



TSWAING LOCAL MUNICIPALITY

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Enquiries:

RefNo:

PROVISION FOR SHORT TERM INSURANCE

3-year period

PROCUREMENT – TERMS OF REFERENCES – SERVICES

TERMS OF REFERENCE

DEPARTMENT: FINANCE

DESCRIPTION: SHORT TERM INSURANCE AND RISK MANAGEMENT SERVICES

1. PURPOSE

The purpose is to appoint an Intermediary with experience in the municipal short term insurance field to provide Short Term Insurance and Risk Services to council for the period _____ to _____ with an annual performance review based on deliverables.

2. BACKGROUND

Council must minimize its risks by ensuring the allocation of risk to the party best suited to manage risk, and all its assets that are insured under the following asset classes:

- Buildings combined
- Office contents
- Business all risks
- Theft
- Money
- Commercial Crime
- Stated Benefits
- Electronic equipment
- Motor Fleet
- Public and employee liability
- Contractors All Risk
- Business Interruption
- Glass

- Accidental Damage
- Goods in Transit
- Group Personal Accident
- Machinery Breakdown
- Directors and Officers Liability
- SASRIA for Councilors

3. CONTRACT OBJECTIVES, ASSUMPTIONS AND RISKS

Tenders may only be submitted on the official tender format.

DISQUALIFICATION CRITERIA CHECK LIST

CRITERIA	Yes / No
1. Detailed Approach and Methodology	
2. Confirmation of agency agreements with insurers	
3. Detailed broker fee structure to be charged in Year 1, Year 2 and Year 3	
4. BEE rating done by external independent rating agency accredited by SANAS	
5. Provide proof of placing assets above 1 billion in value	
6. Provide proof that the bidder has Professional Indemnity and Fidelity Cover R450 million.	
7. Bidder must have a minimum of 10 years' experience in placing municipal and public sector clients.	
8. Will the bidder be outsourcing more than 25% of their service to the other parties? If yes provide equity ownership and HDI status of the beneficiary partners to whom part of the contract will be outsourced and also indicate which portion of the service of the service will be outsourced.	
9. Name five local authorities where the bidder is applying risk management, risk control and finance solutions.	
10. Has the bidder been appointed in the past (3) years as an intermediary for short-term insurance on a portfolio in excess of R1 billion assets? (if yes, provide the names and confirmation letter and appointment letter from these clients)	
11. Has the bidder been appointed as an intermediary for short term insurance on a municipal portfolio in the past 3 (three)years? if yes, provide the name and appointment letters of these clients.	
12. Has the bidder dealt with individual claims in excess of R 100 000 in the past 3(three) years? if yes, provide names of these clients.	
13. ISO 9001 :2015 Certificate	
14. Information Regulator Certificate	

NB: FAILURE TO COMPLY WITH THE ABOVE REQUIREMENTS MAY RENDER THE TENDER INVALID AT THE OPTION OF THE COUNCIL

4. SCOPE OF THE WORK

4.1. Terms of appointment

The appointment of an Intermediary shall be for a 3-year period. It will be expected from the Intermediary to enter into a performance agreement for the period of appointment with the municipality to achieve this goal. Should the service provider or intermediary not perform according to the agreement, the municipality reserves its right to terminate the contract.

4.2. Contract Objectives, Assumptions and Risks

- Tenders may only be submitted on the official tender format
- Tenderers may approach all service providers complying with the relevant statutory solvency and other requirements
- Tenderers proposals should be accompanied by a detailed summary of their recommended insurance and risk mitigation structure(s)
- Support for the tenderers proposals should be evidenced by a signed participation confirmation from the Service Provider(s)/Insurers/Reinsurers who will support their recommended structure and the terms, conditions and exceptions proposed by tenderer.
- The tenderer must disclose the Service Provider(s)/Insurer or consortium of service providers on each policy wording as indicated in tender documents.
- Failure to comply with the above requirements may render the Tender invalid at the option of the council.

