



TSWELOPELE

LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS

AMENDMENTS / ADDENDUM [06 MAY 2020]

REQUEST FOR PROPOSAL [RFP/TSW01/2019-2020: PROPOSAL FOR COMPILATION OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENTS AND ASSET REGISTER FOR FINANCIAL YEAR 2019-2020] DUE TO COVID-19 PANDEMIC

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1. ORIGINAL ADVERT [CALL FOR PROPOSALS]

REQUEST FOR PROPOSAL RFP/TSW01/2019-2020: PROPOSAL FOR COMPILATION OF GRAP COMPLIANT ANNUAL FINANCIAL STATEMENTS AND ASSET REGISTER FOR FINANCIAL YEAR 2019-2020

Proposals are hereby invited from suitably accredited service providers to assist Tswelopele Local Municipality to compile GRAP Compliant Annual Financial Statements and Asset Register for the 2019-2020 financial year (oversight on auditor General enquiries and Audit, training relevant personnel and compiling GRAP Compliant Financial Statements and Asset Register).

Proposals marked "Annual Financial Statements and Assets Register" for the attention of the Municipal Manager must be submitted in a sealed envelope marked "**RFP/TSW01/2019-2020**" and be deposited in the tender box located at Tswelopele Local Municipality no later than Friday, 03 April 2020 12H00 at the following physical address: Tswelopele Local Municipality Offices, 01 Bosman Street, Civic Centre, Bultfontein, 9670.

The proposal will be evaluated and adjudicated in line with the approved Supply Chain Management Policy of the municipality using the following: Bidders will first be evaluated on functionality to determine their responsiveness and suitability to the municipal/tender requirements and lastly, bidders will be evaluated Stage 2 - 80/20 preference point system (80 points= price and 20 points= preference points as per BBBEE) in line with the Preferential Procurement Policy Framework Act.

Terms of reference are placed on the website www.tswelopele.gov.za from 22nd of March 2020. Proposals which are late or submitted by facsimile or electronically will not be accepted. The municipality does not bind itself to accept the lowest or any proposal and reserves the right to accept any proposal either wholly or a part thereof or to disclose reasons for their decision.

Enquiries can be directed C Ndlovu (Manager: Expenditure and Payroll) and PJ Loape (Supply chain management Practitioner) during office hours at 051 8531111.

Municipal Manager
MRE Mogopdi.

2. ADDENDUM TO THE ORIGINAL ADVERT

- 2.1. The original advert [call for proposal] as advertised in the Daily Sun newspaper of 20 March 2020 and other platforms as directed by procurement legislation is hereby repealed as far as the contents relates to the closing date and procedure for submission of proposal. Other matters on the advert still remain valid;
- 2.2. The first addendum as published in the Daily Sun newspaper of 24 March 2020, is hereby repealed as far the contents relates to the closing date for submission of proposals;
- 2.3. The contents contained below therefore takes precedent with effect from the 05 May 2020 [more specifically on submission of proposals];

3. CHANGES FROM THE ORIGINAL DOCUMENT

- 3.1. There are strictly no changes to the TOR or evaluation / adjudication criteria as initially published in March 2020;
- 3.2. Changes from the original document are informed mainly by:
 - 3.2.1. Giving guidance / directive in terms of submission of proposal under Covid-19
 - 3.2.2. Explain [address] some of the clarity seeking question [requests] that were received from PSP during the initial advert.
- 3.3. For ease of reference, changes from the previous documents are underlined in this document [except normal formatting / layout of the document].

4. OVERALL OBJECTIVES

- 4.1. In awarding this proposal, the Tswelopele Local Municipality expects to, at minimum, achieve the following objectives:

- 4.1.1. Compile Annual Financial Statements (AFS) [including Fixed Asset Register (FAR)] for the 2019/20 financial year that fully complies with the applicable Generally Recognized Accounting Practice (GRAP) standards;
 - 4.1.2. Improved audit evidence and well prepared audit files in line with the National Treasury guidelines;
 - 4.1.3. Skills transfer to key employees within municipality who will be seconded to the project;
 - 4.1.4. Improve on the current audit opinion (i.e. qualified audit opinion for 2018/19: mainly PPE and IP).
- 4.2. Prospective Service Provider (PSP) must demonstrate specific experience in providing the services required by Tswelopele Municipality with regard to AFS/FAR preparation. Furthermore, PSPs must demonstrate that they have a proven track record in compiling AFS/FAR for municipalities, more specifically for local municipalities.

