



PROJECT NAME: WATER INVENTORY VALUATION SERVICES

PROJECT NO: RFQ 100 Re-Advert

USER DEPARTMENT: FINANCE

NAME OF SERVICE PROVIDER:.....

QUOTATION AMOUNT :R.....

CSD SUPPLIER NUMBER : MAAA.....

CLOSING DATE : 21 July 2023

CLOSING TIME: 12H00

NB: Quotations/Submission must be submitted by email – audreys@lepelle.co.za

Water inventory valuation services

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1. PURPOSE

This specification's objective is to require Supply Chain Management to procure a service provider who will provide Lepelle Northern Water (LNW) with the service of valuation of its water inventory as of the financial year ending June 30, 2023.

2. BACKGROUND OF LEPELLE NORTHERN WATER

Lepelle Northern Water ("LNW") is a (schedule 3B) public water utility, wholly owned by the state, established in terms of the Water Services Act No 108 of 1997. Section 51(a)(i) of the Public Finance Management Act (PFMA) states that – "An accounting authority for a public entity must ensure that the public entity has and maintains effective, efficient, and transparent systems of financial and risk management, and internal control.

3. Background of the project

GRAP 12 (Generally Recognized Accounting Practice 12) provides guidelines for the valuation of inventory for public entities, including water inventory. Lepelle Northern Water operates numerous water treatment works situated in the Capricorn, Mopani, Sekhukhune and Vhembe region.

4. SPECIFICATION

Quotations for the provision of a service of the valuation of water inventory as of the financial year ending on June 30, 2023, are invited from qualified service providers.

5. SCOPE OF WORK

The scope of work for the appointed service provider will include the following:

- Assess the current methodologies: Review the existing methodologies to identify pain points, inefficiencies and areas that could benefit from improvements.
- Define and develop standard operating procedures relevant to the organisation's objectives, strategies, and reporting frameworks.

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- Recommend a financial model solution that is modern technology-driven:
- Foster collaboration: Management accounting should work closely with other departments to gather and analyze data that can inform decision-making. Recommend solutions to foster cross-functional collaboration.

6. KEY DELIVERABLES AND EXPECTATIONS

The primary deliverables for this engagement should include but are not limited to the following:

- **Process Analysis:** analyse the business process and costs of production to help management make informed decisions about the valuation of work in progress and finished water inventory.
- **Cost Determination:** The cost of water inventory should include all costs directly attributable to bringing the water inventory to its present location (s) and condition.
- **Measurement basis:** Water Assist with the value assigned to the water inventory in line with accounting policies.
- **Consistency and comparability:** ensure consistency in applying the valuation method in a more reliable and relevant representation of the water inventory's value.
- **Disclosure:** provide a comprehensive disclosure necessary for users of the financial statements with a clear understanding of the accounting policies.
- **Internal control:** design controls to ensure compliance with accounting policies.
- **Risk management:** analyse financial and operational risks and develop strategies to mitigate existing and emerging risks.

7. DURATION OF CONTRACT

The duration of the contract is 6 months. A Service Level Agreement will be entered into with the successful service provider.

8. PRICING SCHEDULE

Service providers are advised to indicate their annual fee for the services indicated on the item of the scope of work as follows:

Period	Price (excluding VAT)
Assessment and review of current methodologies	R
Definition and development of standard operation procedure	R
Financial Model Solution for water valuation aligned with the reporting framework	R
Sub-total (VAT exclusive)	R
VAT	R
Total (VAT inclusive)	R

The above pricing is a firm/fixed fee and is valid for 90 days from the date of quotation.

9. PROCUREMENT PROCESS

The normal LNW supply chain management process will be followed in line with the SCM policy of LNW and Procedures with no deviations from the normal anticipated procurement process at this stage.

Validity of request for quotations	:90 Days
Date advert published	: 13 July 2023
Closing date and Time of the advert	: 21 July 2023 @ 12h00
Contract period	: 6 months
RFQ document available	:

Note: Submissions must be done by email : audreys@lepelle.co.za . No late quotations will be accepted.

10. EVALUATION CRITERIA

Preference Points Allocation (As per the Preferential Procurement Regulations 2022) will be used to evaluate this bid. Bidders will be evaluated on mandatory first , then functionality, only those qualifying by achieving the minimum cut-off point of 60% will be evaluated on administrative compliance and then price and Preference Points Allocation (As per the Preferential Procurement regulations 2022)

THE QUOTATIONS WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

- Relevant specifications
- Value for money
- Capability to execute the contract.
- LNW SCM Policy
- PPPFA & associated regulations

Mandatory requirements (Pre-qualification)

- i. The JV agreement for JV partners to be submitted indicates a percentage split up to 100% for partners to render the agreement valid.
- ii. All quotations must be completed in full.
- iii. Pricing schedule to be completed in full to render the quotation responsive.
- iv. Proof of registration on the Central Suppliers Database (CSD) (this can be accessed or verified online)

NB: Failure to comply with any of the above requirements will lead to disqualification of the quotation.

Quotations will further be evaluated in terms of Method 4:

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- Stage 1: Evaluation of Functionality
- Stage 2: Evaluation on 80/20 or 90/10 preferential points system (Price and preference points)

11. FUNCTIONALITY

Stage 1: Evaluation of Functionality

The first stage will evaluate functionality, and the minimum threshold will be 60% (60 points) to be considered for further evaluation in stage 2 (Evaluation on Price and preference points). Evaluation of proposals will be done according to the following criteria (so sufficient information should be provided).

NB: Only the combined Price & Preference points will determine the highest point-scoring bidder to be awarded the contract.

Criteria for assessing Functionality.	Points
All quotations duly lodged will be evaluated on functionality as pre-qualifying criteria. The evaluation criteria and weighting for measuring functionality are indicated.	
Criterion	100
Experience (List services and then allocate per area of service)	
1. Company experience (50) Successfully completed and traceable service in rendering financial services such as AFS preparation, external audit, and valuation process. • One (1) reference or appointment letter or purchase order = 30 points • Two (2) reference or appointment letters or purchase orders = 50 points A signed reference or appointment letter or purchase order on the client's official letterhead is attached for relevant projects as proof of company experience. Points scoring will be to the maximum of fifty (50) points. The reference letters/ appointment letters or purchase orders to include the following. - Company name - Company contact details and address - Contact person - Description of service	50
Capacity (50) points	

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State Institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? YES/NO

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? YES/NO

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	
Signature	Date
.....	
Position	Name of bidder/Name of Company

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 80/20 preference point system will be applicable in this tender. The lowest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

POINTS	
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 80/20

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

80/20

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)$$

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

80/20

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state 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,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: 80/20 preference point system is applicable, corresponding

points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
1. Disability (Minimum of one (01) shareholder in the company)	5	
2. Black women (100% Black women ownership in the company)	5	
3. Black ownership (100% black ownership in the company)	5	
4. Black Youth (Minimum of one (01) shareholder Black youth ownership in the company)	5	
Total	20	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	
ADDRESS:	
	
	
	