This contract will be valid for the period of three years from the date of appointment

4.3. Services required

Key Performance	Deliverable
1. PLACE IT SOMEWHERE	1.6 Workshopping of executive insurance summary with Municipality insurance and risk management officials to ensure proper understanding of policy wording, limits excesses, categories and sections within portfolio.
2 Liaison between the insurance claims administration services provider and Municipality	3.2 Attendance of monthly portfolio and loss control meetings as and when required (to be facilitated by account executive)
	3.3 Provide expert insurance related or underwriting advice to the Municipality upon request
	3.4 Report to Municipality on claims statistics as and when required (weekly or monthly)
	3.5 Submission of claims analysis and age analysis reports
3. Loss control and risk management	4.2 Formulate proposals to remedy loss problem areas in monthly report format
	4.3 Assist in applying / introducing remedial measures
	4.4 Pro - active management of loss control and risk preventative measures
	4.5 Develop, negotiate and implement loss control benchmarks of the management and measurement of loss control measures implemented
	4.6 Reporting on achievement of benchmarks and actual results
4. Risk Evaluation	5.2 Complete uninsurable risk evaluation process
	5.3 Submit report with proposed remedial actions
	5.4 Implementation of remedial actions
	5.5 Review Municipality's exiting underwriting questionnaires to assist in compiling new ones where required
5. Supply, Installation and monitoring of vehicle tracking management system	6.1 The service provider is expected to provide a vehicle tracking management system that will assist the municipality to effective and efficient management of its vehicles

	<p>6.2 System should have the following features but not limited to:</p> <p>6.2.1. Live tracking web-based system including online support</p> <p>6.2.2. To be available 24 hours and 7 days a week</p> <p>6.2.3. Theft retrieval movement alert</p> <p>6.2.4. Determines location of vehicles at all times</p> <p>6.2.5. Summary and detailed trip log</p> <p>6.2.6. Cell phone or email notifications for specific events</p> <p>6.2.7. Over speed reports</p> <p>6.2.8. Vehicle incident report</p> <p>6.2.9. Vehicle activity report</p> <p>6.2.10. Vehicle stop report</p> <p>6.2.11. Weekly analysis report</p> <p>6.2.12. Driver identification</p> <p>6.2.13. Fleet staff training</p>
6. Run - up to next renewal	7.1 Verification / review exposures, limits, sum insureds, risk financing structures and advise on possible / improvements adjustments
	7.2 Participates in advisory capacity during renewal negotiations between Municipality and underwriters. Formulate opinion and suggestions in report format
	7.3 Benchmark renewal quotes from Municipality's appointed underwriters by obtaining and comparing quotes in the open market. Supply written report on findings.
7 .Vehicle Tracking	

i. **Insured value and claims experience**

1. The enclosed attached present the asset values for the period 1 July 20__ up to 30 June 20__(Annexure A). Endorsements if necessary will be done during the year.

4.4 Contract Objectives, Assumptions and Risks

- Tenders may only be submitted on the official tender format
- Tenderers may approach all service providers complying with the relevant statutory solvency and other requirements
- Tenderers proposals should be accompanied by a detailed summary of their recommended insurance and risk mitigation structure(s)
- Support for the tenderers proposals should be evidenced by a signed participation confirmation from the Service Provider(s)/Insurers/Reinsurers who will support their recommended structure and the terms, conditions and exceptions proposed by renderer.
- The tenderer must disclose the Service Provider(s)/Insurer or consortium of service providers on each policy wording as indicated in tender documents.
- Failure to comply with the above requirements may render the Tender invalid at the option of the council.
- This contract will be valid for the period of three years from the date of appointment.

4.5 Risk Services

Bidders must supply proposed solutions pertaining to the advice, recommendations in terms of service delivery, regulations and insurability, amongst others should at least include:

- Pricing model
- Risk Management framework

- List of Deliverables

7. MINIMUM REQUIREMENTS

The following are minimum requirements:

- South African based Insurer agency contract (Attach Proof)
- Valid Tax Clearance Certificate
- Registration with the FSCA/FSB (Attach Proof)
- Registration of Financial Intermediaries Association (FIA) (Attach Proof)
- Registration with The Institute of Risk Management - South Africa (IRMSA) (Attach Proof)
- Insurance Institute of South Africa- IISA (Attach proof)
- B- BBEE accreditation. (Attach Proof)
- Institute of independent directors' certification for the directors
- Proof of Professional Indemnity of R450 Million
- Provide CV's with contactable references
- Provide B degree in Insurance and Risk Management for the Director
- Provide confirmation letters of three of the highest value claims in excess of R 5 Million
- Provide reference letters where the broker has conducted brokerage services and claims management services
- ISO 9001: 2015 Certificate
- Information Regulator Certificate

Non - adherence to these minimum requirements will result in disqualification of the tenderer.

