



RFP 25/2022

**CONSULTING SERVICES FOR THE
REVIEW OF SUPPLY CHAIN
MANAGEMENT PROCESSES**

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1. STATEMENT OF INVITATION

CENTLEC (SOC) Ltd (hereafter referred to as CENTLEC), a Mangaung Metro Municipal Entity, distributing electricity in the Mangaung Metro area and other municipalities, requests proposals to perform Supply Chain Management processes reviews on behalf of the entity. The appointment will be valid for twenty-four (24) months.

2. MINIMUM REQUIREMENTS

- 2.1. Supply unique security personal identification number (PIN) and/or original TAX Clearance Certificate for TAX compliant status.
- 2.2. Supply municipal services (water, sanitation, rates and electricity) clearance certificate or Lease Agreement with a current Bill and rates clearances, or Current Bill of Account not owing more than 30 days. In a case where the services are paid for by the Landlord, the lease agreement must be signed by the applicable stakeholders.
 - 2.2.1. In an event that the Bidder utilizes prepaid services (e.g. water and or electricity) a valid municipal clearance certificate(s) must still be provided.
 - 2.2.2. Bidders that are CENTLEC (SOC) Ltd customers are also expected to attach a valid electricity clearance certificate.
- 2.3. Submit proof of registration on the National Treasury Centralized Supplier's Database.

3. SCOPE OF WORK

CENTLEC (SOC) Ltd invites suitable and qualified service providers for a proposal for the review of Supply Chain Management procedures, policies and documentation in preparation for the annual audit.

4. TECHNICAL SPECIFICATION

4.1. Annual pre-audit review of all Supply Chain Management processes, records, policies and documentation to:

- Ensure full compliance with all relevant and applicable Supply Chain Management acts, policies, circulars and legislative requirements (i.e. MFMA, Municipal Systems Act, Centlec Supply Chain Management policy, Supply Chain Regulations, Preferential Procurement Policy Framework Act, National Treasury Circulars, DTI Local content, etc.)
- Identify any possible non-compliance with above mentioned. If any non-compliance is identified provide and assist with possible remedial/corrective action.
- Ensure competitive bidding processes adhere to all relevant legislative requirements.
- Identify any possible Fruitless & Wasteful and Irregular Expenditure.

4.2. Perform monthly and quarterly reviews on the Deviations, Fruitless & Wasteful and Irregular Expenditure registers compiled by the entity to ensure completeness and accuracy.

4.3. Review the current Centlec SOC Ltd Supply Chain Management Policy and ensure it fully complies and address all relevant and applicable Supply Chain Management acts, circulars and legislative requirements (i.e. MFMA, Municipal Systems Act, Supply Chain Regulations, Preferential Procurement Policy Framework Act, National Treasury Circulars, DTI Local content, etc.)

If any deficiency is identified from this review provide and assist with possible amendments to the policy to address the deficiency appropriately.

- 4.4. Assist the SCM staff members in the compilation and implementation of a user friendly standardized operating procedure which caters for all the different classes of adverts/bids/tenders with their respective legislative requirements. (I.e. a user friendly decision tree/checklist/summary of what is legislatively required when advertising, evaluating and adjudicating each class of tender based on the value and nature of the tender.)
- 4.5. Provide for a skills transfer plan throughout the contract term to enhance current SCM staff members skills in performing annual pre-audit reviews of all Supply Chain Management processes, records, policies and documentation themselves.
- 4.6. Provide advisory services to improve processes within the Supply Chain Management unit.

