

NOTIFICATION OF TENDER ERRATUM

BID NUMBER: SASSA:02-26-FIN-KZN

BID DESCRIPTION: SASSA:02-26-FIN-KZN: THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR DEBT COLLECTION SERVICES ON BEHALF OF THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) KWAZULU-NATAL FOR A PERIOD OF THIRTY-SIX (36) MONTHS.

PROPOSAL MUST BE DEPOSITED IN THE BID SITUATED AT:
SASSA Kwa-Zulu Natal Regional Office; NO.1 Bank Street; Pietermaritzburg; 3201

Date Published: 29 April 2026

Closing Date / Time: 22 May 2026 @11:00am

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Where bid documents can be obtained:

Website: <https://etenders.gov.za/> and <https://sassa.gov.za>

CORRECTION OF TERMS OF REFERENCE (TOR)

1. PURPOSE OF THE ERRATUM

This erratum serves to formally notify all prospective bidders of an amendment to the Terms of Reference (TOR) issued for the above-mentioned bid, as advertised on the Government e-Tender Portal and SASSA website on 29 April 2026.

2. DETAILS OF THE AMENDMENT

It has come to the attention of the department that an error was made under the **Bid Evaluation Criteria – Stage Two: Administrative Compliance under (Page 29 of 35)**



*[paying the right social grant, to the right person,
at the right time and place. NJALO!]*

South African Social Security Agency
KwaZulu Natal -Region

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Tel: +27 8469595/8

The following requirement was incorrectly listed under Administrative Compliance:

"Submit Annexure A, Annexure B (Infrastructure), and Annexure C (Bid Pricing Structure)."

3. CORRECTION

Bidders are hereby informed that:

- The submission of **Annexure A, Annexure B (Infrastructure), and Annexure C (Bid Pricing Structure)** **DOES NOT** form part of Stage Two: Administrative Compliance
- These annexures are mandatory requirements under Phase One: Special Conditions of Contract and will be assessed accordingly.
- Failure to submit and fully comply with these annexures will result in **disqualification under the Special Conditions of Contract**, and not under Administrative Compliance.

4. CLOSING DATE

- The closing date of this Bid has been extended from **22 May 2026 to 29 May 2026 @11:00 am**



*[paying the right social grant, to the right person,
at the right time and place. NJALO!]*

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TERMS OF REFERENCE

**THE APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR
DEBT COLLECTION SERVICES ON BEHALF OF SOUTH
AFRICAN SOCIAL SECURITY AGENCY (SASSA) KWAZULU-
NATAL FOR A PERIOD OF THIRTY-SIX (36) MONTHS.**

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ACRONYMS

- | | | | |
|-----|--------|---|--|
| 1. | B-BBEE | : | Broad Based Black Economic Empowerment |
| 2. | CSD | : | Central Suppliers Database |
| 3. | CIPC | : | Companies and Intellectual Property Commission |
| 4. | EME | : | Emerging Micro Enterprise |
| 5. | GCC | : | General Conditions of Contract |
| 6. | KZN | : | Kwa-Zulu Natal |
| 7. | SAA | : | Social Assistance Act |
| 8. | SABS | : | South African Bureau of Standards |
| 9. | SANAS | : | South African National Accreditation System |
| 10. | SANS | : | South African National Standards |
| 11. | SAPS | : | South African Police Services |
| 12. | SASSA | : | South African Social Security Agency |
| 13. | SBD | : | Standard Bidding Documents |
| 14. | SCC | : | Special Conditions of Contract |
| 15. | SSA | : | State Security Agency |
| 16. | VAT | : | Value Added Tax |
| 17. | ADRA | : | Association of Debt Recovery Agents |

1. INTRODUCTION

- 1.1. The South African Social Security Agency (SASSA/Agency) has been established in terms of the South African Social Security Agency Act, 2004 (Act No.9 of 2004). The Agency is responsible for the management, administration and payment of social assistance (social grant).
- 1.2. The Agency is a national Agency of government (comprised of Head Office located in Gauteng Province [Pretoria], and nine regional offices. SASSA KwaZulu Natal regional office is statutorily mandated to administer and pay the following social grants:
 - a) Old Age Grant;
 - b) Grant in Aid;
 - c) War Veteran Grant;
 - d) Disability Grant;
 - e) Child Support Grant
 - f) Care Dependency Grant;
 - g) Foster Child Grant
 - h) Social Relief of Distress and
 - i) Child Support Grant Top-up
- 1.3. SASSA KZN Regional office is responsible for social grant debts emanating from 1.2 (a-i) portfolio above and the staff debt portfolio. These portfolios are managed by the General Manager Finance.
- 1.4. The staff debt book and third-party debt book portfolios are managed at the SASSA KZN Regional Office. These types of debts include, *inter alia*, the following:
 - a) Supplier overpayments.
 - b) Motor accidents.
 - c) Salary overpayment.
 - d) Contravention of bursary or study aid policy or contracts, and
 - e) Theft & losses of assets.

2. PURPOSE

- 2.1. To appoint a service provider/s to constantly manage, collect or recover all outstanding debts due to the Agency in accordance with, inter alia, the terms incorporated herein as well as applicable prescripts for the duration of 36 months.