5. REQUIRED DOCUMENTS

- 5.1. PSP are requested to submit the following documents together with the proposals:
 - 5.1.1. Certified copy of the company registration certificate / CK Forms / Certificate of Incorporation (certified by SAPS or a duly authorised person / body) reflecting active members (except for sole-traders and partnerships) must be attached;
 - 5.1.2. Valid company Tax Clearance Certificate must be attached (CSD Pin maybe requested at a later stage and PSP are advised to ensure continuous compliance with CSD on tax matters;
 - 5.1.3. A valid Broad Based Black Economic Empowerment Certificate or sworn affidavit [in cases where PSP wants to claim BBBEEA points];
 - 5.1.4. Evidence that municipal rates and taxes are not in arrears for more than three months for both the company and its registered Directors (this should be for any registered office, not necessarily within Tswelopele municipality i.e. if you

have a registered office in Bloemfontein, submit an account from Mangaung Metro) or a lease agreement where the Service Provider is leasing offices [with a clear indication that rates and taxes are included in the lease/rental payments].

- 5.1.5. A company profile including details and reference of where similar work has been undertaken, in Municipalities of the similar capacity (specifically local municipalities);
- 5.1.6. Reference letters [from various municipalities] in that confirms that the officials to be seconded to the project have compiled AFS / FAR must be attached for the purpose of claiming points for functionality.
- 5.1.7. MBD forms submission is a requirement and such forms are obtainable on the Municipal Website [www.tswelopele.gov.za – Home – Documents – MFMA Documents - Supply chain Management - SCM Forms – MBD Forms (i.e MBD 1, MBD 2, MBD 3.1, MBD 3.2, MBD 3.3, MBD 4, MBD 6.1, MBD 7.1, MBD 7.2, and MBD 9)]
- 5.2. Proposals submitted must include a project plan in the form of a Gantt Chart detailing key activities and tasks with key milestones and projected dates of delivery, taking into account legislated dates;
- 5.3. It is the intention of the Municipality to finalise the evaluation / adjudication processes and issue an appointment letter by 01 June 2020. As such project plan must be considered from this date (PSPs that had developed their plans based on initial date of 30 April 2020 will not be eliminated). However, PSP must indicate the time frame for each deliverable as monitoring compliance with the schedule will be based on the number hours/days allocated per deliverable;
- 5.4. PSP must develop a Gantt Chart in line with the legislated dates for submission of AFS to the Auditor General. No assumption should be made at this stage that there will be an extension in terms of submission as a result of Covid-19. Should an extension be granted, such will be considered then, with the appointed service provider.

- 5.5. PSP must indicate the Team that will be seconded to this project by at least indicating their names; qualifications and relevant experience in terms of similar assignments / projects (please take note that this team must be available on full time basis from date of appointment till conclusion of the audit). Summarised Curriculum Vitae of officials to be seconded to this project must be submitted together with the proposal, specifically highlighting where similar work has been undertaken;
- 5.6. Assessment will be done on an individual basis as far as experience is concerned (i.e. the employee to be assigned to the project to eliminate the instances where a company with a good track record on this assignment, assign individuals/employees with limited experience to the municipality). Experience of a company [as a juristic person] will also be considered as methodologies used by the company in previous similar work maybe vested in the company.
- 5.7. Detailed skills transfer program for the purpose of skills transfer to municipal officials who will be seconded to this project. At a minimum, the Municipality will avail relevant officials for the purpose of skills transfer on all deliverable [i.e. debtors; creditors; PPE; etc];

6. OTHER IMPORTANT MATTERS

- 6.1. Only one proposal per PSP will be considered. Accordingly, the electronic documents to be submitted and the subsequent hard copies must be the same. In instances where there are differences, PSP will be eliminated from the process [if there is a difference between the electronic and manual/hard copy submission, such will be considered dual submission and the PSP will be eliminated];
- 6.2. The PSP can choose to undertake all or some of the requirements for this project (i.e. undertake to do FAR only or AFS components that exclude FAR). Evaluation for FAR and AFS will be done separately;
- 6.3. Should the need arise, your company will also be expected to present its proposal to the Municipality at the date, time and place which will be determined by the municipality should your company be short-listed. Travelling cost to this effect will be borne by the PSP [and shall not form part of the reimbursement];

- 6.4. If your company is successful, it will be expected to enter into a Service Level Agreement with the Municipality, prior to commencement of the work. The Municipality reserves the right to cancel the appointment made with a Service Provider who is not willing to conclude a Service Level Agreement with the Municipality in this regard. It is specifically recorded that the terms of appointment are those of the municipality and as such the agreement to be concluded will be provided by the municipality;
- 6.5. No faxed [e-mailed submission will be accepted due to Covid-19 pandemic] proposals will be accepted and the municipality is not bound to accept the lowest proposal and reserves the right to accept the proposal wholly or partially;
- 6.6. PSPs who are not registered on the Central Supplier Database are urged to urgently register as such [non-registration will lead to disqualification] and should further update their status on regular basis [especially regarding tax matters];
- 6.7. Failure to comply with the above mentioned conditions may invalidate your proposal.