5. SPECIAL CONDITIONS OF THE CONTRACT

- 5.1. Detailed project costing which should be inclusive of travel and accommodation.
- 5.2. The successful bidder will be expected to enter into a Service Level Agreement with CENTLEC.
- 5.3. All files, document, documentary evidenced, and any aspect of the matter associated with the file shall at all times remain the property of CENTLEC and the firm handling the matter(s) on behalf of CENTLEC waives its entitlement in the regard.
- 5.4. All CENTLEC data and financial information must be treated with the utmost confidentiality.
- 5.5. No fees shall be paid to any firm in advance. Fees and disbursements shall be paid only for work actually done and billed on the agreed applicable tariff, and no firm shall be paid a deposit on fees/disbursement.
- 5.6. The preferred service provider should be registered with the South African Institute of Chartered Accountants and should provide supporting SAICA accreditation certificates.
- 5.7. The preferred service provider should have prior experience in annual pre-audit review of Supply Chain Management processes, records, policies and documentation for municipalities/municipal entities and should provide reference letters.

6. EVALUATION CRITERIA

6.1. Technical Evaluation

All proposals submitted will be evaluated in accordance with the criteria set out in the policy of Supply Chain Management of the Entity. The most suitable candidate will then be selected. Please take note that CENTLEC is not bound to select any of the firms submitting proposals. CENTLEC reserves the right to select more than one bidder.

Furthermore, technical competence is the principal selection criteria, CENTLEC will evaluate the technical criteria first, and will only look at the price and BBBEE level of contribution if it is satisfied with the technical evaluation.

As a result of the above mentioned, CENTLEC does not bind itself in any way to select the firm offering the lowest price.

The relative technical weighting of the criteria is as follows:

No	Criteria	Description	Points
6.1.1	Track record	Submit signed referral letters from previous companies where the same services were rendered and successfully completed: Two (2) letters – 15 points Three (3) or more letters – 20 points	20
6.1.2	Skills and capacity	The service provider must prove sufficient capacity by means of : <ul style="list-style-type: none"> Organizational structure = 5 points CV's of: <ul style="list-style-type: none"> ✓ One (1) to two (2) CV's of fully qualified Chartered Accountants that will be involved on the project = 25 points ✓ Three (3) or more CV's of staff that have experience in Supply Chain Management = 15 points 	45
6.1.3	Local (Mangaung) operational capability and economic investment	Does the bidder have a business address in the Mangaung Metropolitan area? = 15 points If not = 5 points	15
6.1.4	Registration with the South African Institute of Chartered Accountants	Proof of registration = 20 points	20
	Points		100

Table1: Evaluation Criteria

A bidder who gets a minimum of 65 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 6.1.1 – 15 points

Item 6.1.2 – 25 points

Item 6.1.3 – 5 points

Item 6.1.4 – 20 points

All Bidders that have passed the technical evaluation threshold of 65 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.

7.2 Price and referential points scoring – (Stage 2)

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

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

P_s = Points Scored for comparative price of under consideration

P_t = Comparative Price of bid under bid

P_{\min} = Comparative Price of lowest acceptable

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 - BBEE level status

7. PRICING SCHEDULES

The contract price(s) shall be a fixed priced.

Description	Price (R)		
	Year 1	Year 2	Year 3
Annual pre-audit review of all Supply Chain Management processes, records, policies and documentation as referenced to per no 4. Technical Specification.			
Review of Supply Chain Management Policy as referenced to per no 4. Technical Specification.			
Reviews on the Deviations, Fruitless & Wasteful and Irregular Expenditure registers as referenced to per no 4. Technical Specification.			
Compilation and implementation of a user friendly standardized operating procedure which caters for all the different classes of adverts/bids/tenders with their respective legislative requirements as referenced per no 4. Technical Specification.			
Skills transfer throughout the contract term.			
Provide advisory services to improve processes within the Supply Chain Management unit.			

Table 3 – Pricing Schedule

8. CONTACT DETAILS

8.1 For any further technical information regarding the document contents please contact Leon Schlechter, e-mail Leon.Schlechter@centlec.co.za

Such queries must be done in writing, the email address provided serves for this purpose. The answer to one question will be sent to all the other prospective bidders that have bought the bid documents.

8.2 For Supply Chain related questions, please contact Palesa Makhele at 051 412 2753 or at Palesa.Makhele@centlec.co.za.