3. BACKGROUND

- 3.1. In the execution of its mandate, the Agency experiences inclusion errors giving rise to debts owed to the Agency by either social grant beneficiaries or employees of the Agency.
- 3.2. These inclusion errors relate to instances where a beneficiary's financial status (which made him eligible to receive social grant) changes or improves, thereby rendering him or her not eligible to receive a social grant. Irrespective of any such change in the beneficiary's financial status, he or she continues to receive a social grant resulting in such a payment of social grant to that beneficiary regarded as an overpayment.
- 3.3. It is upon such instances that beneficiaries become liable to repay the social grant money (overpayment) received; and therefore, be identified as debtors.
- 3.4. There are also instances where, due to various circumstances (i.e. non-compliance with study aid contracts, overpayment of salaries, damages and loss of assets and so forth) that SASSA is responsible to recover monies from its current or former employees.
- 3.5. The growth in the SASSA's debt book as well as the audit findings in relation to the social assistance (social grants) funds have necessitated the need for an immediate action to ensure the effective and efficient management of social assistance debts and staff (employees) debts to avoid any negative audit outcomes for both the Department of Social Development (DSD) and the SASSA.
- 3.6. SASSA has, in terms of the Public Finance Management Act, (Act No. 1 of 1999); Social Assistance Debt Policy; the South African Social Security Agency Staff Debt Policy; and other applicable prescripts responsible to manage and collect or recover all debts.
- 3.7. SASSA has identified two major challenges, namely, wrong and outdated beneficiary personal information, such as addresses as well as the incorrect financial status of the debtor. These major challenges disadvantage SASSA in effective and efficient

management, collection or recovery of the debts. Therefore, SASSA seeks to appoint a service provider that will constantly manage, collect or recover all outstanding debts due.

4. DELIVERABLES

- 4.1. The debt collector must have the ability to deliver the following services:
 - 4.1.1. Trace, collect and recover any outstanding amounts from the debtors as per SASSA instructions, and the defaulting debtors will be blacklisted with any registered credit bureau. However, debt collectors must ensure that the applicable processes are followed, and above all, debtors are notified of the intention to blacklist them.
 - 4.1.2. Adhere and comply with all applicable legislation, including the SASSA Policies and DSD Policies when collecting or recovering the debts.
 - 4.1.3. Record settlement arrangements made by the debtor and inform SASSA:
 - 4.1.3.1. to update information regarding the debtor's particulars (e.g. postal, physical addresses; contact details and so forth).
 - 4.1.3.2. of any information relating to the debtor, which has come to the attention of the service provider.
 - 4.1.3.3. Obtain such information (for no other purpose, whatsoever, except to collect any outstanding monies on behalf of SASSA) as it may be required regarding the debtor.
- 4.2. Follow up and collect from the targeted group (namely, public servants; social grant recipients or beneficiaries, employees, ex-employees or other debtors as per SASSA's instructions issued from time to time).
- 4.3. The debt collector must provide at own cost all hardware and software required to provide the necessary services to the SASSA KwaZulu Natal.
- 4.4. A formal service level agreement (SLA) will be signed by both parties upon the award of contract.
- 4.5. The expected output or outcome from the rendering of the above services is the increase in the amount debts collected.

5. DEBT COLLECTION ACTIVITIES

- 5.1. The pre-legal debt collection services for the collection of revenue on overdue accounts of 60 days and above, on a commission basis, include the following:
 - 5.1.1. Debtor identification through an arrears extract or preferably through an interface with the SASSA's financial system.
 - 5.1.2. Filtering arrears information for import into the debt collector's system.
 - 5.1.3. Also be available to be on-site twice a week to ensure thorough communication and skills transfer on debtor related matters,
 - 5.1.4. Soft and hard tracing
 - 5.1.5. Letter of demand,
 - 5.1.6. Telephonic, email and SMS interaction with debtor,
 - 5.1.7. Negotiating acceptable payment agreements in accordance with Credit Control and Debt Collection Policy, such agreements will apply to all debt arrangements,
 - 5.1.8. Follow up on negotiated agreements,
 - 5.1.9. Identification of defaults on negotiated agreements.
- 5.2. The legal debt collection services for the collection of revenue on overdue accounts interpreted and handed off for legal collection, on a per service billing, include the following:
 - 5.2.1. Soft and hard tracing
 - 5.2.2. Preparation of summonses
 - 5.2.3. Obtaining judgements

6. CONDUCT OF DEBT COLLECTOR

- 6.1. SASSA KwaZulu Natal expects a high standard of delivery and that all reasonable steps, to recover debt as speedily, cost effectively and appropriately as possible, will be instituted timeously and without undue delay.
- 6.2. The debt collector must assess and report to the SASSA KwaZulu Natal on the prospects and cost effectiveness of the recovery of debt and shall immediately advise

SASSA KwaZulu Natal, in writing, of irrecoverable matters and close its file upon instruction in respect hereof.

- 6.3. The debt collector will not accept work from the SASSA KwaZulu Natal when the debtor is their client, to avoid conflict of interest.
- 6.4. The debt collector will treat debtors humanely and with the utmost empathy and always uphold the dignity of debtors.
- 6.5. The debt collector will be required to take the necessary action against debtors placed under administration or debt review and act on behalf of the SASSA KwaZulu Natal in business rescue and liquidation matters and in executions where the SASSA KwaZulu Natal has a vested interest.
- 6.6. The debt collector shall not settle or compromise any claim or initiate litigation on behalf of the SASSA KwaZulu Natal, without the necessary consultation and approval of the SASSA KwaZulu Natal.
- 6.7. The debt collector is not required to receive payments on behalf of the SASSA- KZN on any matter that has been handed over for legal proceedings.

