



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

RT46-2024

REQUEST FOR INFORMATION (RFI)

**APPOINTMENT OF CONTRACTORS FOR THE PROVISION OF VEHICLE FLEET
MANAGEMENT SERVICES TO THE STATE**

CLOSING DATE FOR SUBMISSION OF INFORMATION

24 JANUARY 2025 AT 12H00

1. INTRODUCTION AND BACKGROUND

- 1.1. The Office of the Chief Procurement Officer (OCPO): The Transversal Contracting unit within the National Treasury (NT) is currently in the process of renewing the contract for the provision of vehicle fleet management services to the state, which will expire in 2026.
- 1.2. The Contract RT46 contract is utilized to provide vehicle fleet management services to the State. This includes the provision of fuel cards, tracking devices, driver identification, traffic fine management, reporting and the maintenance and repair of government-owned vehicles.
- 1.3. The objective of the State is to ensure a fair and equitable distribution of maintenance and repair work through the merchants on RT46, whilst at the same time not jeopardizing the quality of repairs and reducing the turnaround time on vehicle repairs and ensuring that the government's empowerment goals and objectives are met.
- 1.4. A number of challenges have been identified on the maintenance and repairs of vehicles on the current contract. These include, but are not limited to the following:
 - 1.4.1. Perceptions of inequitable and unfair work distribution amongst merchants.
 - 1.4.2. Substandard repairs
 - 1.4.3. Prolonged turnaround times and vehicle downtime
 - 1.4.4. Cancellation of insurance cover by merchants / workshops
 - 1.4.5. Inflated parts pricing and billing
 - 1.4.6. High rate of merchant suspensions due to dishonest, fraudulent activities and collusion
 - 1.4.7. Merchant and vehicle inspection challenges
- 1.5. The National Treasury has identified the need to consult key industry stakeholders through a Request for Information (RFI). We, therefore, require the industry's input on the following challenges on the previous contracts:
 - 1.5.1. Perceptions of inequitable and unfair work distribution.

The process of allocation of work is done by the appointed service provider on the contract, and some merchants have been complaining that they are not receiving work and others are receiving high volumes of work. The allocation of work is elaborated in Addendum B of user requirements, herewith, attached as **Annexure A**.
 - 1.5.2. Substandard repairs:

The high occurrence of substandard repairs is a concern. Upon investigation, this can be attributed to merchants' workshops that do not meet the minimum requirements and in some instances, the inspected workshop at the time of the repair or maintenance being done are differently equipped than the workshop

initially inspected. Employees that are qualified, resign and are not replaced or replaced by employees that are not qualified. Not having the required staff or equipment jeopardizes the repair process. This causes backlogs and the unavailability of vehicles which has a significant negative impact on service delivery as these vehicles either need to be returned for repair or re-routed to another merchant.

1.5.3. Prolonged turnaround times and vehicle downtime:

Several reasons have been identified, including part shortages, other customers vehicles being prioritized by merchants and delays in authorizations.

1.5.4. Losses due to damage, theft and swapping of vehicle parts:

Various losses are suffered by the State in the maintenance and repair processes. From the total loss of the vehicles due to theft to the swapping out of vehicle parts once a vehicle is booked in for maintenance or repairs. In some instances, the merchants cancel their insurance cover once onboarded as a merchant on the database.

1.5.5. Inflated parts pricing and billing:

Despite a process of benchmarking parts prices, challenges remain where merchants overcharge the State, especially on items that need repair or replacement infrequently.

1.5.6. High rate of merchant suspensions due to dishonest, fraudulent activities and collusion:

Current control mechanisms identified dishonest and fraudulent activities by merchants. This includes using different parts than those quoted for, signing of their own invoices or colluding with government officials to book repairs against vehicles where no repairs were required.

1.5.7. Merchant and vehicle inspections:

The previous contracts provided for many inspectors to be appointed to inspect merchants to ensure capacity and technical capability. The workshop will meet the requirement to be onboarded as a merchant, but changes once onboarded as the staff and equipment are moved or changed. Irrespective of the number of inspectors, it remains a challenge to ensure that the merchant remains the same throughout the contract.

2. PURPOSE OF THE REQUEST FOR INFORMATION (RFI)

2.1. The purpose of the Request for Information is to invite companies/suppliers or stakeholders in the vehicle fleet maintenance industry to provide inputs and recommendations by commenting on the current challenges as outlined herein and provide possible recommendations for the amendment of the Work Allocation Process as attached.

2.2. Kindly note that this **is not a bid or a tender** but an industry consultation on user requirements. You are therefore requested to read through the user requirements and provide your inputs/comments.

3. INFORMATION REQUIRED

3.1. Companies/suppliers in the industry must please provide their input and possible recommendations to address the following areas as reflected below:

- 3.1.1. Perceptions of inequitable and unfair work distribution.
- 3.1.2. Substandard repairs
- 3.1.3. Increased turnaround times and vehicle downtime
- 3.1.4. Cancellation of insurance cover by merchants / workshops
- 3.1.5. Inflated parts pricing and billing
- 3.1.6. High rate of merchant suspensions due to dishonest, fraudulent activities and collusion.
- 3.1.7. Merchant and vehicle inspections

3.2 Additional information required:

3.2.1 Your Company Overview & Affiliation with Industry:

- a) Provide an introduction and a short background of your company. This must also include the contact details i.e., Name of the contact person/representative, cell phone number and email address.
- b) Submit your company profile
- c) Indicate your affiliation with any industry body (if applicable)
- d) Indication of the type of services rendered
- e) Indication of the number of years in business

3.2.2 Process for the allocation/distribution of work:

- a) Provide your input relating to the process for the allocation and distribution of work.

3.2.3 Specific Standards that workshops must meet:

- a) Provide your input addressing the following, however, this is not an exhaustive list and may add additional information:
 - Inspections of workshops of merchants
 - Minimum requirements and standards that must be met
 - Regulatory compliance requirements related to workshops
 - Any further recommendations on the current process
 - Industry affiliations / Industry bodies

Note! Please note that the information supplied does not guarantee that it will be added to the user requirements but is merely for industry analyses.

4. SUBMISSION OF RESPONSES

- 4.1. Inputs and comments addressing the areas outlined in paragraph 3 above, must be submitted at the closing date and time of the RFI. The information supplied must be in the order requested.
- 4.2. Please do not submit any documentation, other than what is required.
- 4.3. Responses must be submitted through the e-Tender Publication Portal at: www.etenders.gov.za at the closing date and time of the RFI, **24 January 2025 at 12h00**.
- 4.4. Documents submitted via email or hand-delivered will not be accepted.
- 4.5. Please find the link to the guide for online submissions through the e-Tender Publication Portal: <https://youtu.be/B7pNseNJYHM>
- 4.6. All enquires must be sent via email to Erica.Dennis@Treasury.gov.za.

5. FURTHER CONSULTATION

- 5.1. Stakeholders should indicate in their submission if they would like to make oral presentation of what they have already submitted through this process and the National Treasury may invite the companies/suppliers in question to make such oral presentations.

Kind Regards,



MR. MULATÉDZI RAUDZINGANA
DIRECTOR: TRANSVERSAL CONTRACTING
DATE: 15 NOVEMBER 2024