7. SCOPE OF WORK

- 7.1. The scope of work is divided mainly into two components, namely Fixed Asset Register [FAR] component and AFS component (excluding assets). This is to ensure that PSPs submit proposals for the component that they are specialising with;
- 7.2. Therefore, the scope of the work entails review/compilation/updating of the Fixed Asset Register for the 2019/20 financial year to ensure that FAR meets all the assertions on assets (i.e. ownership, existence, completeness; valuation, etc);

NB. As far as possible, the intention is not to split the service (i.e. no splitting of assets work into movables and immovable). However, PSP can submit proposal for FAR only or AFS component only or both. The successful Service Provider for FAR component will be responsible for providing AFS disclosures regarding assets to the Service Provider of the AFS component [in cases where these are done by two different Service Providers].
- 7.3. The project will entail detailed analysis and correction of specific problems (i.e. misallocations, known-errors, etc.);

- 7.4. Review of the financial records and assistance with adjusting journals to ensure accuracy / correctness of the Trial Balance figures;
- 7.5. Assist with the year-end stock count (including Game / Livestock which is situated in both Bultfontein and Hoopstad);
- 7.6. Draft set of AFS must be ready by Friday, 14th August 2020 for submission to the Audit Committee/Internal Audit Unit for review;
- 7.7. Compile the AFS for 2019/20 for submission to Auditor General of South Africa by Monday, 31 August 2020;

NB – The service provider will be required to submit cover letter addressed to the municipality by the Reviewer of the AFS attesting to the accuracy of the Annual Financial Statements based on information made available by the municipality and that any errors identified by him/her and municipality have been corrected to his/her satisfaction. Such cover letter will also be expected for the Service Provider of the FAR project. This is done as they may be tendencies by some Service Providers not to thoroughly review the AFS/FAR before submission to auditors with the intention of effecting corrections during audit.

- 7.8. AFS (including notes, workings and schedules) will have to be compiled / done on CaseWare software which will be provided by the municipality. Therefore, it is essential that PSP is well conversant with this software. See evaluation criteria on this aspect under functionality assessment;
- 7.9. Compilation of an audit files for 2019/20 in line with National Treasury guidelines;
- 7.10. Addressing audit queries raised by Auditor General during audit (that is on the 2019/20 AFS) and adjust accordingly where necessary / as agreed upon with the AGSA;
- 7.11. Detailed skills transfer program for the purpose of skills transfer to municipal officials who will be seconded to this project.

8. ALLOCATION OF HOURS TO THE PROJECT

- 8.1. The municipality has noted instances of Service Providers allocating very limited hours [which results in lower costing for the project at the submission stage] on projects of this nature. However, such hours gets exhausted during the implementation phase and Service Providers raise additional invoices based on the extra hours. The extra hours result in the tendered amount [which was used to determine the lowest acceptable tender] being exceeded. Thus the possibility of irregular expenditure exists;
- 8.2. Thus it is important that PSP focus the total costs of providing the service. For example, with a submission at a cost of R750 000, PSP will be expected to provide the required services at a cost of up to R750 000 [irrespective of the number of hours utilised];
- 8.3. Below is sample of hours that were utilised during the 2018/19 financial year. This excludes hours for the compilation of the FAR.

HOURS DURING 2019 FOR AFS PROJECT		
Period	Senior [CA(SA)] hours	Junior hours
May	126,75	127,50
June	118,00	101,00
July	102,00	144,00
Aug	168,00	112,00
Sep	47,00	-
Oct	53,00	-
Nov	56,00	-
TOTAL HOURS	670,75	484,50

- 8.4. The above is an illustrative purposes only. PSP must still estimates hours based on the skills and experience of the consultant to be seconded to the project. Furthermore, note should be taken that the proposal may be awarded only in June [with only one month towards year end].

9. COSTING AND EVALUATION OF THE PROPOSAL

- 9.1. PSPs are requested to follow the model below so that proposals can easily be comparable:

Part 1: Fixed Assets (excl. AFS) Rxxx xxx
VAT (where applicable) R xx xxx

Total	Rxxx xxx
Disbursements	<u>R xx xxx</u>
Total cost	Rxxx xxx

Part 2: AFS Component (excl. FAR) Rxxx xxx

VAT (where applicable)	<u>R xx xxx</u>
Total	Rxxx xxx
Disbursements	<u>R xx xxx</u>
Total cost	Rxxx xxx