1. REPORTING, MONITORING, EVALUATION

The successful bidder needs to report on a monthly basis on the progress on all claims, risk services matters and other general matters raised. A monthly meeting needs to be scheduled with the relevant officials directly dealing with the insurance portfolio of the municipality (insurance clerk) as well as the risk officer to discuss matters of emphasis.

2. EXPECTED OUTPUTS AND OUTCOMES

The successful bidder must provide the council with full coverage on all asset classes as per risk management strategy, deductibles, policy wording and insurers as mentioned in the schedules provided for a period of 36 months.

3. REQUIRED DOCUMENTS

All tenderers need to be registered with the following institutions:

- Financial Services Conduct Authority (FSCA)
- Financial Intermediaries association (FIA)
- The Institute of Risk Management - South Africa (IRMSA)
- Insurance Institute of South Africa - IISA
- Membership Certificate of Institute of Directors
- Professional indemnity of R 450 000 000

4. INTELLECTUAL PROPERTY

The information of the tenderer will be treated as confidential and remain the property of the bidder.

5. REPRESENTATIVE

Proof of registered South African representative must be provided.

6. EVALUATION CRITERIA

Acceptable bids will be evaluated by using a two-phased bidding system that awards points on the basis of 90 points for bid price/ functionality and 10 points for B-BBEE status.

The 90 points will be divided into 90 for functionality and 10 for pricing, while the functionality will be evaluated as follows:

CRITERIA	DESCRIPTION	SUB-SCORE	SCORE
1. Experience of the bidding entity in the insurance industry.	<u>Years in the Field:</u> 5 = 0 10 = 2 16 = 10		10
2. Risk Management (Bidders should submit a proof on relevant experience)	Understanding of Risk Management Strategy and provide letters of recommendation. 0-1=0 2-3= 3 3-5= 5		5
3. Vehicle Tracking (Bidders should submit a proof on relevant experience)	Bidders experience in years in providing similar vehicles to Municipalities and government departments - 1-5 years: 5 points 6 + years: 10 points		10

<p>4. Public Sector Experience (Bidders should submit appointment letter)</p>	<p>Bidders should submit appointment letter based on similar services: 0-5=3 6-10=5 11-15=8 16-20=10 50-100=15</p>		<p>15</p>
<p>5. Director(s): minimum two with a minimum of 16 years' experience</p>	<p>The bidder must provide the following:</p> <ul style="list-style-type: none"> • CV's (with years of experience and contactable references) • BCom degree (Insurance & Risk Management and/or Accounting) • FAIS accreditation (RE 1 & 5) • IODSA Certificate • IRMSA Certificate • FIA Member Certificate or confirmation letter • Matric 		<p>15</p>
<p>6. Account Manager: (minimum two, with a minimum of 10 years' experience)</p>	<p>The bidder must provide the following:</p> <ul style="list-style-type: none"> • CV (with years of experience and contactable references) • B.A (Relevant B.A Degree) • Risk Management NQF level 6 • Advanced Insurance Practice NQF level 6 • Short-Term Insurance NQF level 5 		<p>10</p>
	<ul style="list-style-type: none"> • IISA Certificate (Fellow & Associate) • FAIS Accredited (RE 1 & RE 5) • Matric 		

<p>7. Claims Manager (with a minimum of 5 years' experience)</p>	<p>The bidder must provide the following:</p> <ul style="list-style-type: none"> • CV (with years of experience and contactable references) • Diploma in Insurance • FAIS Accredited (RE 5) • Programme in Risk Management NQF Level 6 • IISA Programme Advanced Insurance Practice NQF level 6 • IISA Certificates (Fellow) • Matric 		<p>10</p>
<p>8. Contactable references from companies whose insured are over R 5 million (minimum of 5 letters)</p>	<p>Bidders should submit confirmation from the client (two points per letters).</p>		<p>10</p>
<p>9. Professional Indemnity & Fidelity Guarantee (minimum 500 million)</p>	<p>Bidder must provide confirmation letter / Schedule from the insurer</p>		<p>15</p>

Bidders must gain a minimum of 70% for functionality before they will be further evaluated. It is important to note that due to the critical nature of the functionality aspect of this tender, award of points under functionality will not be done proportionate to the degree of compliance or non-compliance with the required specification or requirement. Points will be allocated for full compliance and no points will be allocated for partial or non-compliance.