7. COLLECTION INSTRUCTIONS & PROCEDURES

- 7.1. The debt collector shall accept all such instructions as may be handed over by the SASSA KwaZulu Natal.
- 7.2. The SASSA KwaZulu Natal shall be entitled from time to time and in its discretion to instruct the debt collector to collect any debt by delivering to the debt collector, electronically or any other form reasonably acceptable to the debt collector.
- 7.3. The following procedures shall be observed to ensure efficient and effective collection:
 - 7.3.1. Should the debtor fail to pay or otherwise settle the matter in terms of a written demand, the debt collector shall institute action in a competent court for payment of the outstanding debt.
 - 7.3.2. In the event of the debtor failing to pay or otherwise settle the matter on receipt of summons, the debt collector shall proceed with judgment and execution in terms of the rules of the court concerned, but with prior approval from the SASSA KwaZulu Natal.

- 7.3.3. In the event of the debtor defending any action instituted against him, the debt collector shall report such and shall not proceed with the prosecution of such action, unless otherwise instructed by the SASSA KwaZulu Natal.
- 7.3.4. In the event of judgment being granted in favour of the SASSA KwaZulu Natal, the debt collector shall proceed with execution and/or such further steps as may be available in terms of the Rules of the Court concerned for collection of the amount outstanding.
- 7.4. To the SASSA KwaZulu Natal's satisfaction:
- 7.4.1. maintain adequate and correct records and details of payments by debtors, amount charged, legal fees charged on the debts and outstanding balances in respect of each debt.
- 7.4.2. collect each debt strictly on an "individual matter" basis and maintain a separate account, file and record in respect of each debt.
- 7.4.3. not allow any set-off between any of the debts for any reason whatsoever.
- 7.4.4. be entitled in circumstances where he is of the opinion after reasonable enquiry that the debtor is unable to pay the whole amount of the debt immediately, to accept payment in monthly instalments over a period not exceeding 36 months, provided that the debtor agrees to pay all costs as between the debt collector and client.
- 7.4.5. Inform the SASSA KwaZulu Natal when the debt collector becomes aware of any change to the personal Information of the debtor's postal address and telephone details, or any other details.
- 7.4.6. request instructions from the SASSA KwaZulu Natal as to any settlement of any matter which may be proposed by the debtor.
- 7.5. Any request for instructions or any settlement proposal shall be transmitted by the debt collector electronically to the SASSA KwaZulu Natal.
- 7.6. Regarding instructions relating to the facts of the matter to enable the debt collector to plead or to prepare to trial, the request for such instructions shall be hand delivered to the SASSA KwaZulu Natal.
- 7.7. The debt collector shall have access to SASSA KwaZulu Natal Debt book handed over and any other related system reports.

- 7.7.1. To check the balance outstanding on any account in respect of which he/she has been instructed to collect and for viewing and enquiries.
- 7.7.2. To ascertain payments made by the debtor to the SASSA KwaZulu Natal.
- 7.7.3. To inform SASSA KwaZulu Natal to update information regarding the debtor's postal address and telephone details.
- 7.7.4. To record settlement arrangements made by the debtor with the debt collector
- 7.7.5. To ascertain whether the debtor has made any settlement arrangement with the SASSA KwaZulu Natal.
- 7.7.6. To inform SASSA KwaZulu Natal of any information relating to the debtor which has come to the attention of the debt collector.
- 7.7.7. To obtain such information as a debt collector may require regarding the debtor, and for no other purpose whatsoever.
- 7.8. The debt collector shall within five days of the information becoming available, report to the SASSA KwaZulu Natal electronically provide SASSA KwaZulu Natal with the information regarding:
 - 7.8.1. Payments received from the debtor.
 - 7.8.2. Approved charges, in accordance with legislation, levied by debt collectors.
 - 7.8.3. Arrangements for payment of instalments should be concluded with debt collector and not SASSA KwaZulu Natal.
 - 7.8.4. Other settlements arrangements made with the prior consent of the SASSA KwaZulu Natal.
 - 7.8.5. Any other information which the debt collector is entitled to record on the SASSA KwaZulu Natal 's computer system.
- 7.9. The debt collector shall ensure that debtors make payment direct to the SASSA KwaZulu Natal nominated bank account and not to the appointed debt collector's account or its agents.
- 7.10. All amounts collected shall be paid directly into the SASSA KwaZulu Natal nominated bank account.
- 7.11. Debt collectors are not allowed to receive or accept money on behalf of the SASSA KwaZulu Natal.

7.12. The debt collector shall ensure that they put adequate internal control measures in place to ensure that the following information is regularly verified on the SASSA KwaZulu Natal's financial system:

- 7.12.1. any payment made direct to the SASSA KwaZulu Natal by any debtor in respect of whom the debt collector has been instructed to collect any amount owing.
- 7.12.2. any information relating to any such debtor which may come to the knowledge of the SASSA KwaZulu Natal.

8. WITHDRAWAL OF INSTRUCTIONS

8.1. The SASSA KwaZulu Natal may at any time:

- 8.1.1. Instruct the debt collector to cease proceedings against any debtor.
 - 8.1.2. Withdraw any instruction in respect of the collection of the amount owing by any debtor
 - 8.1.3. After a period of six months, the debt collector shall report to the SASSA KwaZulu Natal if the debt is not paid in full or if no satisfactory arrangement with the debtor to pay the debt has been concluded.
 - 8.1.4. The SASSA KwaZulu Natal shall be entitled to call for reasons from the debt collector as to why no, or poor collection of debt was achieved.
 - 8.1.5. The debt collector shall be obliged to furnish such reasons to the SASSA KwaZulu Natal within 14 days of request for such information.
 - 8.1.6. In event of the SASSA KwaZulu Natal withdrawing the instruction of the debt collector in relation to any debtor, the debt collector shall nevertheless, be entitled to commission upon the amounts subsequently collected and paid directly to the SASSA KwaZulu Natal for a period not exceeding 30 (thirty) days from the date on which the SASSA KwaZulu Natal issued the withdrawal notice.
- 8.2. The SASSA KwaZulu Natal may set quarterly collection target.