- 9.2. PSP are at liberty to submit proposal that covers both Part 1 and Part 2 as indicated above or to submit proposal for just one Part. Disbursements / travelling costs shall be kept to actual costs (up to maximum of 10% of the Total). The onus rests with the PSP to provide original proof of expenditure. Failure to prove actual expenditure may result in the claim being rejected.
- 9.3. PSP who submit proposal for FAR must also include cost for 'provision on landfill sites'; deeds download; etc. in their total costs. PSP will be expected to share the complete set of information regarding the 'deeds download' so to minimise costs/duplication on related services such as valuation roll.
- 9.4. PSP who submit proposal for AFS must make provision to pay for GRAP 25 reports from their own funds and they will be reimbursed on actual cost [plus VAT] by the municipality. The municipality reserves the right into which Service Provider will be used [appointed];
- 9.5. PSP must provide the total cost of the project and not provide estimates as this make it difficult to compare prices during evaluation. For example, a PSP who quote R750 000 and then indicate/states that "additional hours will be billed at actual costs" [to which cost to such hours cannot be determined at the evaluation stage will be eliminated]. Thus, if PSP quote R750 000, the project must be executed fully at the maximum cost of R750 000. Therefore, if the total price for the services cannot be determined at the evaluation stage, PSP will be regarded as non-responsive and be eliminated.

- 9.6. For each and every invoice submitted, the Municipality reserves the right to retain 10% of the invoice value [excluding VAT]. This amount will be paid out accordingly after submission of the 'close-out report'. This will exclude GRAP 25 reports, which will be paid at cost and disbursements.
- 9.7. It should be noted that the 10% retention will also be used as part of consequence management. In this regard, the retention may not be paid out at the end of the project should there be obvious errors in the audit report qualifications (if any) that could have been avoided if due care and diligence was exercised by the PSP. The retention maybe used to correct such discrepancies by the appointed Service Provider or another Service Provider [where the appointed Service Provider is unable to do so].
- 9.8. Travelling / claim for kilometres must be quoted at the rates as provided by the Department of Transport on a month-to month basis for 'private vehicles'.
- 9.9. Criteria to determine functionality will entail: qualification and skills based on project personnel's curriculum vitae; reference of similar work / general experience in compilation of FAR/AFS; experience in compiling FAR/AFS specifically for local municipality; methodology of compiling the AFS/FAR, preparation of the audit file and skills transfer plan; etc. [the full details are entailed in the latter part of this section].
- 9.10. All invoices will be accompanied by a Progress Report and the Municipality has up to 30 days to make payment (from date of receipt of invoice and not from invoice date as Service Provider sometimes fail to submit invoices on time);
- 9.11. PSP will be subjected to functionality and technical capability / ability of the PSP to perform / render the required services successfully. PSPs who scores less than 70% at this stage will not qualify for the next stage;
- 9.12. The municipality understands that companies [as juristic persons] do not compile AFS/FAR but the individual employees [natural person] compile AFS/FAR. Accordingly, major emphasis will be on the individual employees to be seconded to the project. This is to guard against companies which have a proven track record over the years, to which there is no more adequate skills/personnel to sustain such. Nonetheless, the municipality also understand that companies [juristic person] may hold methodologies that have proven to be successful ito AFS/FAR compilation. Accordingly, such will also be considered in the evaluation/adjudication.

10. FUNCTIONALITY REQUIREMENT [AFS]

10.1. The following is the evaluation criteria for functionality on the AFS Component

EVALUATION CRITERIA ON FUNCTIONALITY FOR ANNUAL FINANCIAL STATEMENTS COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAX.SCORE
1. Qualification and skills based on Project Personnel's CV [Individuals to be seconded to Tswelopele Municipality]	To award the compilation of the AFS to experienced Companies / Individuals with the view of producing credible set of AFS that comply with GRAP requirements [thereby eliminate material adjustments during the audit]	- 1 point for a Jnr Consultant;	4	5	100
		- 2 points for 2 Jnr Consultants;	8		
		- 3 points for 1 Chartered Accountant;	12		
		- 4 Points for a Chartered Account & 1 or 2 Jnr Consultants and	16		
		- 5 points for 2 or more Chartered Accountants and 1 or 2 Jnr Consultants.	20		
NB: The CV must highlight the personal details of the officials/consultant to be seconded to this project. Main focus must be on the qualification and experience in compilation of annual financial statements for local municipalities.					
2. Reference to similar work / general experience in compilation of AFS for local municipality in the last five years. [NB: this is specifically to the officials to be seconded to the project]. Attach reference letters which confirm that the officials to be seconded to the project have	To ensure that the appointed Service Provider/Individual has adequate track record/experience in compilation of AFS for local municipalities	- 1 Point: Compiled AFS for 1 entity / one financial year	2	5	
		- 2 Points: Compiled AFS for 2 entities / two financial years	4		
		- 3 Points: Compiled AFS for 3 entities / three financial years	6		
		- 4 Points: Compiled AFS for 4 entities / four financial years	8		

