



**TENDER DOCUMENT**

**: JSM/FIN/22-23/1**

**APPOINTMENT OF A PANEL EXPERTS TO PROVIDE FINANCE ADVISORY  
SERVICESTO THE DR JS MOROKA LOCAL MUNICIPALITY OF THE FINANCE  
DEPARTMENT FOR THIRTY-SIX (36) MONTHS AS AND WHEN REQUIRED**

**SCOPE OF WORK**

**Part C3: Scope of Work**

C3      Scope of Work

## **DR JS MOROKA LOCAL MUNICIPALITY**



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### **BACKGROUND**

Dr JS Moroka Local Municipality provides Services to Mathanjana Unit Offices, Mbibane Unit Offices and Mdutjana Unit Offices as well as Disaster Management services within the Municipality.

## **1.DESCRPTION OF WORK**

To request for proposals from individuals, business formations and banks or financial services companies to serve on the financial services advisory panels for BUDGET AND TREASURY OFFICE of the Dr JS Moroka Local Municipality with reference to revenue enhancement (maximum leveraging of all revenue sources) and optimisation (maximum recovery of all revenue due to the municipality), funding strategies and accounting services as well as the legal implications relating to funding and or any other contracts between the municipality and third parties. BIDDERS HAVE THE OPTION TO BID FOR ONE OR MORE THAN ONE PANEL.

The following panels are proposed:

- Treasury Management Services
- Strategic Management Services (SDBIP and Performance Information)
- Data Management, Indigent Management and Verification Services
- Revenue Management and Operational Implementation Services
- Accounting, Annual Financial Statements, Income Tax and Value Added Tax Services

## **1. SCOPE OF WORK**

### **1.1 PANEL 1: TREASURY MANAGEMENT SERVICES**

- 1.1.1 Treasury Management Services
- 1.1.2 Treasury Advisory
- 1.1.3 Treasury Processes and Implementation
- 1.1.4 Asset and liability management
- 1.1.5 Financial risk management
- 1.1.6 Risk management strategies
- 1.1.7 Capital raising
- 1.1.8 Alternative funding
- 1.1.9 Transaction advisory
- 1.1.10 Funding strategy
- 1.1.11 Economic modelling
- 1.1.12 Legal advice on:
  - 1.1.12.1 Debt and equity issuances
  - 1.1.12.2 Due diligence
  - 1.1.12.3 Special purpose vehicle and structured vehicles
  - 1.1.12.4 General commercial and financial

**1.2 PANEL 2: STRATEGIC MANAGEMENT SERVICES**

- 1.2.1 Business strategy and planning
- 1.2.2 Business transformation
- 1.2.3 Project Management Office (PMO)
- 1.2.4 Feasibility studies and commercial due diligence
- 1.2.5 Financial modelling
- 1.2.6 Financial and economic research
- 1.2.7 Municipal consumer services strategies
- 1.2.8 Road Accident Fund Claim Reviews
- 1.2.9 Cost management strategies
- 1.2.10 Supply chain strategies
- 1.2.11 SDBIP Development and reporting information refinement

**1.3 PANEL 3: DATA MANAGEMENT AND VERIFICATION**

- 1.3.1 Energy and water metering audits
- 1.3.2 Customer audits
- 1.3.3 Property audits
- 1.3.4 Property valuation services
- 1.3.5 Indigent consumer audits and management
- 1.3.6 Master data management
- 1.3.7 Development of key performance indicators
- 1.3.8 Development of management reports
- 1.3.9 Data Cleansing

**1.4 PANEL 4: REVENUE MANAGEMENT AND OPERATIONAL  
IMPLEMENTATION SERVICES**

- 1.4.1 Municipal Standard Chart of Accounts (mSCOA)
- 1.4.2 Municipal services billing operations advisory
- 1.4.3 Revenue assurance and protection
- 1.4.4 Process analysis and mapping
- 1.4.5 Process design
- 1.4.6 Process re-engineering
- 1.4.7 Revenue optimisation strategies
- 1.4.8 Credit control and debt management processes
- 1.4.9 Customer management processes

1.4.10 Revenue management initiatives and implementation

1.4.11 Costing of services and activities

**1.5 PANEL 5: ACCOUNTING, INCOME TAX AND VALUE ADDED TAX  
SERVICES**

1.5.1 Accounting Services

1.5.2 Taxation and Value Added Tax (VAT) compliance review

1.5.3 Generally Recognised Accounting Practise (GRAP) compliant  
Annual Financial Statements

1.5.4 Asset management (Fixed Asset Register) GRAP 12,16 & 17

1.5.5 Employee benefits valuation

1.5.6 Identification of Unauthorised, Irregular Fruitless and Wasteful Expenditure

**2. SPECIFIC REQUIREMENTS FROM BIDDERS**

**3.1 TREASURY MANAGEMENT SERVICES**

Dr JS Moroka Local Municipality as it operates in a volatile environment where risks need to be identified, managed, monitored and reported on for the economic and financial sustainability of the municipality.