9. REIMBURSEMENT FOR DEBT COLLECTION SERVICES

9.1. The fees payable to the debt collector in respect of any monies collected by them from any debtor in respect of whom the debt collector has received instructions shall be

based on commission of amounts collected. Debt collectors should indicate their preferred percentage underneath (NB; insert commission rate below).

COMMISSION RATE _____ % (percent)

- 9.2. Payment will be based on commission of the amount collected. Debt collector should provide their own preferred amount of commission.
- 9.3. All amounts collected on the handed over accounts/ shall be entitled to a commission.
- 9.4. All commissions payable to the service shall be inclusive of value added tax (VAT).

10. REIMBURSEMENT FOR LITIGATION

- 10.1. SASSA KwaZulu Natal may reimburse the debt collector on litigation matters against the debtor.
- 10.2. The debt collector shall obtain approval from SASSA KwaZulu Natal prior to instituting any legal action in the competent court of law against the debtor.
- 10.3. As part of price evaluation, the schedule of fees below must be completed to guide SASSA KwaZulu Natal on how to reimburse the debt collector on litigation matters against the debtor:

A: UNDEFENDED CASES	TARIFF (R)
Registered Letter	
Summons (all cases to R399 999)	
Judgement (less then R10 000)	
Judgement (R10 000 - R50 000)	
Judgement (R50 000 - R200 000)	
Judgement (R200 000 - R399 999)	
Rule 12 & 54 notice (B&C)	
Rule 12 & 54 notice (D)	
Attending court (No Council) B	
Attending court (No Council) C	
Attending court (No Council) D	

A: UNDEFENDED CASES	TARIFF (R)
Letter of Demand: Rule 57 (1) B & C	
Letter of Demand: Rule 57 (1) B & C	
Consent to judgement (B & C)	
Consent to judgement (D)	
Total	

B: PART III DEFENDED ACTIONS AND INTERPLEADER PROCEEDINGS	TARIFFS(R)		
	Scale B	Scale C	Scale D
Taking instructions to sue, defend, counterclaim, or defend a counterclaim,			
Summons			
Particulars of Claim or Declaration			
Appearance (Attendance e.g. to issue summons,)			
Notice under Rules 12(2) and 21B (2)			
Plea			
Claim in reconvention			
Reply			
Drawing up of all documents not specifically mentioned			
Production of documents for inspection or inspecting documents Per 15 min*			
Pagination and indexing of pleadings Per 15 min*			
Recording of statements by witnesses Per 15 min*			
Notice of trial or reinstatement			
Preparing for trial (if counsel is not employed)			
Attendance at settlement negotiations Per 15 min*			
Drawing up heads of argument Per 15 min*			
Attending court during trial, on-the-spot inspection, postponement,			
a) If counsel is not employed Per 15 min*			
b) If counsel is employed Per 15 min*			
Attending pre-trial conference Per 15 min*			

B: PART III DEFENDED ACTIONS AND INTERPLEADER PROCEEDINGS	TARIFFS(R)		
	Scale B	Scale C	Scale D
Attending court to hear reserved judgment			
Correspondence:			
a) Letter (per folio) Per 15 min*			
b) Letter received (perusal incl.)			
Attendance, not otherwise provided for			
Formal telephone call			
Telephone consultation Per 5 min*			
Consultation, not otherwise provided for Per 15 min*			
Refresher fee, in postponed or partly heard trial			
Waiting time at court per 15 min*			
Traveling time			
Total cost			
Grand Total (Scale B+C+D)			

C: PART III OTHER MATTERS	TARIFFS(R)		
	Scale B	Scale C	Scale D
Consultations and settlement negotiations (opposed) (R)			
Taxation: Drawing up bill of costs (%)			
Taxation: Attending taxation			
i. First R 10 000.00 or portion thereof			
ii. Second R 10 000.00 or portion thereof			
iii. Balance of the bill			
Taxation: Attending review of taxation or service			
Taxation: Affidavit			
i) Emoluments attachment order (Form 38)			
ii) Reissue (Certificates included)			
Application for costs on notice (Incl. appearance)			
Obtaining a certified copy of judgment			

C: PART III OTHER MATTERS	TARIFFS(R)		
	Scale B	Scale C	Scale D
Affidavit or certificate by judgment debtor or by his or her attorney			
Registered letters in terms of Sec 65 A (2), Sec 65 E (6) or Sec 65 J (2) by the creditor or by his or her attorney			
Rule 45(7) affidavit or affirmation by debtor			
Request for an order under Sec 65			
Attending postponed proceedings in terms of Sec 65E (3) or proceedings pursuant to the arrest of a judgment debtor, director or officer or pursuant to a Sec 65A(8)(b) notice			
Total cost			
Grand Total (Scale B+C+D)			

D: ATTENDANCE AND PERUSAL: MAGISTRATE COURT	TARIFFS(R)		
	Scale B	Scale C	Scale D
Affidavit, pleading, attorney's advice and drafts, report, important letter, notice or document			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Any formal letter, judgements or any material document not elsewhere specified			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Any plan or exhibit or other material document necessary for the conduct of the action			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Sorting, arranging and paginating papers for pleadings, advice on evidence or brief on trial or appeal (per 15 minutes)			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Necessary telephone calls, excluding actual costs (per 5 minutes)			
- Attorney hourly rate			

D: ATTENDANCE AND PERUSAL: MAGISTRATE COURT	TARIFFS(R)		
	Scale B	Scale C	Scale D
- Candidate Attorney hourly rate			
Drawing up, making necessary copies, and attending to settlement			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Drawing up, making necessary copies, and attending to settlement			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Total cost			
Grand Total (Scale B+C+D)			