has compiled AFS for entity in concern [contact details must be provided for the relevant entity].		- 5 Points: Compiled AFS for 5 and more entities / more than five financial years	10		50
NB: Highlight instances [for each Consultant to be seconded to the project] where the Consultant has compiled AFS for local municipalities [financial years must clearly be indicated]. The reference letter must come from the entity/municipality and clearly show the financial years in this regard.					
3. Knowledge and experience ito using the information technology systems [Munsoft Financial System and CaseWare System]	To ensure that companies/individuals with knowledge ito of using the Munsoft Financial System and CaseWare System as these are critical.	- 1 Point: having compiled AFS for one financial year where both systems [Munsoft & CaseWare] were used pre-mSCOA implementation	5	5	75
		- 3 Points: having compiled AFS for one financial year where both systems [Munsoft & CaseWare] were used post-mSCOA implementation	10		
		- 5 Points: having compiled AFS for two financial year where both systems [Munsoft & CaseWare] were used post-mSCOA implementation	15		
NB: The municipality is using Munsoft Financial System as its main financial system and it's important that the Consultant to be seconded to the project possess an 'above average' knowledge of the system to retrieve reports from the system. Furthermore, it is the COGTA / municipal directive that AFS must be done from CaseWare and the Consultant to be seconded to the project possess an 'above average' knowledge of CaseWare.					

4. Time schedule with clear deadlines to the deliverables (including adequate allocation of hours during the implementation/compilation phase)	To award the proposal to companies/individuals who will meet/archive critical due dates to ensure that AFS are submitted on time to Audit Committee / Internal Audit Unit and Auditor General.	- 1 Points: For companies / individuals who indicate at a minimum number of hours per component of the AFS,	2	5	50
		- 2 Points: For companies / individuals who indicate at a minimum number of hours per component of the AFS, allocating sufficient time for review of the draft set of AFS by their Chartered Accountant,	4		
		- 3 Points: For companies / individuals who indicate at a minimum number of hours per component of the AFS, allocating sufficient time for review of the draft set of AFS by their Chartered Accountant, finalising AFS to enable review by Audit Committee and Internal Audit Unit,	8		

		- 4 Points: For companies / individuals who indicate at a minimum number of hours per component of the AFS, allocating sufficient time for review of the draft set of AFS by their Chartered Accountant, finalising AFS to enable review by Audit Committee and Internal Audit Unit, making provision for submission of the AFS by the legislated date.	10		
NB: PSP must indicate the hours/days that will be allocated per deliverable [i.e. debtors; creditors; revenue; expenditure; etc] such that key deadlines [i.e. submission to Audit Committee; Internal Audit Unit; AGSA; etc] pertaining to AFS are met. At minimum, PSP must use the line items as per the statement of financial positions and statement of financial performance [NB: Use the line items as they appear in 2018/19 AFS for Tswelopele].					
5. Review of the AFS by a qualified Chartered Accountant [other than the person who compiled AFS] who has compiled / reviewed AFS for local municipalities in the last five years.	To ensure that AFS are reviewed by an independent person [qualified Chartered Accountant] to minimise material errors [adjustment during the audit] thereby ensuring / promoting quality AFS.	- 1 Point: Review by a Chartered Accountant who has compiled AFS for local municipalities [1 entity or 1 financial year] in the last 5 years;	3	5	75
		- 2 Points: Review by a Chartered Accountant who has compiled AFS for local municipalities [2 entities or 2 financial years] in the last 5 years;	6		

		- 3 Points: Review by a Chartered Accountant who has compiled AFS for local municipalities [3 entities or 3 financial years] in the last 5 years;	9		
		- 4 Points: Review by a Chartered Accountant who has compiled AFS for local municipalities [4 entities or 4 financial years] in the last 5 years;	12		
		- 5 Points: Review by a Chartered Accountant who has compiled AFS for local municipalities [5 entities or 5 financial years] in the last 5 years	15		
NB: Provision must be made for submission of the draft set of AFS to a qualified Chartered Accountant for review prior to submission to the relevant stakeholders. The cost for this service must be provided for by the PSP in his/her costing. A report by the Reviewer / CA (SA) will be required as a proof of review. Details of the Reviewer must be submitted with proposal as this will form part of the evaluation / adjudication process.					
6. Preparation of the audit file for AFS in line with National Treasury guidelines	To award the proposal to companies/individuals who will be able to compile adequate audit file to support the figures in the AFS when such/AFS are submitted to AGSA.	- 1 Point: For making reference to providing an Audit File	5	5	50
		- 3 Points: Points for making reference to Audit File; providing a detailed methodology on the audit file and committing to provide and electronic audit file to AGSA/Municipality.	10		

NB: Supporting documents for all figures in the AFS must be prepared during the compilation of the AFS process [rather than at the end of the compilation process as this has in many cases led to submission of AFS without supporting documents].

