

# RT27-2024

## PROVISION OF DEBT COLLECTION SERVICES TO THE STATE FOR THE PERIOD OF SIXTY (60) MONTHS

PRESENTED BY:  
Sithembiso Mahlalela  
Transversal Contracting

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# BRIEFING SESSION ATTENDANCE REGISTER

- All attendees are required to please complete the attendance register.
- Please click on the following link to complete the attendance register:

[RT27-2024 PROVISION OF DEBT COLLECTION SERVICES TO THE STATE FOR A PERIOD OF 60 MONTHS \(office.com\)-](#)

# DOWNLOADING TENDER DOCUMENT

- 2 Methods via eTender publication portal and National Treasury website:

eTender publication portal	National Treasury website
<a href="https://etenders.gov.za">https://etenders.gov.za</a>	<a href="https://treasury.gov.za">https://treasury.gov.za</a>
Go to e-tenders website Click Browser Opportunities Click Currently Advertised Click Advanced Search Organ of State choose National Treasury Click Apply Filters When you scroll down, the tenders will be displayed Click the plus sign Scroll down to see the tender documents.	Go to treasury website On the left of the screen, click Tender Info Under Transversal Tenders, click Advertised Tenders Click on RT27-2024

## CONTRACT PERIOD AND IMPORTANT DATES:

- Contract Period – 5 years with a planned commencement date of 01 March 2024
- Closing date and time of bid – 01 December 2023 at 11:00  
**(Late bids will not be accepted)**
- Bid Validity – 180 days from the closing date (up to and including 29 May 2024)

# CHECKLIST AND PHASES

- Bidders are encouraged to use the checklist to ensure that all required documents are submitted.
- There are 4 evaluation phases which are as follows:

Phase 1	Phase 2	Phase 3	Phase 4
Administrative Evaluation	Mandatory Requirements Evaluation	Functionality Compliance Evaluation	Price and Specific Goals
Compliance with legislative and other bid requirements	Compliance with mandatory requirements	Compliance with functionality requirements	Bids evaluated in terms of the 90/10 preference points system

# PHASE 1: Administrative Evaluation

- The following completed and signed documents must be submitted:
  - SBD 1 together with the Company Resolution
  - SBD 4 Bidder's Disclosure
  - SBD 6.1 together with documentary evidence/proof to substantiate preference claims.
  - Full updated CSD report
  - Bidders are reminded to ensure that their tax matters are in order, as National Treasury will not award a bid to any bidder whose tax matters are not in order.

## PHASE 2: Mandatory Evaluation

- Bidders must submit the **Annexure B: Pricing Structure (Commission Rate in %)**.
- The excel version of **Annexure B** was published with the Bid.
- No other template will be accepted.
- Letter of good standing from Council for Debt Collectors
- Trust Account
- Valid Certificate of registration with the Council for Debt Collectors
- Professional Indemnity Insurance
- Non-compliance to the mandatory requirement will result in the disqualification of the bid.

## PHASE 3: Functionality Compliance

- Only bidders who have complied with Phase 2 will be evaluated in Phase 3.
- Bidder's responses will be evaluated based on the functionality compliance out of 100%.
- Only Bidder(s) who have met the minimum threshold of 66.67% will be evaluated in phase 4.
- The functionality evaluation will be in line with section 5 of the scope of work.



# PHASE 3: Functionality Compliance

#	Requirements	Weight	Scale 3 - The bidder fully meets and exceeds the Functionality requirements. 2 – The bidder meets the Functionality requirements 1 – The bidder partially meets the Functionality requirements 0 – The bidder fails to meet the Functionality requirements
	<b>1) Capability and Experience</b>	<b>30</b>	<b>Model Answer</b>
	<b>Company Experience</b> Company profile proposal must indicate years of experience in providing debt collection management services and organizational structure. This information will be verified against the Certificate of Registration with Council for Debt Collectors.	<b>4</b>	3 = Seven (7) or more <u>years experience</u> in providing debt management services 2 = more than Five (5 years) but less than Seven (7) years of experience in providing debt management services 1 = more than Three (3) years but less than Five (5) years of experience in providing debt management services 0 = Less than three (3) years of experience in providing debt management services or no information provided
	Bidder must have handled at least three (3) contracts that have been successfully completed within the last five (5) years, in the fields of debt collection.  Bidders are required to submit Form 1 for three (3) contactable references highlighting the information required, accompanied by reference letters from the clients on their letterheads.	<b>8</b>	3 = Three (3) or more references for the implementation of similar contracts 2 = Two (2) references for the implementation of similar contracts 1 = One (1) reference for the implementation of similar contracts 0 = No reference for the implementation of a similar contract
	<b>Debt Book Value</b> The Bidder must indicate the debt book value of the three (3) contracts listed on <b>Form 1</b> .	<b>6</b>	3 = Total Debt book value of more than R100m 2 = Total Debt book value of more than R50m but less than R100m 1 = Total Debt book value of more than R25m but less than R50m 0 = Total Debt book value of less than R25m or not provided
	<b>Recovery Rate</b> Bidders must indicate the average recovery rate achieved on the previous three (3) contracts. Bidders are required to submit <b>Annexure C</b>	<b>12</b>	3 = More than 70% recovery rate 2 = Between 40%-69% recovery rate 1 = Between 10%-39% recovery rate 0 = Less than 10% recovery rate or not provided