E: ATTENDANCE AND PERUSAL: HIGH COURT	TARIFFS(R)		
	Scale B	Scale C	Scale D
Affidavit, pleading, advocate advice and drafts, report, important letter, notice or document			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Any formal letter, judgements or any material document not elsewhere specified			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Any plan or exhibit or other material document necessary for the conduct of the action			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Sorting, arranging and paginating papers for pleadings, advice on evidence or brief on trial or appeal (per 15 minutes)			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Necessary telephone calls, excluding actual costs (per 5 minutes)			

E: ATTENDANCE AND PERUSAL: HIGH COURT	TARIFFS(R)		
	Scale B	Scale C	Scale D
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Drawing up, making necessary copies, and attending to settlement			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Drawing up, making necessary copies, and attending to settlement			
- Attorney hourly rate			
- Candidate Attorney hourly rate			
Total cost			
Grand Total (Scale B+C+D)			

F: DISBURSEMENTS	R
Sherif, courier and cellular charges shall be charged at the actual cost thereof.	
Sheriff's fee	
Tracing Fee	
Telephone cost (per 5 minutes)	
Counsel Fee's (per hour)	
Correspondent Fee	
Courier service fee	
Travelling fee (per km)	
Total cost for disbursements	

11. LEGAL PROCEEDINGS

- 11.1. Prior written approval must be obtained from Regional Executive Manager (REM) in respect of the following legal proceedings
 - 11.1.1. Blacklisting
 - 11.1.2. Attachment of movable assets
 - 11.1.3. Sale in execution of immovable assets
 - 11.1.4. Defended matters
 - 11.1.5. Handling of all legal matters arising from hand-over account.

12. DEFENDED MATTERS

- 12.1. In the event of the debtor indicating that the matter will be defended, the debt collector shall report such fact to the Project Manager or its delegate for approval to proceed with the prosecution of such action. All defended matters must be attended to by the attorney, including the drafting of papers.

13. DEFENDED MATTERS, URGENT MATTERS FOR ARBITRATION

- 13.1. The debt collector shall not settle any litigation by or against the debtor without the necessary consultation with the SASSA KwaZulu Natal Project Manager - which authorisation shall be given in writing only, and no verbal instructions are to be accepted.
- 13.2. The debt collector will acknowledge each specific service request in writing within 3 working days which must include a clear indication of the ability to promptly carry out instructions.
- 13.3. Should the information accompanying the instruction be insufficient, further information and or consultation should be requested in writing within 7 working days.
- 13.4. All instructions required from the SASSA KwaZulu Natal during the matter will be requested in writing and be issued in writing.
- 13.5. The debt collector is not to undertake any actions based upon verbal instructions.

- 13.6. All matters shall be brought to their conclusion, including the recovery of all capital interest owing, where applicable, as well as the recovery of all costs orders made by the court, including execution steps as well as any other relevant steps.

14. MAGISTRATE COURT

- 14.1. All Magistrate Court matters must be attended to by the candidate attorney/ attorney, including the drafting of papers.
- 14.2. An Advocate may not be briefed without the prior written consent of the SASSA KwaZulu Natal Project Manager.
- 14.3. The appointment of an Advocate will only be allowed in exceptional cases, based on a properly motivated written request from the candidate attorney/ attorney.
- 14.4. The debt collector shall always comply with the provisions of the Magistrate's Court Act, 1944 and the rules of court issued in terms thereof, as well as the legislation applicable in each specific matter.
- 14.5. All legal costs and commission charges collected must be paid over to SASSA KwaZulu Natal immediately after such amounts have been collected.
- 14.6. All instructions to the debt collector shall be in writing.

15. HIGH COURT

- 15.1. A Comprehensive instruction must be issued by the SASSA KwaZulu Natal to the debt collector in writing.
- 15.2. Senior Advocate can only be briefed with prior written consent from the SASSA KwaZulu Natal Project Manager.
- 15.3. No such consent will be granted unless a duly motivated, or written request has been received from the debt collector by the SASSA KwaZulu Natal.
- 15.4. The SASSA KwaZulu Natal reserves the right to request that specific junior or senior counsel be appointed in certain matters.
- 15.5. The debt collector shall always comply with the provisions of the Court Rules.

16. PERFORMANCE

16.1. Performance will be measured according to the following scale:

- 16.1.1. Performance assessment and evaluation will be conducted quarterly.
- 16.1.2. Outstanding or excellent performance may be rewarded by SASSA KwaZulu Natal.
- 16.1.3. Performance review will be conducted annually, and the services of poor performing debt collectors may be terminated.
- 16.1.4. Performance will be measured according to the following scale (%):

Excellent	Good	Fair
4 and above	2-3	0-1

- 16.1.5. Additional incentive will be allocated to outstanding performance.
- 16.1.6. An incentive of two (2) percent above the commission price will be paid to outstanding or excellent debt collectors who managed to collect 4 percent and above per quarter of the year of total debt handed over.

17. PAYMENT FILE

- 17.1. Within ten (10) working days of the end of each month, the debt collector shall prepare an account which shall be transmitted to the SASSA KwaZulu Natal in electronic format in which the following entries for the month immediately shall appear:
 - 17.1.1. The amounts collected from each debtor by the debt collector.
 - 17.1.2. The amounts collected from each debtor in respect of which the debt collector had received instructions and had commenced the collection procedure.
 - 17.1.3. All matters that warrant litigation will be negotiated with the Project Manager.
 - 17.1.4. The debt collector incurred debtor charges in respect of defended actions during, the course of the month concerned.
 - 17.1.5. The debt collector shall submit the tax invoice and statement of account for SASSA KwaZulu Natal to affect a payment.