7. Skills transfer plan to municipal employees [including a workshop post the submission of the AFS to address the skills deficiencies that would have been identified by the Service Provider during the compilation process].	To ensure that there is skills transfer to municipal employees to reduce dependency on outsourcing	- 1 point: For making reference to how skills transfer will be done	4	5	50
		- 3 points: For making reference to how skills transfer will be done and making reference to specific areas of skills transfer [informed by gap analysis]	6		
		- 5 points: For making reference to how skills transfer will be done; making reference to specific areas of skills transfer [informed by gap analysis] and for a detailed skills plan with clear timelines.	10		
Total			100 (total Weight)		500(MPS)

NB: The municipality will allocate officials [per component: Creditors, Debtors, Expenditure, Revenue, etc] to the appointed Consultants to whom capacity building and skills transfer must be done. Therefore, each invoice from the Consultants relating to such components must be accompanied by a signed representation by a municipal official that such municipal official has received training on such aspects/areas.

11. FUNCTIONALITY REQUIREMENT [FAR]

11.1. The following is the evaluation criteria for functionality on the FAR Component

11.2. The following projects will be undertaken and prospective PSP will have to engage a Professional Engineer on them with regard to Fixed asset register/unbundling.

11.2.1. Upgrading of Hoopstad waste water work – R75 million

11.2.2. Upgrading Electricity supply and building of switching station – R8.7 million

11.2.3. The construction of a cricket pitch - R6.6 million

11.2.4. The Construction of a 1.3km paved road - R7.9 million

11.2.5. The Construction of 499 toilet structures and sewer reticulation including the pump station - R18.7 million.

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION					
CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
8. Qualification and skills based on Project Personnel's CV [individuals to be seconded to Tswelopele Municipality]	To award the compilation of the FAR to experienced Companies / Individuals with the view of producing credible set of FAR that comply with GRAP requirements [thereby eliminate material adjustments during the audit]	- 1 point for a Jnr Engineer/consultant	4	5	100
		- 2 points for 2 Jnr Engineer /consultant	8		
		- 3 points for 1 Professional Engineer /consultant	12		
		- 4 Points for Professional Engineer & 1 or 2 Jnr Engineer /consultant	16		

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
		- 5 points for 2 or more Professional Engineer/consultant	20		
NB: The CV must highlight the personal details of the officials/consultant to be seconded to this project. Main focus must be on the qualification and experience in compilation of fixed asset register for local municipalities.					
9. Reference to similar work / general experience in compilation of FAR for local municipality in the last five years. [NB: this is specifically to the officials to be seconded to the project]. Attach reference letters which confirm that the officials to be seconded to the project have has compiled FAR for entity in concern [contact details must be provided for the relevant entity].	To ensure that the appointed Service Provider/Individual has adequate track record/experience in compilation of FAR for local municipalities	- 1 Point: Compiled FAR for 1 entity / one financial year	4	5	100
		- 2 Points: Compiled FAR for 2 entities / two financial years	8		
		- 3 Points: Compiled FAR for 3 entities / three financial years	12		
		- 4 Points: Compiled FAR for 4 entities / four financial years	16		
		- 5 Points: Compiled FAR for 5 and more entities / more than five financial years	20		
NB: The municipality is using Munsoft Financial System as its main financial system and its important that the Consultant to be seconded to the project possess an 'above average' knowledge of the system to retrieve reports from the system.					

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
10. Time schedule with clear deadlines into the deliverables (including adequate allocation of hours during the implementation/compilation phase)	To award the proposal to companies/individuals who will meet/archive critical due dates to ensure that FAR are submitted on time to Audit Committee / Internal Audit Unit and Auditor General.	- 1 Points: For companies / individuals who indicate at a minimum number of hours per component of the FAR,	2	5	50
		- 2 Points: allocating sufficient time for review of the draft set of FAR by their Professional Engineer,	4		
		- 3 Points: finalising AFS to enable review by Audit Committee and Internal Audit Unit,	6		
		- 4 Points: making provision for submission of the FAR by the instructed date.	10		

NB: PSP must indicate the hours/days that will be allocated per deliverable [i.e. Infrastructure; Investment Property; Community; etc] such that key deadlines [i.e. submission to Audit Committee; Internal Audit Unit; AGSA; etc] pertaining to FAR are met. At minimum, PSP must use the line items as per the statement of financial positions and statement of financial performance [NB: Use the line items as they appear in 2018/19 AFS for Tswelopele].