# PHASE 3: Functionality Compliance

2) Staff Experience and Account Management	10	Model Answer
<p><b>Staff Experience</b> At the time of this bid at least five (5) experts/lead personnel to be allocated to the State contract are currently working for the Company in the field of debt collection and, or related services: - Provide CV's and certified copies of qualifications not older than 6 months.</p> <ul style="list-style-type: none"> <li>a) Have at least 3 years of relevant experience</li> <li>b) Have adequate and relevant qualifications (minimum National Diploma or degree)</li> <li>c) Are Multilingual (2 or more languages)</li> </ul>	5	<p>3 = 5 or more lead personnel complies with the requirements</p> <p>2 = three (3) to four (4) lead personnel comply with the requirements.</p> <p>1 = two (2) lead personnel comply with the requirements.</p> <p>0 = one (1) or less lead personnel comply with the requirements.</p>
<p><b>Account Manager</b> The bidder must provide a dedicated Account Manager who will attend regular contract review meetings with the client department(s). The bidder is to provide a <u>CV's</u> of the Account manager indicating the relevant experience:</p> <ul style="list-style-type: none"> <li>a) At least three years of experience as an Account Manager</li> <li>b) Relevant management qualification in Finance, Legal, or any equivalent qualification</li> <li>c) the account manager be registered with council for debt collectors.</li> </ul>	2	<p><b>Experience</b></p> <p>3 = Account Manager is more than acceptable and fully complies with the requirements.</p> <p>2 = Account Manager is acceptable and complies with the requirements.</p> <p>1 = Account Manager is less than acceptable and partially complies with the requirements.</p> <p>0 = Account Manager is not acceptable and does not comply with the requirements</p>
<p><b>Account Manager qualifications</b> (Relevant management qualification in Finance, Legal, or any equivalent qualification) Bidders must submit certified qualifications valid for 6 months.</p>	3	<p><b>Qualification</b></p> <p>3 = NQF 8 (bidder must submit certified copy)</p> <p>2 = NQF 7 (bidder must submit certified copy)</p> <p>0 = No information provided / NQF level is below NQF 7 or certificate not aligned / proof not submitted</p>

# PHASE 3: Functionality Compliance

3) Call Centre and IT Infrastructure			30	Model Answer
<b>Call Centre</b> Bidder to indicate the size of the call center and number of call center operators/seats Bidders must submit supporting documentation confirming the space, ownership, lease, rental, etc			10	3 = More than 50 seats/operators 2 = 30 to 50 seats/operators 1 = 20 to 29 seats/operators 0 = Less than 20 seats/operators or not provided
<b>IT Infrastructure</b> Bidders provide information to demonstrate that they have IT infrastructure that complies with the following requirements:			20	3 = IT infrastructure is comprehensive and addresses all the requirements (all five mentioned). 2 = IT infrastructure is acceptable and addresses four (4) of the requirements.
a)	Process and procedures that allow for immediate and accurate updating of accounts, with relevant checks and balances, and provide the necessary supporting documentation.	5		1 = IT infrastructure is less acceptable and addresses three (3) or less of the requirements. 0 = IT infrastructure does not address the requirements.
b)	IT Resources, including all the industry-leading tools and information resources to enable tracing, monitoring, predictive dialer tools, preview dialing, and call center management tools (Demonstration may be required from shortlisted bidders).	5		
c)	The system should provide tracer-based software for collection such as sending payment reminders, generating collection letters, and scheduling follow-up, and to allow for full reconciliation and audit trails; and	5		
d)	Reports are updated in real-time, and available on multiple platforms (Online, email, data stores). Reports are actionable real-time management information. Sample templates must be provided.	3		
e)	How client confidential information will be secured, including disaster recovery management (data security, storage, retrieved)	2		