18. INSURANCE, AUDIT CERTIFICATES AND WARRANTIES

- 18.1. The debt collector shall maintain at its own cost insurance for a minimum amount covering the collection payments equivalent to two months' current payments made directly to the debt collector and any loss, liability or damage which the SASSA KwaZulu Natal may suffer arising out of non-compliance with any law and regulation pertaining to the collection of debt on behalf of the SASSA KwaZulu Natal.
- 18.2. The SASSA KwaZulu Natal's shall be entitled to inspect the records of the debt collector relating to the collection of debts on behalf of SASSA KwaZulu Natal.
- 18.3. The appointed attorney acting on behalf of the SASSA KwaZulu Natal warrants that it shall always be registered as KwaZulu Natal, Provincial member of the Law Society of the Natal Province incorporating, the Law Society of the Natal.
- 18.4. The debt collector warrants that it shall always be a member of ADRA and registered as a debt collector under the provisions of the Debt Collectors Act and shall comply with all the provisions, code of conduct and regulations under the Act.

19. REPORTING REQUIREMENTS

- 19.1. The debt collector will be required to report to the following officials:
 - a) For operations: Senior Manager: Financial Accounting SASSA KwaZulu Natal.
 - b) For the implementation of the project: General Manager: Finance SASSA KwaZulu Natal and in accordance with the project plan.
- 19.2. The debt collector will report as per SASSA KwaZulu Natal requirements (which shall be in electronic format - excel or any data source report).
- 19.3. The expected report shall be submitted to KwaZulu Natal Regional office monthly, and shall contain, inter alia, the following:
 - a) The list of debtors that have paid into SASSA bank accounts.
 - b) Debtors with arrangements as per the SASSA and DSD policies.
 - c) Debtors requesting arrangements outside the approved policies.
 - d) Debtors with once-off payment arrangement.
 - e) Debtors not found/untraceable.

- f) Debtors who are deceased.
- g) Monthly detailed reconciliation of a debt book
- h) Any other information that is relevant and available.

20. SKILLS AND EXPERIENCE

- 20.1. The debt collector must have extensive experience in rendering services of a similar nature.
- 20.2. The debt collector must demonstrate the availability of the skilled resources (experience, qualifications and professional registration). In this regard, the debt collector must cover the following aspects:
 - a) Trained staff in debt collection management
 - b) Understanding of applicable legislation (debt collection related) and government policies (DSD and SASSA debt policies)
 - c) Accounts and project management abilities,
 - d) Accessible customer service facility that will be managed by the professionally trained staff.
- 20.3. Project Manager shall have:
 - a) Knowledge and understanding of debt management and collection strategies.
 - b) Knowledge and understanding of accounting and legal principles.
- 20.4. Project Plan / Methodology
 - a) Detailed Project plan with final outputs and identified timeframes.
 - b) Understanding of the project at hand and submission of the project plan based on the methodology

21. SASSA RESPONSIBILITIES

- 21.1. SASSA shall:
 - a) Provide debt collectors the KwaZulu Natal debt book database

- b) Provide a bank report to debt collectors
- c) Pay a commission fee on monthly basis
- d) Recall all cases that are untraceable, unrecoverable and deceased cases.

22. BID CONDITIONS OF CONTRACT

- 22.1. Any misrepresentation of information will lead to disqualification of the bid.
- 22.2. Copy of a certified copy will not be acceptable (certified copies must not be more than Six (6) months old).
- 22.3. The SASSA KwaZulu Natal reserves the right to award a bid based on the best value for money, even if such a bid is not the lowest price.
- 22.4. The SASSA KwaZulu Natal reserves the right to cancel or not to award the bid to any service provider.
- 22.5. The SASSA KwaZulu Natal reserves the right to appoint One (1) or more service providers or not to appoint any service provider at all.
- 22.6. The SASSA KwaZulu Natal reserves the right to award the bid as a whole or only partially.
- 22.7. The SASSA KwaZulu Natal reserves the right to cancel this bid at any time with no cost implications.
- 22.8. The SASSA KwaZulu Natal will not be held responsible for any costs incurred by the bidder in the preparation, presentation and submission of the bid.
- 22.9. Prospective service provider/s shall have to treat all available data provided by the SASSA KwaZulu Natal in the process as strictly confidential. Such data remains the property of the SASSA KwaZulu Natal.
- 22.10. The price must be all-inclusive of variable costs including travelling and accommodation, and any other related costs.
- 22.11. Any patents or copyright developed from this project will belong to the SASSA KwaZulu Natal.
- 22.12. The SASSA KwaZulu Natal may conduct site visits and reference checks to verify the information provided.

- 22.13. Obtained information shall be used for no other purposes, whatsoever, except to collect any outstanding monies on behalf of SASSA, as may be required regarding the debtor.
- 22.14. The debt collector shall ensure that all collection methods comply in all respects with the provisions of the Magistrate's Court Act No. 32 of 1944 as amended, and the Debt Collectors Act No. 114 of 1998 as amended, credit control and debt collection policy of SASSA and other applicable legislations.

23. BID SPECIAL CONDITIONS OF CONTRACT

- 23.1.1. Bidder(s) must fully complete and meet all minimum requirements of the specification as per Annexure A, Annexure B (Infrastructure) and Annexure C (Bid Pricing structure).
- 23.1.2. provide confirmation of valid registration with Council for Debt Collectors as required in terms of Section 8(1) and 8(3) of the Debt Collectors Act No. 114 of 1998 or registration as member of a Law Practitioners Council in terms of the Attorneys Act, 1979 or registration as member of the Association of Debt Recovery Agents "ADRA".