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
11. Review of the FAR by a qualified Professional Engineer other than the person who compiled FAR] who has compiled / reviewed FAR for local municipalities in the last five years.	To ensure that FAR are reviewed by an independent person [qualified Professional Engineer to minimise material errors [adjustment during the audit] thereby ensuring / promoting quality FAR.	- 1 Point: Review by a Professional Engineer who has compiled FAR for local municipalities [1 entity or 1 financial year] in the last 5 years;	3	5	75
		- 2 Points: Review by a Professional Engineer who has compiled FAR for local municipalities [2 entities or 2 financial years] in the last 5 years;	6		
		- 3 Points: Review by a Professional Engineer who has compiled FAR for local municipalities [3 entities or 3 financial years] in the last 5 years;	9		

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
		- 4 Points: Review by a Professional Engineer who has compiled FAR for local municipalities [4 entities or 4 financial years] in the last 5 years;	12		
		- 5 Points: Review by a Professional Engineer who has compiled FAR for local municipalities [5 entities or 5 financial years] in the last 5 years	15		
<p>NB: Provision must be made for submission of the draft set of FAR to a qualified Professional Engineer for review prior to submission to the relevant stakeholders. The cost for this service must be provided for by the PSP in his/her costing. A report by the Reviewer / Professional Engineer will be required as a proof of review. Details of the Reviewer must be submitted with proposal as this will form part of the evaluation / adjudication process.</p>					
12. Preparation of the audit file for FAR in line with National Treasury guidelines	To award the proposal to companies/individuals who will be able to compile adequate	Maximum 1 Point: For making reference to providing an Audit File	5	5	50

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
	audit file to support the figures in the FAR when such/FAR are submitted to AGSA.	Maximum 3 Points: Points for making reference to Audit File; providing a detailed methodology on the audit file and committing to provide and electronic audit file to AGSA/Municipality.	10		
NB: Supporting documents for all figures in the FAR must be prepared during the compilation of the FAR process [rather than at the end of the compilation process as this has in many cases led to submission of FAR without supporting documents].					
13. Skills transfer plan to municipal employees [including a workshop post the submission of the FAR to address the skills deficiencies that would have been identified by the Service Provider during the compilation process].	To ensure that there is skills transfer to municipal employees to reduce dependency on outsourcing	- Maximum of 1 point: For making reference to how skills transfer will be done	4	5	50
		- Maximum of 3 points: For making reference to how skills transfer will be done and making reference to specific areas of skills transfer [informed by gap analysis	6		

EVALUATION CRITERIA ON FUNCTIONALITY FOR FIXED ASSET REGISTER COMPILATION

CRITERIA	OBJECTIVE	POINTS ALLOCATION	WEIGHT	VALUE	MAXIMUM POSSIBILITY
		Maximum of 5 points: For making reference to how skills transfer will be done; making reference to specific areas of skills transfer [informed by gap analysis] and for a detailed skills plan with clear timelines.	10		
Total			100(TP)		500(MPS)
<p>NB: The municipality will allocate officials [per component: Infrastructure & Community] to the appointed Consultants to whom capacity building and skills transfer must be done. Therefore, each invoice from the Consultants relating to such components must be accompanied by a signed representation by a municipal official that such municipal official has received training on such aspects/areas.</p>					

12. CLOSING DATE AND TIME [AMENDED DUE TO COVID-19]

- 12.1. Closing date and time have subsequently been reviewed due to Covid-19 [travel restrictions] and the submission is detailed underneath;
 - 12.1.1. The closing date will be on Wednesday, 13 May 2020 at 23H59 for submission of electronic documents;
 - 12.1.2. The closing date will be on Friday, 15 May 2020 at 12H00 for submission of hard copy documents;
- 12.2. It is compulsory for the PSP to submit both electronic and hard copies of the proposal on or before the closing date and time indicate above. Failure to adhere to the time frame indicated above will invalidate your proposal.

13. ELECTRONIC SUBMISSION

- 13.1. Electronic submission of proposal should be as per the date and time indicated above;
- 13.2. Electronic proposal and all returnable documents must be emailed to the following email address [tenders@tswelopele.org];
- 13.3. The onus is on PSP to ensure that his/her proposal reaches the municipality on time. Accordingly, any submission which indicates that documents were received after the closing date and time [irrespective of when they were submitted], will be disqualified;
- 13.4. The above email address [server] can only accommodate/accept e-mails with an attachment of up to 30MB and any mail with attachments above this capacity will/maybe rejected by the server. Therefore, if the attachments exceeds 30MB, PSP are advised to split such attachments such that they are below this capacity [i.e. E-mail: 1 of 5; E-mail: 2 of 5; etc];
- 13.5. Strictly no other forms of electronic submission shall be accepted [fax, dropbox link, download via data sticks; etc]

