



**REQUEST FOR PROPOSAL (TENDER)**

**APPOINTMENT OF A SERVICE PROVIDER PROVISION OF SHORT-TERM  
INSURANCE FOR A PERIOD OF 36 MONTHS**

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## 1. STATEMENT OF INVITATION

Masilonyana Local Municipality hereby invites tenders from reputable short-term Insurance Intermediaries, who are members of the Financial Intermediaries Association (F.I.A.) and who comply with the Financial Advisory and Intermediary Services (F.A.I.S.) Act, for the Provision of Short-Term Insurance Services to the Municipality for a period of 36 months.

## 2. MINIMUM REQUIREMENTS

- Bidders must be registered on the Central Supplier Database and proof of registration must be submitted.
- Price(s) quoted must be valid for at least ninety (90) days after the bid closing date.
- Price(s) quoted must be firm and inclusive of VAT (If Applicable)
- Bidders must include Tax Clearance Certificate (SARS Pin).
- Joint Venture (JV) Agreement (if applicable)
- This bid is subject to the general conditions of contract (GCC) and if applicable, any other specific conditions of contract.
- Bidders must complete all MBD Forms.
- Certified copy CIPC Registration certificate CK not older than three (3) months
- Current municipal rates account not outstanding for more than 90 days, and /or lease agreement in cases of rental of facilities with municipal bill which the lessee is responsible for.
- Bidders must be registered with the Financial Services Board (FSB), Financial Intermediaries Associations (FIA) and the Institute of Risk Management South Africa (IRMSA). (Proof of registration must be attached).
- No bids will be considered from persons in the service of the state.
- Audited annual financial statement for the last three (3) financial years.
- The Municipality reserves the right to withdraw any invitation to tenders and/or to re- advertise or to reject any tender or to accept a part of it.
- The Municipality does not bind itself to accepting the lowest tender or award a contract to the bidder scoring the highest number of points.

## 3. TERMS OF REFERENCE

### PROVISION OF SHORT-TERM INSURANCE COVER FOR MASILONYANA LOCAL MUNICIPALITY

Masilonyana Local Municipality serves the towns of Theunissen, Brandfort, Verkeerdevlei and Winburg.

Section 78(1) (e) of the Municipal Finance Management Act, No. 56 of 2003, states that "Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary."

To comply with the above Act and to ensure that the Municipality's assets are adequately insured, and any risk exposure is minimized, the Municipality have intendes to appoint a reputable service provider in the insurance industry to perform the following functions:

- Administer the Municipality's short-term insurance portfolio; and
- Assess the Municipality's insurance cover and provide advice on adequate cover to be taken out.

The renewal of the insurance portfolio normally falls in line with the Municipality's financial year- end and therefore must be renewed by 30 June each year to ensure that the Municipal assets are insured, and the liabilities are minimized.

#### 4. OBJECTIVES

The Municipality invites suitably experienced insurance brokers to tender for managing the short- term insurance portfolio of the Masilonyana Local Municipality.

The following key performance indicators will be applicable to the successful bidder and will be measured at least on an annual basis to assess the performance:

Ensure that the short-term insurance policy is in place before or on the 1st of July of each year for that financial year.

Written confirmation by the underwriter/(s) and broker the insurance cover, as agreed to by the Municipality, is in place on all policy types.

##### **Attend to all claims timeously.**

Acknowledge within 7 days after receipt acceptance of claim documentation and provide feedback of any outstanding or additional information required.

##### **Settle claims timeously**

Settle claims within 30 days after receipt of signed settle agreement by the insured.

Supply of a monthly claim ratio report provided/delivered electronically, preferably in the form of a dashboard report with detail to support, within 5 working day of the following month.

##### **Regular meetings with the insurer.**

A meeting, on the premises of the insured, with at least the CFO or the Manager responsible for the insurance portfolio. The successful bidder must keep written minutes and avail it within 7 working days of the meeting.

## 5. SCOPE OF WORK

The general functions to be performed by the successful bidder/insurance broker are:

- Ensure that the Municipality has insurance cover as instructed by the Municipality;
- Act as representative for the Municipality with the underwriter;
- Ensure that the interest of the Municipality, its customers and clients is conveyed to the under writer and the interest of the Municipality is protected always;
- Advise the Municipality on any potential risk not covered by the insurance cover;
- Advise the Municipality of potential under insurance;
- Perform claims assessments on all claims.
- Ensure that the management of the Municipality is informed on the progress of all claims.
- Bidders must be registered with FSB and FAIS (registration certificate)

## 6. EVALUATION

### PROPOSAL EVALUATION

The pre-evaluation of the functional proposal will be based on its responsiveness and will be scored out of 100 points.