# PHASE 3: Functionality Compliance

4) National Footprint	5	Model Answer
<p>Bidders are required to indicate the national footprint (Satellite Office) in which they can render the service.</p> <p>Bidders must submit supporting documentation confirming ownership, lease, rental, <u>etc</u></p>	5	<p>3 = Able to render service in nine (9) provinces</p> <p>2 = Able to render service in six (6) to eight (8) provinces</p> <p>1 = Able to render service in three (3) to five (5) provinces</p> <p>0 = Able to render service in less than (3) provinces</p>
5) Risk Management	5	Model Answer
<p>Bidders must include a risk management strategy to mitigate against any implementation risk that may arise during the contract period.</p> <p>Identify possible recovery challenges/risks, the impact of the risk, the likelihood of the risk, and the risk magnitude. Explain how the risk will be mitigated and monitored.</p>	5	<p>3 = Risk management strategy is comprehensive (early identification, well managed, and resolved adequately)</p> <p>2 = Risk management strategy is acceptable</p> <p>1 = Risk management strategy is partially acceptable.</p> <p>0 = Risk management strategy is not acceptable.</p>
6) Collection Process	15	Model Answer
<p>Bidder to demonstrate how the collection process will be conducted to ensure that debt is collected efficiently and ethically. Explain the process from beginning to end.</p>	15	<p>3 = The Collection process is comprehensive and adequately explained (Reference Pages 8 to 10 of SCC)</p> <p>2 = The Collection process is adequate and explained in an acceptable manner</p> <p>1 = Collection process is inadequate.</p> <p>0 = The Collection process is not acceptable.</p>
7) Association	5	Model Answer
<p>Provide proof of Association of Debt Recovery Agents membership or any other relevant statutory bodies.</p> <p>The minimum requirement is the Association of Debt Recovery Agents (ADRA) or Law Society.</p> <p>Other relevant bodies such as the South African Institute of Chartered Accountants (SAICA), South African Institute of Professional Accountants (SAIPA), etc. or other relevant professional bodies, <u>e.g.</u> Debt Counsellors, Accounting South Africa, South African Restructuring and Insolvency Practitioners (SARIPA), Turnaround Management Association (TMA) etc.</p>	5	<p>3 = The bidder belongs to any of the mentioned or relevant industry bodies/ association</p> <p>0 = The bidder does not belong to any of the mentioned or relevant industry bodies/ associations.</p>
TOTAL	100	

## PHASE 4: Price and Specific Goals

- Pricing Schedule and structure requirements:
  - Only Bidder(s) who have met the minimum threshold of 66.67% in functionality will be evaluated in Phase 4.
  - **Pricing Structure (Commission Rate) and structure requirements:**
    - Prices must be all-inclusive for the provision of debt collection services, this includes VAT (if registered for VAT), and any other costs that may influence the price.
    - The pricing Structure (Commission Rate) provided in this bid forms an integral part of the bid document and bidders must ensure that it is completed without changing the structure thereof.
  - The Annexure **B Pricing Structure** must be submitted in 2 forms (hard copy and the Excel spreadsheet saved on a USB/memory stick)

## PHASE 4: Price and Specific Goals (Cont.)

- Preference Points System
  - The 90/10 preference points system will apply (90 points for price and 10 points for specific goals)
  - The following formula will be used to calculate the points for price:

$$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where,

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{\min}$  = Price of lowest acceptable tender

## PHASE 4: Price and Specific Goals (Cont.)

- The points out of 10 will be allocated as follows:

SPECIFIC GOALS	POINTS ALLOCATED OUT OF 10	FORMULA TO CALCULATE THE POINTS OUT OF 10
HDI: Who had no franchise in national elections before the 1983 and 1993 Constitution	4	$\text{PSSG} = \text{MPA} \times \frac{\text{PEO}}{100}$ <p>Where:  PSSG = Points scored for a specific goal  MPA = Maximum points allocated for a specific goal  PEO = Percentage of equity by an HDI</p>
Who is a Female	4	
Who has a Disability	2	
<b>POINTS</b>	<b>10</b>	

## PHASE 4: Price and Specific Goals (Cont.)

- Historically Disadvantaged Individuals means a South African citizen:
  - i) Who, due to the apartheid policy that had been in place, had no franchise in national elections before the introduction of the constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the interim Constitution) and/or
  - ii) Who is female; and/or
  - iii) Who has a disability

Provided that a person who obtained South African citizenship on or after the coming to effect of the interim Constitution is deemed not to be an HDI.



## PHASE 4: Price and Specific Goals (Cont.)

- Example:
  - Mpho Moeng is a disabled black male born 1 September 1979 = 60% ownership
  - Annelize van Niekerk is a disabled white female born 6 September 1983 = 40% ownership

Points as per tender	Percentage Ownership	Calculation
No Franchise = 4	Mpho = 60%	$4 \times 60 / 100 = 2.4$ points
Female = 4	Annelize = 40%	$4 \times 40 / 100 = 1.6$ points
Disabled = 2	Mpho & Annelize (60% + 40% = 100%)	$2 \times 100 / 100 = 2$ points
Total Points out of 10		6

## PHASE 4: Price and Specific Goals (Cont.)

- In order to claim preference points, bidders must:
  - Fully complete, sign and submit the SBD 6.1 form.
  - Submit proof of its ownership. CSD report (full report) together with the bidders CIPC registration documents must be submitted.
  - Submit proof of disability. A medical certificate/letter signed by a registered medical practitioner confirming disability status.
- Failure on the part of a bidder to complete and submit the SBD 6.1 and submit proof / documentation required, will be interpreted to mean that preference points for specific goals are not claimed.

# SUBMISSION OF BIDS

- Bids must be deposited in the Tender Box located at the Tender Information Centre (TIC) at the National Treasury, 240 Madiba Street, Pretoria
- Bidders must submit the bid in the following format:
  - One (1) original hard copy, AND One (1) USB/memory stick with all the documents on the original hard copy and the Excel version of the pricing schedule (Annexure B).

Note: Bid Documents must be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number, and the closing date must be clearly visible.

NB! It is the responsibility of the bidder to ensure that All documents on the USB / memory stick submitted are the exact copy (replica) of the hard copy documents.

# THANK YOU



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# Questions and Answers