

**Competent and experienced PMU Service Providers are hereby invited to tender for
Contract No. SCMRFP 07/2017/18**

**Proposals for the Establishment of a Project Management Unit for MIG Programme
2017/18/19/20**

The Nongoma Municipality is responsible for the provision of infrastructure to the communities falling under its entire area of jurisdiction. The Nongoma Municipality, in its capacity as a Local Municipality receives funding from the Municipal Infrastructure Grant for the implementation of local Infrastructure projects.

The procedure for evaluation of responsive tender offers will be Method 4: Financial Offer, Quality and Preferences.

F.3.11 Evaluation of Tender Offers

F.3.11.1 Method 4: Quality, Financial Offer and Preferences

Evaluation will be done using a two stage process in terms of National Treasury Circular No. 53. The procedure to be used for the allocation of points of responsive bids will be Method 4 with the 80/20 Preference Point System. Bids shall be scored for quality on stage one only to pre-qualify bids and only those bids that meet the specified minimum 75% total score for quality shall be considered further on stage two where they will then be evaluated on the basis of the 80/20 Preference Points System.

F.3.11.3 Stage 1: Scoring quality (functionality)

Only service providers who will achieve a minimum score of 75 % of the total available points will qualify for stage two of the evaluation.

The criteria to be used to evaluate the proposals for functionality (stage 1) will be as follows:

Points

- | | |
|--------------------------------------|-----|
| 1. Experience of Key Personnel | =20 |
| 2. Proven track record of Enterprise | =20 |
| 3. Methodology | =10 |

The quality criteria and maximum score in respect of each of the criteria are as follows:

- 1. A maximum of 20 points will be awarded for relevant qualifications and experience of key personnel.** Key personnel will score full points if they hold an academic qualification and/or at least 3 years' experience in the position. Curriculum

vitae of each personnel to be attached.

- Project Manager =8
- Senior Technician/Engineer =6
- Technician =4
- Support Staff (admin etc) =2
- No response =0

2. A maximum of 20 points will be awarded for relevant previous experience in project management (PMU) successfully executed. Information to score points should be attached to this documentation.

- No response =0
- One Municipal reference =4
- Two Municipal references =8
- Four Municipal references =15
- Over six Municipal references =20

3. A maximum of 10 points will be awarded for a comprehensive methodology that covers the aspects listed in the terms of reference or scope of work. Points will be scored at the evaluating committee's discretion.

- No response =0
- Unsatisfactory =1
- Meets all part of the deliverables =3
- Satisfactory =5
- Meets all deliverable requirements =8
- Exceeds deliverable requirements =10

The minimum number of evaluation points for quality shall be **70%** of the total evaluation points i.e. 35 points. At this stage bids scoring points less than 35 points will not be considered further in the evaluation process.

Stage 2: Scoring Financial Offer: 80/20 preference points system will be used for evaluation.

(a) Financial Offer

The financial offer will be scored using the following formula

$$N_f = W_1 \times [1 - (P - P_m) / P_m]$$

where:

$W_1 =$ **80** for financial values up to R50 000 000 (inclusive of VAT) of all responsive bids received, and **90** for financial values over R50 000 000;

$P_m =$ the value of the comparative offer of the most favorable bid;

$P =$ the value of the comparative offer under consideration

The Other 20 points of the Scoring System

A maximum of 20 points may be awarded to a bidder for preference points based on the preference points claim form in terms of the preferential procurement regulations

F.3.11.4 PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value less than R50million (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50million (all applicable taxes included).

1.2 The value of this bid is estimated not to exceed R 2million per year (all applicable taxes included) and therefore the 80/20 System shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

1.3.1 The maximum points for this bid are allocated as follows:

	POINTS
1.3.1.1 PRICE	80
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION	20
Total points for Price and B-BBEE must not exceed	100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.5 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- 2.1 **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;
- 2.3 **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **“consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **“EME”** means any enterprise with annual total revenue of R5 million or less.
- 2.10 **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **“non-firm prices”** means all prices other than “firm” prices;
- 2.13 **“person”** includes a juristic person;

- 2.14 **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

Price shall constitute 80 points and shall be calculated as per Clause F.3.11.1

5. Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

C3: SCOPE OF WORK

C3.1 INTRODUCTION AND BACKGROUND

Nongoma Municipality consists of four Municipal Wards. The municipality has applied for funding from the Municipal Infrastructure Grant to provide community facilities in its various wards.

Implementation of these MIG projects requires the expertise of a project management unit (PMU) to guide and facilitate the programme. This Bid is therefore necessary to procure an experienced PMU expert to manage the MIG programme.

Nongoma Municipality recently set up a Project Office with the objectives of delivering the projects timeously, at appropriate price levels and to appropriate levels of quality.

4. SCOPE OF SERVICES REQUIRED

- a. Advice to Nongoma Municipality during prioritisation of projects
- b. Approval of business plans
- c. Financial management
- d. Integration of municipal units
- e. Programme/project management- planning, regular meetings with all stakeholders
- f. Contract administration-filing of contracts, invoices, facilitating service level agreements
- g. Monitoring database mig mis-reports to mig, Dora
- h. Projects monitoring and evaluation
- i. Working with Nongoma municipality & MIG to establish extent of services required for each project
- j. Allowing Nongoma Municipality to make decisions at critical stages
- k. Using tested standard specifications and documentation
- l. Establishment of the extent of services to be provided
- m. Submitting Regular reports to the municipality
- n. Make regular programme progress presentations to council if required