MBD 6.1

Preferential Procurement Regulation 2022

52. Specific goals

- (a) Company which at least 51% is owned by Black People
- (b) Company which is at least 51% is owned by women
- (c) Company which at least 51% is owned by people with disabilities
- (d) Company which 51% is owned by people living in rural underdeveloped areas
- (e) Locality

Points to be allocated for specific goals and to promote economic development”

1. The following conditions will stipulate the specific goals as contemplated in section 2(1) (d) (ii) of the Preferential Procurement Policy Framework Act, be attained.
2. A maximum of 20 points (80/20) preference points system or 10 (90/10) preference points system will be allocated for specific goals. These goals are as follow”
 - a) Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
 - b) the promotion of enterprise located in the local area (phased in approach to be applied for other RDP
3. On paragraph 2 (b) above 50% of the (20/10) points will be allocated to promote this goal. Points will be allocated as follows:

Local area of Supplier	Number of Points for Preference (50%)		Means of Verification
	80/20	90/10	
Within the area of Tswaing Local Municipality.	10	5	Company registration- physical address
Within the area of Ngaka Modiri Molema District Municipality.	6	3	Company registration- physical address
Within the area of North West Province.	4	2	Company registration- physical address
Within the Republic of South Africa.	2	1	Company registration- physical address

4. Any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender
5. A tender failing to submit proof of required evidence to claim preference for other specified goals, which is in line section 2 (1) (d) (i) of the Act.
 - a) may only score in terms of the 80/90-point formula for price and;
 - b) Scores 0 points out of 10/5 of the relevant specific goals where the supplier or service provider did not stipulate the
 - c) area where the business is operating and/ or locating.

6. The preference points scored by a tender must be added to the points scored for price
7. The points scored must be rounded off to the nearest two decimal places
8. The contract must be awarded to the tender scoring the highest points

Specific Goals	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)	Means of Verification
Company which at least 51% is owned by Black People	10	5	CSD Report
Company which is at least 51% is owned by women	10	5	CSD Report
Company which at least 51% is owned by people with disabilities	10	5	Medical report indicating disability /CSD Report
Company which 51% is owned by people living in rural underdeveloped areas	10	5	CSD Report

Identification of preference point system

53. 1. Tswaing Local Municipality must, in the tender documents, stipulate—
- a) The applicable preference point system as envisaged in regulations 4, 5, 6 or 7;
 - b) the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.
2. If it is unclear whether the 80/20 or 90/10 preference point system applies, Tswaing Local Municipality 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.

80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million

1. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

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

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

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

2. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for acquisition of goods or services with Rand value above R50 million

1. The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

Where-

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

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

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

2. A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender. (The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million

1. The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million,

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

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

2. A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.
(The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

1. The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

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

Where:

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{max} = Price of highest acceptable tender.

2. A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.
(The allocation of preference points for tenders above the quotation threshold to be decided and allocated per tender)
3. The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
4. Subject to section 2(1) (f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

