



"Water is our Passion"

**PROJECT NAME: APPOINTMENT OF A SERVICE PROVIDER TO REVIEW AND DESIGN
LNW REMUNERATION STRUCTURE**

NAME OF SERVICE PROVIDER

PROJECT NO : RFQ NUMBER - _____
USER DEPARTMENT : CORPORATE SERVICES

1. PURPOSE

The purpose of this specification is to appoint a Service Provider that can review and design LNW Remunerations Structure and Grading System as outlined in this specification to ensure that they are implemented in line with best practices.

2. BACKGROUND

There are pay disparities with overlapping salary scales consequently some lower-level employees earning higher than the higher-level employees and some earning above the approved LNW salary scales. Furthermore, the pay scale of Executives is not competitive to the market to retain them. There was a remuneration review conducted in 2022 with some recommendations that needs to be implemented.

3. SPECIFICATION

We seek the services of an established, well-run, and organised service provider specializing on remuneration practices for purposes of reviewing and designing the key aspects of LNW remuneration structure and grading system for the entire organisation. There should be a benchmark of the salary grading best practices which shall be contrast with the current LNW grading system and ensure alignment of incumbents with the correct grades emanating from the salary discrepancies. The provider must be adherent to the

professional norms, standards and values governing its business, particularly discretion and confidentiality. Further, the service provider must have experience and be familiar with the Paterson Grading System.

Scope of work

3.1. Core service

The scope of work for the appointed service provider will be the following:

- i. Review and design the current Paterson Grading system of LNW to ensure that the salary scale overlaps are addressed.
 - ii. Review and develop LNW Remuneration policy in line with the best market practices, pay for performance principles, pay scale progression, governance and policy management guidelines, and any other remuneration activities that will retain staff and be equitable.
 - iii. Benchmark with other Water Boards and the market to determine Executive pay (E -F Band) and recommend a pay structure that is competitive. In determining the pay structure for Executives, consideration should be given to attraction and retention, and this should be factored in the remuneration policy/strategy.
 - iv. Analyse and address the overlaps in the pay scale range of D Upper and EL/EU Band and recommend a market related pay scales for EL/EU to correct the overlaps.
 - v. Review and recommend the remuneration structure of A -C Upper to be in line with the market-related practices. This review should follow a total package approach for A – C Upper. It is advisable to benchmark this proposal with other Water Boards who are using Paterson Grading System.
 - vi. Analyse and recommend the changes to job titles from lower grades up to the Executive level. Benchmark with other Water Boards will advisable.
 - vii. Benchmark and recommend the incentive scheme for Executive Managers and this should be included in the remuneration policy/strategy.
 - viii. Assess and make recommendations on the tenure of the Executives [E – F Band] employment contracts to maintain stability at the Executive level. Currently the tenure is 5 year contract.
- Viv Present final report to the Exco, HR, Social and Ethics Committee and the Board.

3.2. Value adding services

- i. The service provider must be a remuneration specialist who is familiar with Paterson Grading System.
- ii. Must have extensive experience and skills in salary benchmarking, design, review/revamping remuneration structure and different salary grading systems.
- iii. Must have creative and innovative ways of addressing LNW current remuneration challenges.
- iv. The service provider must have the competence of handling the project within two month turnaround time.
- v. The service provider must be able to analyze and make recommendations based on best practices.
- vi. Must have experience and be familiar with the utilization of the Paterson Grading System.

Pricing schedule

No	Description	Amount
1		
2		
3		
	Total Excl Vat	R
	Vat 15 %	R
	Total Incl Vat	R

NB:- Pricing above must include all chargeable items - deliverables, disbursement, travelling and any other related cost to the exercise. No Items will be paid outside the above fixed price.

4. PROCUREMENT PROCESS

The normal LNW process will be followed in line with the company's SCM policy and Procedures with no deviations from the normal anticipated at this stage.

Validity of RFQ	: 60 days
Contract Period	: 02 Months
Date RFQ issued	: 20.09.2023
Closing date of RFQ	: 28.09.2023

5. EVALUATION CRITERIA

Preferential Points System will be used to evaluate this bid in line with the Preferential Procurement Policy Framework Act, 2017. Bidders will be evaluated on functionality first, only those qualifying by achieving the minimum cut off point of 70% will be evaluated on administrative compliance and then price and BBB-EE.

5.1. THIS RFQ WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

- Relevant specifications
- Value for money
- Capability to execute the work/service.
- LNW SCM Policy
- PPPFA & associated regulations

5.1.1. Mandatory requirements

- i. The pricing schedule must be completed in FULL to render the bid responsive. If any section of the pricing schedule is left incomplete the bid document will be disqualified.
- ii. Proposal must have comprehensive methodology with clear timelines.

