****

**--------------------------------------------------------------------------------------------------------------------------------------------------Tender Specifications**

**-----------------------------------------------------------------------------------------------------------------------------------------------------**

**APPOINTMENT OF A PANEL OF THREE(3) AUCTIONEERS TO AUCTION VARIOUS MUNICIPAL ASSETS FOR A PERIOD OF THREE(3) YEARS**

# **PURPOSE AND SCOPE**

Musina Local Municipality hereby invites registered Auctioneer registered with the professional body of Auctioneers to submit bids for “Auctioning various Municipal fixed Assets for a period of Three(3) years”.

The tender will be evaluated on the **80/20** Preference Points system as prescribed by the Preferential Procurement Regulations, 2022.

# **QUERIES AND CONTRACT INFORMATION**

All queries regarding this bid must be submitted in writing by email, which will in turn be recorded. A written response will then be emailed to all bidders. No telephonic queries will be answered. The contact details for queries are:

Technical Specifications:

TA TSHINAVHE

MANAGER ASSETS

amont@musina.gov.za

Supply Chain Requirements

Mary Siziba

SCM Manager

marys@musina.gov.za

# **TERMS OF REFERENCE**

**3.1 BACKGROUND**

The Municipality is required by legislations to dispose assets that no longer contribute toward service delivery objectives of the Municipality as well as redundant and obsolete Assets. The types of moveable assets include but not limited to Vehicles, Computer equipment, Office and furniture equipment, Audio Visual equipment, Other Machinery and equipment. Note that the value of these assets have depreciated over time.

Council of Musina Municipality has approved the disposal of various municipal owned fixed assets. The successful bidder will be required to auction all the municipal fixed assets as approved by the council.

**LIST OF MUNICIPAL ASSETS INCLUDES:**

* Old office furniture
* Various ICT equipment (Computers, Laptops and printers)
* Vehicles
* Machinery and equipment
* Auction of ERF / ERVEN
	+ - And other items that may need to be auctioned (e.g. scraps)

**3.2 CONTRACT PERIOD**

The contract will be for a period of three (3) years from the date of signing service level agreement.

**3.3 SCOPE OF TENDER**

**3.3.1** The service provider must carry out the auction at Musina Municipality’s offices

**3.3.2** The service provider will be responsible for advertising, follow up all due processes of auctioning and management of the process. All costs arising from the above will be borne by the service provider.

3.3.3 The service provider will be responsible for the safeguard of the assets throughout the auctioning process. The Municipality will not be liable for any loss or damages sustained by the service provider due failure to implement adequate security measures.

3.3.4 Will be responsible to collect all proceeds and reconcile back to asset sold

3.3.5 Assist the Council in collection of funds from the bidders i.e Proceeds from the auction must be paid into the Municipality’s bank account within 1 month after sign off of the process by the delegated municipality’s official.

3.3.6 Auction must be open to the Public and must be conducted with maximum participation by the Public.

3.3.7 Dispose all identified Assets as per the register approved by Council

3.3.8 Prospective bidders are expected to submit a detailed proposal to the municipality giving all details as to how they intend to render this service to the municipality with a detailed pricing schedule.

3.4 **Deliverables or project output and or out come**

3.4.1 Dispose all identified assets as per the register approved by council

3.4.2 Percentage of items sold at auction. (100% of lots)

3.4.3 Sale price above the reserved price for all lots (100%)

3.4.4 Percentage of collections of winning bids. (100%)

3.4.5 Payment of proceeds paid into the Municipal Bank account within 1 month after auction.

# **COMPULSORY DOCUMENTS TO SUBMIT WITH THE BID TO BE CONSIDERED FOR APPOINTMENT (Supply chain management documentations - administrative compliance)**

Bids will only be considered on receipt of the tender document correctly completed with all insertions in black ink and signed.