54. Subcontracting as a condition of tender for procurement above R30 million (regulation 9)

1. The regulation states that if feasible to contract above R 30 million, an organ of state must apply subcontracting to advance designated groups.
2. The term “feasible” is used in recognition of the fact that it may not always be possible to subcontract in all tenders due to the nature of some tenders. (For instance it may not be possible to sub-contract one piece of machinery that is above R 30 million).
3. Tswaing Local Municipality will identify procurement opportunities for designated groups where compulsory sub-contracting must be applied to all contracts/ projects above R30 million.
4. The responsibility to determine whether it is feasible or not rests with Tswaing Local Municipality. Tswaing Local Municipality must ensure participation of EMEs and QSEs in contracts or projects and not just dismiss this provision on the basis that it is not feasible without providing facts and objective analysis to substantiate their decision.
5. Notwithstanding the minimum 30% compulsory sub-contracting provision, Tswaing Local Municipality may identify procurement opportunities for participation of designated groups in contracts or projects below R30 million.
6. Tenders must be advertised with a condition that tenderers who fail to comply with this requirement would be disqualified.
7. The Central Supplier Database (CSD) has been upgraded to allow bidders/ contractors/ suppliers access to CSD for identification of potential subcontractors from the pool of EMEs or QSEs to advance designated groups.
8. In the case of construction and built environment sectors, nothing prevents bidders/ contractors/ suppliers to select sub-contractors from the CIDB database who are registered on the CSD for the purposes of compliance with the minimum 30% compulsory sub-contracting provisions.
9. Tenderers or contractors must submit proof of subcontracting arrangement between the main tenderer and the subcontractor. Proof of subcontracting arrangement may include a subcontracting agreement between main tenderer and the subcontractor.
10. The responsibility for inclusion of compulsory subcontracting clause in the tender rests with Tswaing Local Municipality.
11. The responsibility to sub-contract with competent and capable subcontractors rests with the main contractor/ supplier in conjunction with Tswaing Local Municipality.
12. The contract will be concluded between the main contractor and Tswaing Local Municipality, therefore, the main contractor and not the subcontractor would be held liable for performance in terms of its contractual obligations.
13. Main contractors/ suppliers are discouraged from subcontracting with their subsidiary companies as this may be interpreted as subcontracting with themselves and / or using their subsidiaries for fronting. Where primary

contractor subcontracts with a subsidiary this must be declared in tender documents.

14. Tenders that do not meet subcontracting requirements are considered as being not acceptable tenders and must be disqualified and may not be considered for further evaluation or award.

Criteria for breaking deadlock in scoring

55. 1. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
2. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots. Which must be conducted by the Bid Evaluation Committee.

Remedies

56. 1. If Tswaing Local Municipality is of the view that a tenderer submitted false information regarding a specific goal, it must—
 - a) Inform the tenderer accordingly; and
 - b) Give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
2. After considering the representations referred to in sub regulation (1)(b), Tswaing Local Municipality may, if it concludes that such information is false—
 - a) disqualify the tenderer or terminate the contract in whole or in part; and if applicable, claim damages from the tenderer.

FORM L: PRICING SCHEDULE - NON- FIRM

PRICES (PURCHASES)

NOTE: PRICE ADJUSTMENTS WILL BE ALLOWED AT THE PERIODS AND TIMES SPECIFIED IN THE BIDDING DOCUMENTS.

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of Bidder:	
Bid #: 8/3/- Closing Time: 12h00 <u>75/2022</u>	Closing Date: 26 MARCH 2024

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING

DATE OF BILL OF QUANTITIES

PRICE SCHEDULE - **BROKER FEES**

FOR EVALUATION PURPOSE (MUST BE COMPLETED)

NAME OF BIDDING ENTITY

FORM "K"

MUNICIPALITY

CONTRACT NUMBER:

THE APPOINTMENT OF A BROKER RELATED TO INSURANCE AND RISK SERVICES FOR THE PERIOD FROM DATE OF AWARD UNTIL 30 JUNE 2026

SCHEDULE OF PRICES

PLEASE NOTE:

BROKING SERVICE FEES

- Prospective bidders' attention is drawn to the fact that this is a technical capabilities evaluation based on the Broking Service Fee.
- Cognizance should be taken that the appointed Short Term Insurance Broker will not be allowed to increase their fee in year 2 (two) and 3 (three) with more than the CPIX.

INSURANCE PREMIUM

- It will be required from the appointed Short Term Insurance Brokers to obtain insurance premium based on the Insurance Portfolio of the Municipality in the local and/or international insurance market.

- Proposals made to the Municipality should be based on the most cost-effective placement of the insurance portfolio in the insurance market, taking into consideration the financial risk exposure.
- Quotations received by the Insurance Broker from the insurance market must be made available to Municipality for scrutiny and approval by the Chief Risk Officer (CRO) or Head of Department (HOD).

