, and major trends.

7.3 Reporting and Synthesis

The provider must deliver the following:

7.3.1 Inception Report

The service provider must submit an inception report within two (2) weeks of appointment, the finalized methodology, sampling approach, stakeholder engagement plan, data-collection tools, workplan and quality assurance processes.

7.3.2 Consolidated Analysis Report, produce a comprehensive comparative analysis report, including key findings and recommendations, including but not limited to:

- Executive Summary
- Introduction and Background
- Methodological Approach
- Overview of Research Reviewed
- Comparative Analysis of Research Inputs
- Key findings
- Assessment of Policy and Implementation Implications
- Identification of Gaps, Risks, and Opportunities
- Lessons Learned and Best Practices
- Recommendations
- Conclusion
- Appendices

7.3.3 Presentation and validation

Present findings to DSBD and relevant stakeholders summarizing key issues and recommendations.

7.3.4 Finalization

Submit a final report incorporating feedback.

7.3.5 Technical support, including participation in DSBD internal meetings where analysis of RTR framework research is required.

8. PROJECT OUTPUTS/ KEY DELIVERABLES

The following deliverables will be expected from the appointed service provider:

Deliverable	Description	Timeframe
Inception report/Project plan	Methodology, analytical framework, and workplan.	One Week
Report on Data gathering and Analysis	Collect data and perform comparative analysis using appropriate analytical techniques.	Four Weeks
Draft Comparative Analysis Report	Preliminary findings and recommendations.	One week
PowerPoint summary presentation	Summarizing analysis and implications.	One week
Final Comparative Analysis Report	Comprehensive report that includes policy recommendations and best practices; submitted in editable and PDF formats.	One week

The overall duration of the study is expected to be two (2) months. The service provider should produce the project plan demonstrating the deliverables in the Table above.

9. DSBD OBLIGATIONS

- 9.1. Communicate with the service provider appointed regarding matters pertaining to the project.
- 9.2. Schedule weekly progress meetings for timely updates, track milestones, and address challenges (if any).
- 9.3. The project leader will review, evaluate, and approve the services provided by consultants or researchers against the Service Level Agreement on an ongoing basis.
- 9.4. Provide all necessary support, information, and documents.
- 9.5. Manage the project by continuously checking up on the service provider on the project deliverables and timelines.
- 9.6. Provide timeframes to the service provider for the completion of the work.

10. SERVICE PROVIDER OBLIGATIONS

- 10.1. The service provider undertakes to act as independent contractors in respect of the work.
- 10.2. Attend meetings with DSBD officials whenever required to do so for the purpose of obtaining information or advice regarding the work and assignments or for discussing any matters arising from or in connection therewith.
- 10.3. The service provider is responsible for its computers and its technical infrastructure to adequately perform their functions.
- 10.4. The service provider shall exercise all reasonable skills, care, and diligence in the execution of the work and shall carry out their obligations in accordance with international professional standards.
- 10.5. The service provider shall act as a faithful advisor to the DSBD and respect the laws and customs of the country and provinces in which any business in relation to the project is conducted.
- 10.6. The service provider will be required to transfer skills to the DSBD employees during the execution of this project. The areas of skills transfer include statistical and economic analysis and data collection. The DSBD Project Manager will closely monitor the implementation and progress of skills transfer to the employees.
- 10.7. The service provider needs to identify key risks, and mitigation plans to respond to deliverables.

11. CONTRACT PERIOD

- 11.1. The scope of work should be completed **within two (2) months** from the commencement of the contract.

12. DSBD: PRICE AND SPECIFIC GOALS

- 12.1. Please note that, only service providers that have fulfilled all requirements as per the **Mandatory Requirements Compliance Checklist** on functionality will be evaluated on Price and Specific Goals contribution

The bid price must be inclusive of VAT and quoted in RSA currency.

	80/20 PRINCIPLE	POINTS
1	PRICE	80
2	SPECIFIC GOALS STATUS LEVEL OF CONTRIBUTION	20
	MAXIMUM POINTS	100

Only qualifying quotations will be evaluated for 80/20 preference points, in terms of the preference point system described in the PPPFA.