24. LATE SUBMISSION

- 24.1. Bids received at the address indicated in the bid documents, after the closing date and time, will not be accepted for consideration.

25. BID EVALUATION CRITERIA

Bids proposals will be evaluated in terms of the below-mentioned criteria in accordance with the **80/20** principle:

- **STAGE ONE:**

Phase One: Special Condition of the Contract

Phase Two: Functionality Criteria

▪ **STAGE TWO:**

Phase One: Administrative Compliance

Phase Two: Price and preference points system

25.1. STAGE ONE:

25.1.1. Phase One: Special Condition of the Contract

Failure to meet the following special conditions of the contract will result in the disqualification of the bid.

- Bidder(s) must fully complete and meet all minimum requirements of the specification as per **Annexure A**, Annexure **B** (Infrastructure) and **Annexure C** (Bid Pricing Structure)
- Valid registration with Council for Debt Collectors as required in terms of Section 8(1) and 8(3) of the Debt Collectors Act No. 114 of 1998 or registration as member of a Law Practitioners Council in terms of the Attorneys Act, 1979 or registration as member of the Association of Debt Recovery Agents “ADRA”.

25.1.2. Phase Two: Functionality criteria

- a) The bidder will be evaluated for functionality (listed in the table below) as stipulated in these Terms of Reference.
- b) Bidders must score a minimum of **70** points on functionality criteria evaluation. Bidders who score less than 70 points for functionality shall be disqualified and shall not be subjected to further evaluation (**70**).
- c) Bidders will be evaluated in terms of the following values:
- d) The functionality evaluation will be conducted using the weighted average method.

- e) The table below contains details of the evaluation criterion and the weights of each Functional Requirements component. Criteria below will be evaluated according to the following values:

1-Very Poor, 2-Poor, 3-Good, 4- Very Good, 5-Excellent

CRITERIA	POINTS ALLOCATION
Capacity and Experience	30
Successfully completed contracts	20
Experience & qualifications of key staff to execute the project	30
Debt collection management information technology system	20
Total Points	100 (points)

EVALUATION CRITERIA	WEIGHT												
Experience in the debt collection industry	100												
A. Capability and experience													
Bidders must provide:													
<table> <tr> <th>Company profile detailing their organisational structure, national footprint and infrastructure to render services and the bidder's background and expertise on debt collection services.</th><th>Score</th></tr> <tr> <td>1 years and above</td><td>1</td></tr> <tr> <td>2 years to 3 years</td><td>2</td></tr> <tr> <td>3 years to 4 years</td><td>3</td></tr> <tr> <td>4 years to 5 years</td><td>4</td></tr> <tr> <td>Above 5 years</td><td>5</td></tr> </table>	Company profile detailing their organisational structure, national footprint and infrastructure to render services and the bidder's background and expertise on debt collection services.	Score	1 years and above	1	2 years to 3 years	2	3 years to 4 years	3	4 years to 5 years	4	Above 5 years	5	30
Company profile detailing their organisational structure, national footprint and infrastructure to render services and the bidder's background and expertise on debt collection services.	Score												
1 years and above	1												
2 years to 3 years	2												
3 years to 4 years	3												
4 years to 5 years	4												
Above 5 years	5												

EVALUATION CRITERIA		WEIGHT
Bidder to have successfully completed accumulative contracts to the value exceeding R1M in the field of debt collection within the last 5 years of the closing date of this bid.		
Value of Contracts	Score	20
R1M	1	
Above R1M – R2M	2	
Above R2M – R3M	3	
Above R3M – R4M	4	
Above R4M	5	
Experience & qualifications of key staff to execute the project (Project Manager and debt collection team)		
The bidder must provide a dedicated team of debt collectors led by the Project Manager who will attend to regular contract review meetings with the Agency.		
The bidder provides a CV of the Project Manager indicating years of experience in debt collection with a qualification in legal or debt collection:	Score	10
1 year and above	1	
2 years to 3 years	2	
3 years to 4 years	3	
4 years to 5 years	4	
Above 5 years	5	
Years of experience of staff being an admitted attorney with the right to appear in High Court	Score	10
1 years and above	1	
2 years - 3years	2	
3 years - 4 years	3	
4 years – 5 years	4	
5 years and above	5	
Number of years a debt collector registered with debt	Score	

EVALUATION CRITERIA		WEIGHT
collection bodies:		10
1 year and above	1	
2 years to 3 years	2	
3 years to 4 years	3	
4 years to 5 years	4	
Above 5 years	5	

B. Debt collection management information technology system

Infrastructure	10
a) Bidder to provide information that demonstrates availability of an IT infrastructure: (working tool)	
(i) Detail the type of the systems and its availability.	
(ii) Sample template of all reports generated by the system.	
(iii) Verify existence of the premise(s) /office in South Africa.	
Collection Process	10
a) Bidder to demonstrate how the collection process will be conducted in ensuring that debt is collected efficiently and ethically. Explain the process from beginning to end.	
b) Bidder to provide any value-added services and/or local economic development initiatives as a competitive advantage.	
(c) Identify possible recovery challenges/risks, the impact of the risk, the likelihood of the risk and the risk magnitude. Explain how the risk will be mitigated and monitored.	

25.2. STAGE TWO:

25.2.1. Phase One: Administrative Compliance

Bidder/s who fail to comply with the below requirements may be disqualified.