- Governance framework and policy control
- Integrated cash management and bank reconciliation
- Funding strategies
- Financial risk management
- Debt redemption strategies
- Liquidity management
- Cash flow forecasting
- Treasury architecture/organizational structure
- Information technology and system requirements
- Asset and liability management
- Capital raising
- Lead the sourcing of cost and tax efficient capital for projects.
- This will include the proposing of alternative funding structures for the various projects
- Project finance structures and specialized finance.
- Focus on debt instrument reviews
- Transaction advisory
- Advising on the financing structures for projects

- Economic modelling
- Revenue modelling
- Cost escalation modelling
- Risk management advisory
- Legal advice:
  - Debt and equity
  - Due diligence
  - Special Purpose Vehicles (SPVs) and structured vehicles
  - General commercial and financial advisory

### 3.2 STRATEGIC MANAGEMENT SERVICES

BUDGET AND TREASURY OFFICE will be identifying and evaluating the feasibility of numerous projects of various sizes, scopes and classifications. Consequently, the following specific services will be required to be provided:

- Business strategy and planning
  - Business plan development
  - Internal and external factors relating to project delivery
  - Formulating strategies to achieve the required project objectives
  - Strategic facilitation
- Business transformation
  - Plan and manage the transformation of organisations from strategy development to implementation and change management
- Programme Management Office establishment and its management
- Feasibility studies on projects
  - Assess the economic viability of proposed projects, including cost and benefit analysis
- Commercial due diligence on opportunities
  - Carry out commercial due diligence on proposed projects, and manage the financial, legal and technical components
- Financial modelling
  - Financial forecasting on proposed projects to enable the metro municipality to make decisions on the financial viability of municipal projects
  - Revenue budgeting and projecting
  - Valuations
  - Scenario analysis and planning
- Financial and economic research
- Customer strategy
  - Develop and implement customer strategies
  - Customer management model

- Customer segmentation
- Customer service strategy
- Customer activation
- Revenue strategies
  - Revenue completeness
  - Revenue collection
  - Revenue management
  - Revenue enhancement
  - New sources of revenue
- Cost management strategies
  - Procurement strategy
  - Productivity and efficiency improvement strategies
  - Overhead optimization
- Supply chain management strategies

### 3.3 DATA MANAGEMENT AND VERIFICATION

To assist the BUDGET AND TREASURY OFFICE in verifying the status of meters as well as cleaning up existing data bases.

- Audits
  - Customer audits
  - Meter audits
- Data management
  - Data collection
  - Data analysis
  - Data verification
  - Data mining
  - Data cleansing
  - Development of data models
  - Database development
  - Management reporting tools and scorecard development
- Indigent consumer management
  - Compilation of register
  - Registration services
  - Verification services
  - Indigent audit services
- Development of key performance indicators
- Development of management reports

### 3.4 REVENUE MANAGEMENT AND OPERATIONAL IMPLEMENTATION SERVICES

Some of the initiatives identified by the strategy processes may include detailed operational interventions. These will require the following services to be provided.

- Revenue and billing operations consulting
  - Revenue generation techniques
- Billing operations and collections
- Billing analysis
  - Revenue management techniques
- Key performance indicators
- Information systems
- Revenue Enhancement Techniques
  - Identify and prepare new enhancement projects including feasibility assessments and implementation of new projects
  - Revenue assurance and protection services
  - Revenue Audit
  - Meter audits
  - Property audits
  - Customer audits
- Customer Relationship Management (CRM)
  - Processes management
  - Systems
- Credit control and debtors management
  - Credit control processes, methodology and measurement
  - Credit control systems
  - Debt management processes, methodology and measurement
  - Debt collection
  - Debt management systems
- Process mapping, analysis and design
  - Mapping and analysis of processes for various operations, projects and programs
  - Identifying and implementing improvements to existing processes
  - Developing measurement criteria for processes
  - Credit control and debtors processes
  - Customer management processes



- Costing of services and activities
  - Tariff studies and tariff determination
  - Costing analysis
  - Development of costing methodology and models
  - Implementation of cost reduction strategies

### 3.5 ACCOUNTING, INCOME TAX AND VALUE ADDED TAX SERVICES

To support the reporting functions of the BUDGET AND TREASURY OFFICE by providing the following accounting and related areas services:

Daily accounting functions:-

Monthly reconciliations on creditor account statements.