Specific goals for the tender and points claimed are indicated per the table below.
Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Enterprise Ownership	2	

(Evidence certificate and CSD report) BBEEE B- Black W- Women D- Disability Y- Youth	Level 1 = 2 pts Level 2 = 1,75 pts Level 3 = 1,5 pts Level 4 = 1,25 pts Level 5 = 1 pts Level 6 = 0,75 pts Level 7 = 0,5 pts Level 8 = 0,25 pts Non-compliant contributor= 0	
Size of Enterprise (MSMEs): MICRO, SMALL, MEDIUM ENTERPRISES	8	
	Micro = 8 Small = 5,6 Medium = 3,2 Large = 0,8	
Spatial (Rural/ Township/ City)	4	
	Rural = 4 Township = 2,4 City = 0,8	
Youth and Non-Youth	6	

13. MANDATORY REQUIREMENTS

In responding to this request, the service provider needs to provide:

- SCM documents – SBD 4 and SBD 6.1 forms and CSD information
- Items listed in the checklist below;

MANDATORY REQUIREMENTS COMPLIANCE CHECKLIST

No	COMPLIANCE REQUIREMENTS	YES	NO
1.	Understanding of the project scope		
2.	Relevant experience – Expertise and knowledge of the requested services (CV of expert)		
1.1.	Relevant experience – Research (CV of expert/team)		
1.2.	Relevant experience – Small Businesses (CV of expert/team)		
1.3.	Relevant experience – government policy development (CV of expert/team)		
1.4.	Relevant experience – Intergovernmental collaboration and working with local government (CV of expert/team)		
1.5.	Costing – all inclusive		

14. TERMS AND CONDITIONS

- 14.1. Only fully compliant National Treasury's Central Supplier Database (CSD) registered service provider's proposals will be considered.
- 14.2. The completed SBD 4 and 6.1 documents attached to this RFP must be completed and returned with the quotation.
- 14.3. No late quotations will be accepted under any circumstances.
- 14.4. Service provider must complete and return all the required documents, failing which the quotation will be declared invalid.

15. ENQUIRIES

Below are the contact details for all bid related enquiries. Electronic communication will be preferred:

QUERY	NAME	CONTACT DETAILS
Technical	Ms. Thulisile Khoza	Email: TKhoza@dsbd.gov.za Telephone: 077 600 3249
	Ms. Letta Kaseke	LKaseke@DSBD.gov.za 082 520 6525
	Mr. Thembani Masinge	TMasinge@DSBD.gov.za

		064 406 4529
Direct all supply chain questions dsbdtenders@dsbd.gov.za	Mr. I Chabalala	012 394 3014
	Ms. Rudzani Matodzi,	012 394 3014
	Mr. Nhlakanipho Msane	NMsane@dsbd.gov.za 012 394 3014
	Ms. Jene Kekana	012 394 3014

Please note this checklist must be completed and submitted together with the **Financial Proposal**.

Document that must be submitted	Provided (Yes/No) <i>Non-submission may result in disqualification</i>	
Declaration of Interest – SBD 4	YES/NO	Complete and sign the supplied pro forma document
Preference Point Claim Form – SBD 6.1	YES/NO	Non-declaration and non-submission of the Sworn Affidavit and a valid BEE Certificate issued by a SANAS Accredited supplier will lead to a zero (0) score on BBBEE
Registration on Central Supplier Database (CSD)	YES/NO	The Service Provider must be registered on the CSD. If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Submit proof of registration.
Functional Proposal including Mandatory documents	YES/NO	Submit a functional proposal in line with the Terms of Reference including the SBD documents above.
Pricing Schedule	YES/NO	Submit full details of the pricing proposal

ToR Checked

YES ☒

NO ☐

Thembani Masinge



Name: Mr. Thembani Masinge

Director: Business Efficiency and Effectiveness Optimisation

Date: 29 January 2026

ToR Checked

YES



NO



NOMVULA MAKGOTLHO

SIGNIFLOW®

Name: Ms. Nomvula Makgotlho

Designation: Chief Director: Intergovernmental Relations and Business Efficiency

Branch: Sector Policy and Research

Date: 29 January 2026

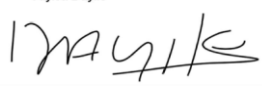
ToR Approved

YES



NO



Vuyisa Dayile

SIGNIFLOW®

Name: Mr. Vuyisa Dayile

Designation: Deputy Director-General

Branch: Sector Policy and Research

Date: 29 January 2026