Administrative Compliance requirements	
Tax compliant status (Tax Pin Letter/CSD MAAA)	
Proof of Registration on the Central Supplier Database (CSD) with National Treasury (CSD Registration Report)	
Certified copy of original Identity Document of each director as per (CIPC) (certified within 6 months). (A copy of a certified copy will not be accepted).	
A valid BBBEE Certificate/ Sworn Affidavit	
Fully completed and signed Standard Bidding Document Forms (SBDs). • SBD 1 • SBD 3.1 • SBD 4 • SBD 6.1	
NB: The validity period of all certified copies of documents must not exceed Six (6) months. Failure to submit the above documents may lead to disqualification of the bid.	

25.2.2. Phase Two:

Bidders will be evaluated on Price and Preference Points System based on Annexure C and BBBEE Status Level of Contribution. Incomplete Annexure C (BID Pricing) will not be evaluated and will be disqualified.

Price and Preference Points	100
Price	80
BBBEE Status Level of Contribution (specific goal)	20

Points awarded for B-BBEE Status Level of Contribution (specific goal)

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:

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

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)	Number of points claimed (80/20 system) (To be completed by the tenderer)
B-BBEE Status Level 1-2 contributor with at least 51% black women ownership	20	
B-BBEE Status Level 3-4 contributor with at least 51% women ownership	18	
B-BBEE Status Level 1-2 contributor with at least 51% black youth or disable ownership	16	
B-BBEE Status Level 1-2 contributor	14	

B-BBEE Status Level 3-8 contributor with at least 51% youth or disable ownership	12	
B-BBEE Status Level 3-4 contributor	8	
B-BBEE Status Level 5-8 contributor	4	
Others (Non-Compliant)	0	

Returnable documents to claim points		Please tick below for the attached document
1	B-BBEE Certificate	
2	Sworn Affidavit (EME or QSE)	
3	CSD registration number	

NB: Bidders must submit a BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Sworn Affidavit signed by Emerging Micro Enterprise (EME) representative and attested by the Commissioner of Oaths, or CIPC BBEE Certificate.

Failure to submit a certificate from accredited verification agency or sworn affidavit or CIPC BBEE Certificate substantiating the BBEE status level of contribution or non-compliant contributor, such bidder shall score 0 points out of the allocated maximum points for BBEE.

26. JOINT VENTURE AND CONSORTIUM

- 26.1 Where a joint venture or consortium are formed, a copy of the joint venture or consortium agreement must be attached.
- 26.2 Companies will be individually required to comply with administrative compliance requirements (Companies must submit individual or separate CSD Reports, Tax Pin Letter)
- 26.3 In the event of a Joint venture and Consortium, a Joint venture / Consortium must submit a consolidated BBBEE Status Level Contributor in the name of a Joint Venture and not for individual bidders/companies)

27. PROJECT COST/PRICE

27.1. Project Cost

- 27.1.1. The bidder must provide price proposal (commission percentage and litigation costs) for the duration of the contract.
- 27.1.2. Cost must be VAT inclusive and quoted in South African Rand for VAT registered companies.
- 27.1.3. Commission rate must be an all-inclusive rate (direct and indirect costs) that may be incurred by the bidder in rendering the service. No other costs will be accepted after an award.
- 27.1.4. Financial proposal should be separate from the technical / functional proposal.

28. METHOD OF PAYMENT / REMUNERATION OF THE DEBT COLLECTOR

- 28.1. Monthly billing as per the agreed commission percentage (%) on the total collected as per SASSA instructions.
- 28.2. The litigation cost reimbursement depends on agreed costs approved by SASSA KwaZulu Natal.

29. BRIEFING SESSIONS

There will be **NO** physical briefing session. **VIRTUAL** briefing session that will be held on To provide clarity pertaining to this project

30. ENQUIRIES

The following officials can be contacted with respect to bid enquiries, from the date of advert until five (5) days before the bid closing date.

Technical enquiries may be directed at Supply Chain Management and to:

Name and surname	Designation	Email	Contact	Physical Address
Ms. Nomalanga Mnyandu	Technical specification	kzndebtorstender@sassa.gov.za	012 400 2558	1 Bank Street; Pietermaritzburg 3201
Mr. Lucky Shandu	Supply Chain Management	kzndebtorstender@sassa.gov.za	033 846 9567	1 Bank Street; Pietermaritzburg 3201

ANNEXURE A

NB: SASSA shall verify the contents of this list directly with the bidders' clients. Bidders are required to complete this table in full.

TABLE OF EXPERIENCE CURRENT AND PREVIOUS CONTRACTS (CLIENT BASE)

A list of current and previous contracts not older than five (5) years, accompanied by referral letters, which are relevant to the service required in the bid specifications, must be attached to the bid proposal. This template must be used and must be completed in full.

Indicate all the current and previous contracts accompanied by referral letters, which should be from the clients indicated in the table below and **ONLY** those relevant to services required in the bid specifications.

Name of client / organization where services of similar nature has been rendered/implemented (Debt Collection Services)	Contract period (indicate start and end dates) e.g. 1 April 2022 to 31 March 2025	Nature of services provided in terms of values and number of transactions. (e.g. debt collection and R1 000 000)	Contact person and telephone numbers of your client (e.g. Name and Surname, email address and telephone number/s)

ANNEXURE B (INFRASTRUCTURE)

REGION / PROVINCE	NO OF OFFICES AND LOCATION	COMMUNICATION TOOLS (TELEPHONES AND EMAILS)		DEBTORS MANAGEMENT SYSTEMS		DETAIL THE TYPE OF THE SYSTEM AND ITS AVAILABILITY, AND THE TYPE AND SAMPLE TEMPLATE OF THE REPORT GENERATED
		YES	NO	YES	NO	

NB: Bidders to submit proof of office ownership (Municipal Rates Account). In terms of leasing, the Bidder to submit the lease agreement signed by both the lessor and lessee.