- Monthly general ledger account reconciliations.
- Opinions on compliance to the Generally Recognised Accounting Practice (GRAP) Standards.
- Assistance in the calculation of estimates of account balances and transactions which require specialist knowledge.
- Legal opinions on legislation which has a financial impact on the municipality and their municipal entities.
- Assist the municipal departments in providing accurate and complete information for consolidation.
- Assist municipal departments in providing accurate and complete budgeted information to other organs of state.
- Assist the municipality with the compilation of annual financial statements and annual reports.
- Any other financial functions as deemed necessary.
- Tax Services:- To ensure compliance to the applicable taxation regulations and legislation, the following services will need to be provided;
  - Scrutinise the transactions recorded in the accounting records to ensure calculations of input and output VAT are accurate and complete and compliant to VAT legislation.
  - Supervise the right working relationship with SARS
  - Submit relevant documentary proof as required
  - Handle enquiries from SARS

### 4. EVALUATION CRITERIA

The following requirements must also be met:

- 4.1 Respondents must have at least 5 years track record in providing the above mentioned services within a municipal environment
- 4.2 The Dr JS Moroka Local Municipality will only accept rates up to the maximum based on the guidelines provided by the relevant professional bodies such as SAICA, The Law Society etc.
- 4.3 Respondents must be registered with the relevant bodies and provide proof of such registration
- 4.4 Have appropriate and working knowledge and experience on GRAP Standards for Panel 5
- 4.5 Have appropriate Tax and VAT legislation knowledge and experience for Panel 5
- 4.6 Have knowledge of VAT treatment on the Munsoft system for Panel 5
- 4.7 References: A Comprehensive company profile detailing all previous experience specifically mentioning contracts with municipalities if any, and any other organisations. The profile should include a list of contactable references clearly showing: **Name of the Institution, name of contact persons, contact persons' telephone numbers, cell phone numbers, email and physical addresses.**
- 4.8 Demonstrate knowledge of ALL legislation governing municipalities
- 4.9 Indicate the preferred panel for which the bid is submitted
- 4.10 The Dr JS Moroka Local Municipality reserves the right NOT TO APPOINT ANY BIDDER OR TO APPOINT A SINGLE BIDDER OR TO APPOINT MORE THAN ONE BIDDER
- 4.11 Bidders should sign for any amendments or changes made to their submissions
- 4.12 Tenderers must submit with their tender documents the following documentation:  
**Municipal account(s), utility bill(s) (not in arrears) or lease agreement(s) in the name of the company or director(s) to confirm the good standing of the bidder**  
**Original valid tax clearance certificate (SARS PIN)**  
**Proof of registration with the Central Supplier Database**  
**Original valid BBBEE certificate**

## 5. FUNCTIONALITY CRITERIA

Only tenderers who obtain a minimum of 80 points in respect of the following criteria will be considered for appointment onto the panel:

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Functionality Criteria	Sub criteria	Maximum number of points
Previous similar contracts or services with Municipalities (Maximum 35)	<b>Previous similar contracts or services with municipalities</b>	
	<b>5 previous similar contracts</b>	<b>35</b>
	3 previous similar contracts	20
	2 previous similar contracts	15
Other similar contracts (Points 5)	Previous similar contracts with any other organisation	5
Location of the business (Points 10)	<b>Mpumalanga based enterprises</b>	<b>10</b>
	Limpopo and Gauteng based	5
	SA based	1
	<i>Attach rates and taxes statement in the name of the Company or lease agreement</i>	
Registration with professional body (maximum 15)	<b>Attach proof of registration</b>	<b>15</b>
	<b>Honours degree with CA (SA) or similar professional registration</b>	
	Honours Degree without professional registration	10
	B-Degree without professional registration	5
Team Leader relevant qualification and experience (Maximum 20)	<u>Project leader</u>	10
	Must have a Post Graduate degree in Accounting, Auditing, Taxation and/or any other relevant qualification (Professional designation)	
	Honours Degree without professional registration	5
	B-Degree without professional registration	1
	years' experience (10 years and above)	10

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	years' experience (7 years and above)	5
	years' experience (below 7 years)	1
Current Employment (Points 5)	Full time employed by the contractor/Service Company	5
Team's relevant qualification and experience (Maximum 10)	<u>Project Team</u> Must have a Degree in Accounting, Auditing, Taxation and/or any other relevant qualification (Professional designation)	5
	years' experience (7 years and above)	5
	years' experience (5 years and above)	3
	years' experience (below 5 years)	1
Total		100