- 13.6. No acknowledgement of receipt shall be done as access to the above e-mail address shall be granted to the relevant officials only after the closing date and time. It is the responsibility of the PSP to ensure that their electronic and hard copy documents are successfully submitted;

14. HARD COPY [MANUAL] SUBMISSION

- 14.1. The hard copy [manual submission] of the proposal must be submitted on or before the closing date and time indicated above;
- 14.2. Proposals marked “Annual Financial Statements and Assets Register” for the attention of the Municipal Manager must be submitted in a sealed envelope marked “RFP/TSW01/2019-2020” and be deposited in the tender box located at Tswelopele Local Municipality’s Offices situated at 01 Bosman Street, Civic Centre, Bultfontein, 9670;
- 14.3. The tender box is accessible between 08H00 – 16H00 during the week days [submission over the weekends and public holiday is discouraged];
- 14.4. No acknowledgement of receipt shall be done as proposals must be deposited into the tender box [do not submit to municipal officials]

15. ELECTRONIC AND HARD COPY SUBMISSIONS

- 15.1. Note should be taken that submission in both electronic and hardcopy is done as a result of Covid-19 [especially travel restrictions],so that all PSP has an opportunity to submit their proposal;
- 15.2. As indicated earlier that it is compulsory to submit both electronically and in hard copy. Such requirement still stands and needs to be observed;
- 15.3. If there is any difference between electronic submission and the subsequent hard copy, such will be regarded as double submission [and your proposal will not be

evaluated/adjudicated as it is the requirement of this proposal that only one submission per PSP]. Therefore, both submissions must be same [carbon copy of each other];

16. PROPOSAL ALREADY SUBMITTED AS AT 05 MAY 2020

- 16.1. In line with MFMA Circular 102 [paragraph 6.1.7], dated 05 May 2020, PSP who have already submitted their proposal as of 05 May 2020 may not submit new proposals. The hard copies submitted must be substantiated by the electronic copies as indicated in this document.

17. CONTRACTUAL AND REPORTING ARRANGEMENTS

- 17.1. Management of the tasks listed above will be managed as per the description in the relevant Service Level Agreement to be concluded and signed between the municipality and the successful service provider;
- 17.2. With respect to the project, the successful service provider will work with designated Project Sponsor from the municipality including municipal officials who will be seconded to the project for the purpose of skills transfer;
- 17.3. Service Providers must identify a Project Manager that will be duly mandated to represent the successful service provider during the duration of the contract, who will serve as liaison between the Service Provider and the municipality;

Note should be taken that the municipality is the one appointing the Service Provider and that such appointment is subjected to the successful Service Provider concluding a Service Level Agreement with the municipality. The terms and conditions of appointment [including consequence management] will be discussed with the successful Service Provider [and where there is no agreement in this regard, the municipality reserves the right to consider appointing an alternative Service Provider who will undertake provision of these services under the same terms and conditions].

18. REPORTS

- 18.1. Progress reports will be submitted every week by Friday [or Monday] from the date of appointment until the end of August 2020 [or till submission date] when the AFS / FAR is submitted;
- 18.2. Progress report should compare the actual performance against the planned performance as detailed in the project plan to determine if the process is on track to meet the agreed upon time frames [deadlines];
- 18.3. Ad hoc reports may be requested by the Municipal Manager / Chief Financial Officer / Directors at given time during the duration of the project;
- 18.4. Close-out Report will be required as determined in Service Level Agreements, immediately after the AFS / FAR register is submitted to the AGSA in August 2020 [this report must highlight the risk areas identified and recommendations on how such should be managed during the audit period] and Final Close-out Report must be submitted to the municipality immediately after the Audit Report [audit opinion] has been issued by AGSA at the end of November 2020 [this should include recommendations on how the municipality can maintain/improve the audit outcome that would have been issued by AGSA].

19. CONTRIBUTION BY THE MUNICIPALITY

- 19.1. The municipality will provide working space for the successful Service Provider;
- 19.2. Provide the relevant information and access to key officials to enable the successful Service Provider to complete their tasks;
- 19.3. Make available staff to be seconded to the project for skills transfer purposes;
- 19.4. The Municipality will not be making available the Management Report and Fixed Asset Register to any PSPs [as requested by some PSP] due to risk factors associated with such documents being in the public domain. Only the signed audit report and audited Annual Financial Statements will be made available. The later are already in the public domain [municipal website inside the annual report]. Final MR and FAR will only be shared with the successful Service Provider.

(NB: full details regarding the obligations of the successful service provider and that of the municipality will be included in the Service Level Agreement).

MRE. Mogopodi
Municipal Manager

Date: _____