PERIOD 1

FROM 01 JULY 2023 UNTIL 30 JUNE 2024 (PRICING MUST BE FIXED FOR THIS PERIOD)

DESCRIPTION	FEES (VAT EXCLUDED)
PLACEMENT-BROKING RISK PLACEMENT ANNUALLY	
CONTRACT MANAGEMENT SERVICE (REPORTING) ANNUALLY	
FORMULATING RISK FINANCE AND PORTFOLIO STRUCTURING ANNUALLY	
CLAIM MANAGEMENT SYSTEM AND MAINTENANCE ANNUALLY	
ADMINISTRATIVE AND OPERATIONS SERVICES ANNUALLY	

PERIOD 2

FROM 01 JULY 2024 UNTIL 30 JUNE 2025

DESCRIPTION	FEES (VAT EXCLUDED)
PLACEMENT- BROKING RISK PLACEMENT ANNUALLY	
CONTRACT MANAGEMENT SERVICE (REPORTING) ANNUALLY	
FORMULATING RISK FINANCE AND PORTFOLIO STRUCTURING ANNUALLY	
CLAIM MANAGEMENT SYSTEM AND MAINTENANCE ANNUALLY	
CLAIMS VALUE CHAIN MANAGEMENT ANNUALLY	
ADMINISTRATIVE AND OPERATIONS SERVICES ANNUALLY	

PERIOD 3

FROM 01 JULY 2025 UNTIL 30 JUNE 2026

DESCRIPTION	FEES (VAT EXCLUDED)
PLACEMENT- BROKING RISK PLACEMENT ANNUALLY	
CONTRACT MANAGEMENT SERVICE (REPORTING) ANNUALLY	
FORMULATING RISK FINANCE AND PORTFOLIO STRUCTURING ANNUALLY	
CLAIM MANAGEMENT SYSTEM AND MAINTENANCE ANNUALLY	
CLAIMS VALUE CHAIN MANAGEMENT ANNUALLY	
ADMINISTRATIVE AND OPERATIONS SERVICES ANNUALLY	

The price used for evaluation of tenders is the price inclusive of all applicable taxes. All applicable taxes certainly will include Value Added Tax (VAT), where applicable, and any other taxes as may be imposed through legislation. Whatever the nature of the tax, it should be included in the price submitted.

Signature of person authorised to sign bid documents

Name in block letters

Designation

Date

98

CONTRACT NEGOTIATIONS

Negotiations to reach agreement on the contract will be held at the following address:

Negotiations may include discussion on the proposed approach, work plan, staffing, consortium compositions, deliverables and pricing and any other matters of concern to the Institution. The outcome of these negotiations will form part of the contract.

In the event the negotiations fail, the Institution will invite the bidder with the second highest score to contract negotiations.

INFORMATION TO BIDDERS

Please note that the proposal will be adjudicated in terms of the Preferential Procurement Policy Framework Act of 2000 and the Preferential Procurement Regulations, 2022.

90/10 preferential point system will apply

Price and Functionality	90
B – BBEE	10
Total	100

Approach and Methodology (1,2,3): The criteria assesses aspects such as method in managing portfolio, approach to performing tasks set out in Terms of Reference (TOR) proposed improvements, project implementation plan and project organizational structure.

Proven Track record (1,2,3,4,5,6): The criterion assesses aspects such as history of bidder's experience in similar projects i.e. Municipal Insurance & Risk Solutions, including reference projects and level of success outcome.

Quality of Bid Proposal (1, 2, 3, 4, 5, 6, 7, 8):

- i) PPPFA and associated regulations: The criteria assesses aspects relating to the extent of understanding the TOR/ specifications, completeness of proposal and level of details provided, policy wording and innovation.
- ii) Level of professional supervision

Points will be allocated for B-BBEE status in the following manner

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non – compliant contributor	0

ANNEXURE:

A. Tender Document

COMPILED BY:

DATE:

----- Name and Surname

YYYYMMDD

APPROVED/NOT APPROVED

DATE:

Executive Director: Cluster

YYYYMMDD

APPROVED/NOT APPROVED

DATE:

Municipal Manager:

YYYYMMDD

REQUEST FOR PROPOSAL -

INTERMEDIARY SERVICES RELATED TO SHORT TERM INSURANCE AND RISK SERVICES

For

_____ **MUNICIPALITY**

CLOSING DATE

INVITATION TO TENDER

You are hereby invited to submit proposals in respect of our Insurance Portfolio and Risk Services based on the following conditions:

1. Your proposal must be submitted by no later than _____ on _____

2. No proposal received after this time will be considered.
3. Particulars of property, sums insured and limits of indemnity are based on the existing sums insured/ limits.
4. If any limitations and/or uncommon conditions and exclusions are to be imposed, this must be stated very clearly in respect of each class of insurance of the policies.
5. Deductibles are to be shown clearly, otherwise the Council will assume that no deductible will apply and this may not be rectified afterwards.
6. Your proposal is to be valid until _____ and Insurers will undertake not to amend their terms, but must be assessed annually based on their performance and deliverables.
7. Faxed, e-mailed and telegraphic tenders/copies will not be accepted.