The following compulsory documentation must be attached in order for the bid to be considered:

1. Tax compliance status pin issued
2. Comfirmation of vat registration
3. Certified ID copies of all members / owners / directors / shareholders / trustees
4. Copy of municipal rates and taxes statement of account not older than three months for all directors and for the company
5. Central supplier database registration report
6. Proof of relevant registration with professional body of auctioneers. The South African Institute of Auctioneers (SAIA)

# **EVALUATION OF BIDS**

Musina Local Municipality will not be bound to accept the lowest or any tender and also reserves the right to cancel the tender when deemed necessary.

 A preferential point system shall apply whereby this contract will be allocated to a bidder in accordance with the Preferential Procurement Policy Framework Act, No 5 of 2000 and as defined in the conditions of bid in the bid document, read in conjunction with the Preferential Procurement Regulations, 2022, where 80 points will be allocated in respect of price and A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

Bidders will be expected to indicate the percentage that will be charged for rendering this service to the municipality based on the revenue generated per auction. The price points will be calculated based on the percentage or rate charged by the auctioneers.

All bids received will be evaluated as follows:

1st stage

Bids received will be evaluated based on administrative compliance (Supply chain Management requirements)

2nd stage

Bids received will be evaluated for Price and Specific goals specified for tender on the 80/20 preference points scoring system

Where 80 points for price and 20 points for Specified goals as follows:

|  |  |
| --- | --- |
| **Designated groups** | **Number of points (20)** |
| Points for HDI status (Atleast 51% Black owned) | 10 |
| Points for 51% Women’s Equity | 4 |
| Points for Black person with Disability | 3 |
| Points for 51% Owned Youth firm | 3 |
| Forms not completed or submitted | 0 |

# **COMPULSORY BRIEFING SESSION**

No compulsory briefing seesion will be held for the bid.

# **PRICING SCHEDULE**

1. Bid amount and tendered COMMISSION % will be regarded fixed and no additional cost will be added.
2. Bidders must indicate the percentage of commission to charge Council.
3. All prices must be stated in South African Currency (ZAR).
4. Bidders shall allow in their tender for the payment and recovery of all taxes and other duties. No claims for additional payment in this respect will be considered. Prices and rates quoted shall be inclusive of Value Added Tax (VAT).

**7.1 Fees**

|  |  |  |
| --- | --- | --- |
| **DESCRIPTION** | **QTY** | **COMMISSION IN PERCENTAGE %** |
| Percentage % sellers commission fee on the proceeds.  | 1 | YEAR 1 | YEAR 2 | YEAR 3 |
| \_\_\_\_\_\_\_\_% | \_\_\_\_\_\_\_\_% | \_\_\_\_\_\_\_\_% |
|  |
|

# **WITHDRAWAL OF TENDER**

In the event of the successful tender failing to execute the service in terms of this tender, the Municipality shall be entitled to cancel the contract summarily, in which event the Bidder shall be liable for any additional expense incurred by reason of the Municipality having to call for fresh tenders or having to accept any less favourable tender.

# **PERIOD OF VALIDITY OF TENDER**

The period of validity of tenders shall be 90 days as stated in the tender form and be calculated from the closing date for submission of tenders.

# **NOTICE OF BIDDERS**

Should any additions or alterations to the document as issued to Bidders be deemed necessary prior to the date for submission of tenders, they will be issued to Bidders in the form of Notices and will form part of the tender document.

 The Notices to Bidders shall be completed where applicable by Bidders, signed, dated and returned with the tender documents.

 The tendered amount should include newspaper adverts and all other disbursements.

Prospective bidders are required to declare the percentage they are respectively intending to charge to the buyer \_\_\_\_\_\_\_\_\_\_%. This will not be part of evaluation processes but to manage possible risk.

# **DELIVERY CONDITIONS AND PERIOD**

The successful bidder will be appointed for a period of three years. Within this period, the successful bidder must auction and dispose of all assets as approved by the council. The disposal must be done in accordance with the signed SLA and all applicable laws and regulations.

The successful bidder may only auction municipal assets on the instruction of the municipality. The municipality will furnish the successful bidder with a listing of assets approved for disposal on a periodic basis, as and when needed. Upon the receipt of the listing of assets approved for disposal, the successful bidder will be expected to dispose of those assets within four (4) weeks.