- a)
- b) Proposals that do not score the minimum of 70 points on functionality will be not responsive and only those bidders who score more than 70 out of 100 points will be evaluated further on the 80/20 preference points system

*NB: See attached annexure below for detailed specification of items to be covered;*

### ANNEXURE A

Short term insurance cover is for the following:

1. Combined book value of all:
  - ✓ Municipal building used for administrative and operational purposes
  - ✓ Book value of all infrastructure assets including but limited to water reticulation network; waste water treatment works; reservoirs; pump stations; boreholes and towers;
  - ✓ Inventory: All consumables and water materials stored in municipal stores
2. Business interruption – All amounts collected by revenue section as well as all grants received
3. Office contents cover
4. Theft : Malicious damage to property and all other municipal assets
5. Glass cover
6. Money not contained in safe or strong room
7. Transit cover

8. Personal accident
  - ✓ Accidental death
  - ✓ Permanent Disability
  - ✓ Temporary disability
  - ✓ Medical expenses
  - ✓ Funeral costs
  - ✓ Repatriation
  - ✓ Mobility
  - ✓ Relocation
  - ✓ Rehabilitation
9. Data recovery cover
10. Motor Fleet cover
11. Public liability
  - ✓ General liability
  - ✓ Additional contingencies
  - ✓ Third party liability
12. Employer liability
13. Contractors' indemnity
14. SASRIA non motor (Political riot; and other riots and strikes)
15. SASRIA motor cover

**NB: SCHEDULE OF COSTS WILL BE UPLOADED ON ETENDER WITHIN 5 DAYS OF THIS ADVERT**

## 7. SPECIAL CONDITIONS

- Prices must be valid for at least ninety (90) days from the closing date.
- Prices quoted must be firm and must, where applicable, be inclusive of VAT.
- Masilonyana Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid.
- Bids that are late will not be considered, whilst the lowest or only tender will not necessarily be accepted.
- Faxed or E-mailed bids will not be considered.
- An original tax clearance certificate issued by SARS must accompany all tenders or a tax.
- Tax status will also be verified against the Central Supplier Database (CSD)
- Bidders must be registered on the National Treasury Centralized Suppliers Database and must submit their registration summary report.
- All supplementary / compulsory forms (MBD Forms) must be completed and signed in full.
- Bidders who wish to claim for preferential points in terms of the Preferential Procurement Regulations, 2017, must submit a certified copy of the proof of B-BBEE status level of contribution as follows:



|  |                   |  |
|--|-------------------|--|
| <p>Ability of the bidder's infrastructure to handle and settle claims e.g. computer systems, personnel, network offices etc.</p> <p>Resources – details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications = 5 points</p> <p>Full time qualifications of employees allocated to Masilonyana LM and experience 1 - 5 years' experience &amp; relevant qualifications =5 points<br/>6 - 10 years' experience &amp; relevant qualifications =10 points</p> <p>above 10 years' experience &amp; relevant qualification = points</p> | <p>25</p>         | <p>Provide details of full-time employees being account directors, technicians, broking and other staff based in South Africa, who may be utilized on this account, including their certified qualifications</p> |
| <p>Legal Support</p> <p>Details of support that will be given by the Insurance broker to the Municipality in respect of claims rejected by the Insurer and experience of the legal support team =25 points</p> <p>No CVs submitted / poor legal support - 0 points<br/>Average legal support - 15 points<br/>Good legal support - 25 points</p>  | <p>25</p>         | <p>Provide details of support that will be provided as well as CVs of the legal support team</p>   |
| <p style="text-align: right;"><b>Total</b></p>   | <p><b>100</b></p> |  |

## 8.2 TECHNICAL EVALUATION CRITERIA

A bidder who gets a minimum of 70 points and above will qualify to the next stage. Individual tenders would have to be evaluated according to the preferential point system.

The bidder must score minimum points as follows:

- Item 1 – 30 points,
- Item 2 – 15 points,
- Item 3 – 25 points,

### 8.3 PRICE AND REFERENTIAL POINTS SCORING – STAGE 2 (Price and B-BBEE status)

All Bidders that have passed the technical evaluation threshold of 70 points would also be scored based the 80/20 principle where 80 Points is for the Price and 20 points for B-BBEE as per the detail given below.

#### Points awarded for price

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

$$\text{Where } P_s = 80 \left[ 1 - \frac{P_t - P_{\min}}{P_{\min}} \right]$$

$P_s$  = Points Scored for comparative price of bid under consideration

$P_t$  = Comparative Price of bid under consideration

$P_{\min}$  = Comparative Price of lowest acceptable bid

### 8.4 Points awarded for B-BBEE Status Level of Contribution

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 (80/20 System) |
|------------------------------------|---------------------------------|
| 1                                  | 20                              |
| 2                                  | 18                              |
| 3                                  | 14                              |
| 4                                  | 12                              |
| 5                                  | 8                               |
| 6                                  | 6                               |
| 7                                  | 4                               |
| 8                                  | 2                               |
| Non-Compliant Contributor          | 0                               |

**Table 2 : B-BBEE Status level**

## 9. COSTING/ COMPREHENSIVE BUDGET

8.5.1. The quotation price(s) shall be SEIFSA based priced

8.5.2. The quotation price(s) shall be subject to negotiated increase, if unavoidable, should the contract be extended for one or more further periods, each period not exceeding 12 months.

**Pricing should include any other unspecified expenses related to items listed under technical specifications**

Are the quoted prices firm for the full duration of the contract? Yes/No

If not, indicate CPA or SEIFSA price adjustment method: \_\_\_\_\_

CPA- Suppliers price list date: \_\_\_\_\_ or

SEIFSA indexes – Price basis month and year \_\_\_\_\_

**Note: All the necessary documentation for CPA's or CPI to prove the price increase must be submitted with the invoice clearly link to an order number be for payment will be done.**

## 10. CONTACT DETAILS

**Technical Queries**

**Name:** Neo Rabanye

**Telephone No:** 073 399 5507

**Address:** 47 Corner Le Roux and Theron Street, PO Box 8, Theunissen, 9410

**Email:** [nrabanye@masilonyana.co.za](mailto:nrabanye@masilonyana.co.za)