GENERAL CONDITIONS

1. DEFINITIONS

Unless indicated by the context or explicitly stated otherwise, the following expressions will have the following meanings:

- **Local Council/ District/ Local Authority**
-

- **Proposal**

A proposal for the arrangement of short-term insurance and risk services for the Council at an agreed premium.

- **Tenderer**

Any person or persons or anybody, incorporated or otherwise, making an offer to arrange short-term insurance and risk services for the Council.

- **Contract Period**

This contract will be valid from _____ to _____, subject to an annual assessment on price and performance deliverables. An extended term of two (2) years is to be negotiated.

2. FAILURE TO PERFORM

2.1

- a) The tenderer should fail to arrange the short-term insurance cover with Insurers/Reinsurers/Service Providers stated in the contract;

Or

- b) The council should suffer damage as a result of the tenderer's failure to perform,

3. CEDING OF CONTRACT

The tenderer undertakes not to sub-contract or cede this contract, including any portion thereof or interest therein, unless written permission is granted by the council and on such conditions as the council may approve.

4. ACCEPTANCE

4.1 Written acceptance of this tender will make the contract binding on both parties.

5. USE OF OTHER BROKERS/INTERMEDIARIES

Will you be making use of other service providers or parties? If so, whom, and what is your relationship?

6. PARTICULARS OF PROFESSIONAL INDEMNITY INSURANCE

Provide full details of your Professional Indemnity insurance arrangements. State limits of any one occurrence and deductible.

7. AUDITED FINANCIAL STATEMENTS

Please attach a copy of your latest audited financial statements.

8. SIMILAR PORTFOLIOS (LOCAL AUTHORITIES ONLY)

8.1 If you are currently dealing with any similar portfolios, please provide full details, including names of contactable references

<i>Council</i>	<i>Contact Person</i>	<i>Tel No.</i>	<i>Fax</i>

8.2 Please provide information of municipal claims in excess of R250 000 handled by you during the past 3 years.

9. INSURANCE MARKETS

- Which markets do you have access?
- Does your proposed market have experience with Local Authorities?

10. OPERATING COMPANY INFORMATION

Indicate which company, division or branch will be responsible for the handling of our portfolio, if appointed.

10.1 NAME

.....
.....

10.2 PHYSICAL ADDRESS

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.....
.....

10.3 POSTAL ADDRESS

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.....
.....

10.4 TELEPHONE/FACSIMILE NUMBER

.....
.....

10.5 COMPANY/ENTERPRISE INCOME TAX REFERENCE NUMBER

.....
.....

10.6 VAT REGISTRATION NUMBER

.....
.....

10.7 COMPANY REGISTRATION NUMBER

.....
.....

10.8 DIRECTOR

.....

.....

10.9 STRUCTURE OF DIVISION

.....

.....

10.10 ACCOUNT MANAGER

.....

.....

11 PORTFOLIO MANAGEMENT

11.1 *Do you have a Loss Control Resource?*

Is it In-house or external?

11.2 *Do you have a Risk Finance Resource?*

Is it in-house or external?

Describe fully the services you are able to offer on the field of Risk Management, Risk Control and Risk Financing

11.3 *How would you apply your Resources to our benefit?*

12 CLAIMS HANDLING

12.1 *Describe fully the services you are able to offer under this heading.*

12.2 *If you consider it applicable, comment upon the role to be undertaken by the Council in connection with the review and settlement of claims.*

12.3 *Describe fully the service you are able to offer and your recommended method for self-insurance.*

13 PROPOSED STRATEGY

13.1 *Describe your proposed strategy and plan of action based on the information provided, should you be appointed.*

14 SERVICE AND REMUNERATION

14.1 Service

14.1.1 Provide full details of the services you propose providing and the extent of such services.

14.1.2 Provide a full-service plan

14.2 List your personnel resource level of experience and position that you would use in managing this account if

Appointe