NB: Failure to comply with any of the above requirements will lead to disqualification of the tenderer.

Bids will further be evaluated in terms of Method 4:

- Stage 1: Evaluation on Functionality (Minimum of 70 points (70%) to be scored to be considered responsive)
- Stage 2: Evaluation on 80/20 or 90/10 preferential points system (Price and BBBEE)

Stage 1: Evaluation on Functionality

Under functionality, Bidders must achieve a minimum of 70% (70 points) of functionality points in order to be considered for further evaluation in stage 2 (Evaluation on Price and BBEE).

EVALUATION PROCESS. All bids duly lodged will be evaluated on functionality as Pre-qualifying criteria. The evaluation criteria and weighting for measuring functionality are indicated.	Points 100
Criterion	
Experience	30
1. Company Experience (30) <ul style="list-style-type: none"> • Successfully completed traceable service in review of remuneration structure and the salary grading system (Attached proof of signed reference letter on official client's letterhead indicating appointment / completed / ongoing similar service rendered or official order) One reference letter is 10 points to the maximum of 3 references which equal 30 points. A total of 3 reference letters must be attached.	
Capacity	70

<p>2. Proposed key personnel</p> <p>Detailed CV of two Team leaders relevant to the project/service indicating experience in developing or review of remuneration structure:-</p> <p>8 years and above related experience = 10 points each</p> <p>8 year related experience with a relevant Degree/National Diploma = 10 points each.</p> <p>NB: Detailed CV with certified copies of qualifications indicating experience must be provided to score the points above.</p>	
<p>3. Methodology</p> <p>Proposal must be detailed as follows:</p> <p>Proposal with detailed methodology related to the review and design of the remuneration structure= 20</p> <p>Proposal with detailed methodology and timelines = 10</p>	
Total Points	100

6. Administrative Compliance

- i. Complete SBD forms.
- ii. CSD Registration and compliance status
- iii. Company registration documents
- iv. Certified valid ID copies of the company shareholders.

NOTE:

- a) The client reserves the right to verify any information provided by the bidder.
- b) The bidders must comply with all terms and conditions including requirements as stipulated in the RFQ to be evaluated further.
- c) LNW is not compelled to accept the lowest or any RFQ.

Please note that the above required documents will be requested for submission within two working days and failure to submit will be deemed as non-responsive. There will be no compulsory briefing session. Bidders are requested to send electronic mails for any enquiries to the following contact information:

Any Enquiries can be sent to: Audrey Sekhukhune: audreys@lepelle.co.za
All enquiries must be sent two days prior RFQ closing date. No RFQ enquiries will be accepted or entertained 2 days prior closing.

NB: NO BIDDER WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE
(see definition on SBD 4 attached)

Scoring functionality

Score functionality in each of the categories stated in the Tender Data and calculate total score for functionality.

Scoring Financial Offers

Score the financial offers of remaining responsive tender offers using the following formula:

- N_{FO} = $W_1 \times A$ where:
- N_{FO} = the number of tender evaluation points awarded for the financial offer.
- W_1 = the maximum possible number of tender evaluation points awarded for the financial offer as stated in the Tender Data.
- A = a number calculated using either formulas 1 or 2 below as stated in the Tender Data.

Formula	Basis for comparison	Option 1	Option 2
1	Highest price or discount	$(1 + \frac{(P - P_m)}{P_m})$	P/P_m
2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$	P_m/P

where:

P_m = the comparative offer of the most favourable tender offer.
 P = the comparative offer of tender offer under consideration.

The 80/20 Preferential Point System will be used to evaluate the bid.

Table 2: Preference Points Allocation (As per the Preferential Procurement regulations 2022)

Specific Goals	Means of verification	80/20 Points	90/10 Points
1. Disability (Minimum of 1 shareholder ownership in the company)	CSD Report	5	3
2. Black women (100% Black women ownership in the company)	CSD Report	5	2
3. Black ownership (100% black ownership in the company)	CSD Report	5	2
4. Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5	3
Total points		20	10

The points scored by the tenderer in respect of preference points must be added to the points scored for price.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² Joint venture or Consortium 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.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position	Name of bidder/Name of Company

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 80/20 preference point system will be applicable in this tender. The lowest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

POINTS	
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 80/20

A maximum of 80 points is allocated for price on the following basis:

80/20

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 points is allocated for price on the following basis:

80/20

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: 80/20 preference point system is applicable, corresponding

points must also be indicated as such.

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)
1. Disability (Minimum of one (01) shareholder in the company)	5	
2. Black women (100% Black women ownership in the company)	5	
3. Black ownership (100% black ownership in the company)	5	
4. Black Youth (Minimum of one (01) shareholder Black youth ownership in the company)	5	
Total	20	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:

