Guidelines on Specification for Procuring Services

Project Name:	**Short term insurance for a period of 3 years.**

Guideline for Terms of reference

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

A. Background

Council must minimize its risks by ensuring the allocation of risk to the party best suited to manage duel risk, and that all its assets are insured.

B. Scope of Work / Terms of Reference

The appointed insurer must place cover under the following insurance classes:

- Buildings combined
- Office contents
- Business all risks
- Theft
- Money
- Commercial Crime
- Stated Benefits
- Electronic equipment
- Motor Fleet
- Public and employees' liability
- Business Interruption
- Accidental Damage
- Group Personal Accident
- Machinery Breakdown
- SASRIA for Councillors
- SASRIA

Tender price to be fixed for the first twelve (12) months, except for new additions and escalation will be provided for as per the Service Level Agreement (SLA) from the second (2^{nd}) year and third (3^{rd}) year.

Premium Schedule

Moqhaka Municipality cover details for the period 2024 – 2025 SECTION	SUM INSURED	Premuim
Combined		
- Standard Constructed Buildings	R206 759 565	
- Sub-stations, mini sub-stations, transformers,etc	R237 906 957	
- All water purification works and pump stations	R180 800 962	
- All sewerage works, pump stations	R164 458 471	
- Sports, stadium and Recreation	R42 344 972	
- Non Standard - Thatch	R33 423 390	
- Private dwellings, residential units hostels, Flats	R30 232 910	
Extensions		
- Subsidence and Landslip	*No*	
- Sum insured	*R*	
- Motor Vehicles whilst parked at Insured	*Yes*	
- Sum insured	*R1 000 000*	
- Theft from/of immovable Property	***R3 000 000***	
- Malicious Damage to Immovable Property	***R2 200 000***	
- Riot and Strike (other than RSA and Namibia)	*No*	
- Leakage of oils, chemicals or other fluids	*Yes*	
- Wash basins and Sanitary Ware	*Yes*	
- Thatch structures unless specifically insured	*R 100 000 Max Annual Limit*	
- Reasonable Precautions	*R20 000*	
- Claims Preparation Costs	*R100 000*	
TOTAL BUILDING COMBINED	**R902 247 228**	

Business Interruption		
Indemnity period : 12 months		
- Income	R25 000 000	
Extensions		
- Sum insured	*R*	
- Fines and Penalities	*R50 000*	
- Claims Preparation Costs	***R100 000***	
TOTAL BUSINESS INTERRUPTION	**R25 150 000**	

Office Contents		
- Contents insured property	R60 691 457	
- Non Standard - Kroonpark Resort with thatch roof	R2 021 620	
- Loss of Rent (up to 25% of sum insured)	R14 298 918	
- Loss of Documents	R110 000	
- Legal Liability (Documents)	R110 000	

Extensions		
- Sum insured	*R*	
- Locks and Keys	*R10 000*	
- Reasonable Precautions	*R10 000*	
- Claims Preparation Costs	*R100 000*	
TOTAL OFFICE CONTENTS	**R77 351 994**	

Business All Risks		
- All other specified items (excluding Cellphones & Laptops)	R6 624 153	
- Laptops	R5 441 696	
- Tablets / Ipads	R178 563	
- Firearms	R1 219 967	
- Lawn-mowers	R1 253 877	

Extensions		
- Increase in Cost of Working	*Yes*	
- Sum insured	*R*	
- Riot and Strike (other than RSA and Namibia)	*No*	
- Locks and Keys	*R10 000*	
- Claims Preparation Costs	*R100 000*	
TOTAL BUSINESS ALL RISKS	**R14 828 256**	

Theft		
- First Loss Limit	R315 000	

Extensions

- Property in the open (within securely fenced off area and subject to forcible and violent entry or exit from such area)	R100 000	
- Reasonable Precautions	*R20 000*	
- Locks and Keys	*R10 000*	
- Claims Preparation Costs	*R100 000*	
TOTAL THEFT	**R545 000**	

Money		
- Posession of Councillors/Employees away from insured		
premises on a business trip	R5 000	
- On the premises outside business hours in locked		
safe	R5 000	
- Loss of or damage to crossed cheques, money or postal	R500 000	
- Major limit	R850 000	
- Receptacles as a result of theft of money or attempt	R20 000	

Extensions

- Locks and keys	*R10 000*	
Capital Sum	*R25 000*	
Weekly Amount	*R*	
Medical Expenses	*R5 000*	
- Riot and Strike (other than RSA and Namibia)	*R1 000*	
- Electronic Vending machines	*No*	
- Claims Preparation Costs	***R100 000***	
TOTAL MONEY	**R1 521 000**	

Fidelity Guarantee		
- Limit any one period (200 Employees)	R525 000	

Extensions

- Retroactive Cover	*R-*	
- Superseded Policy	*No*	
- Reinstatement Amount	*No*	
- Cost of Recovery	*Yes*	
- Claims Preparation Costs	***R100 000***	
TOTAL FIDELITY GUARANTEE	**R625 000**	

Accidental Damage		
- Total value of property	R1 046 577 379	
- Limit of indemnity	R1 000 000	

Extensions

- First Loss Average	*No*	
- Excluded property (in addition to property excluded in policy)	*No*	
- Claims Preparation Costs	***R100 000***	
TOTAL ACCIDENTAL DAMAGE	**R2 287 641 760**	

Group Personal Accident - 24 Hours Activities Only		
- (1) Mayor	1	
- (2) Speaker	1	
- (3) Full time councillors	10	
- (4) Part time councillors	32	

Benefits

- Death (1)	R1 950 000	
- Death (2)	R1 560 000	
- Death (3)	R1 456 000	
- Death (4)	R676 000	
- Permanent Disability	% of Death benefit as specified for particular disability	
- Temporary Total Disablement	R 1 000 per week max 104 weeks	
- Medical expenses	R10 000	

- Additional death benefit	R10 000	
- Relocation	R10 000	
- Repatriation	R10 000	
- Mobility	R10 000	
Extensions		
- War Risks	*No*	
- Claims Preparation Costs	***R 100 000***	
- Maximum Limit Any One Life	***R 2 000 000.00***	
- Maximum Limit Any One event (Accumulation Limit)	***R 10 000 000.00***	
TOTAL GROUP PERSONAL ACCIDENT		

Stated Benefits		
- All employees	R451 339 000	
Benefits		
- Death	*3 x Annual earnings*	
- Permanent Disability	*% of Death benefit as specified for particular disability*	
- Temporary Total Disablement	*100% of average weekly earnings max 104 weeks*	
- Medical Expenses	*R10 000*	
- Additional death benefits	*R10 000*	
- Relocation	*R10 000*	
- Repatriation	*R10 000*	
- Mobility	*R10 000*	
Extensions		
- War Risks	*Yes*	
- Claims Preparation Costs	***R100 000***	
- Maximum Limit Any One Life	***R 2 000 000.00***	
- Maximum Limit Any One event (Accumulation Limit)	***R 10 000 000.00***	
TOTAL STATED BENEFITS		

Electronic Equipment		
- Specified Equipment	R20 354 019	
- Laptops	R5 586 807	

Extensions		
- Prevention of Access	*No*	
- Increase in Cost of Working	R100 000	
- Reconstruction of Data	R100 000	
- Incompatibility	*Yes*	
- Telkom access line	*Yes*	
- Utilities (Failure of supply)	*No*	
- Riot and Strike (other than RSA and Namibia)	*No*	
- Claims Preparation Costs	***R100 000***	
TOTAL ELECTRONIC EQUIPMENT	**R26 240 826**	

Machinery Breakdown		
- Specified Equipment - Limit	R124 438 288	
- Expediting Costs	-	

Extensions		
- Claims Preparation Costs	***R100 000***	
TOTAL MACHINERY BREAKDOWN	**R124 538 288**	

Motorfleet Own Damage - value up to R500 000 - Specified lists to be provided		
- Private type motor cars and Minibuses seating up to 16 persons	8	
- Commercial vehicles		
LDVS	55	
Trucks	20	
Fire Engines	3	
Lawnmowers	33	
Ambulances	0	
Tractors	13	
Emergency Vehicles/Buses	0	
Motor Cycles	0	
Trailers	11	
Special type vehicles (roadmarking & construction vehicles, machinery, refuse removal, waste compactors etc)	2	
High value vehicles (First R 500 000.00)	28	
Car hire - Mayor & Speaker- 600 per day max 30 days - Car hire does not include additional costs like fuel deposits, drop off and pick up, additional kilometres and any admin charges levied	2	
- Third Party Only	81	

Extensions

- Wreckage removal	*R10 000*	
- Fire extinguishing expenses	*R10 000*	
- Medical expenses (per occupant)	*R10 000*	
- Loss of keys	*R10 000*	
- Conveyance of explosives	*No*	
- Theft or attempted theft of radios/sound equipment	*R2 000*	
- Theft or attempted theft of telephones		
(excluding cellphones)	*R2 000*	
- Claims preparation costs	***R100 000***	
TOTAL MOTOR OWN DAMAGE	**254**	

LIABILITIES

Public Liability		
Standard sublimits - refer to MUM specification		
- Umbrella Policy Limit	*R15 000 000*	
TOTAL Public Liability	**R15 000 000**	

Sub-limits		
- Wrongful Arrest and defamation	*R2 250 000*	
- Errors & omissions	*R2 250 000*	
- Products liability and defective workmanship	*R2 250 000*	
- Pedal Cycles	*Market value*	
- Legal Defense costs	*R2 250 000*	
- Professional Liability in respect of Medical Practitioners or other Medical officials	*R2 250 000*	
- Spread of fire	*R2 000 000*	
- Municipal Police liability	*R2 000 000*	
- Sub-limit use of firearms	*R250 000*	
- Sub-limit wrongful arrest & defamation	*R250 000*	

Employers Liability		
- Limit	R5 000 000	
TOTAL Employers Liability	**R5 000 000**	

Motor Third party Liability		
- Limit	R5 000 000	
- Number of vehicles	***254***	
TOTAL Motor Third Party Liability	**R5 000 000**	

MOTOR OWN DAMAGE OVER R 500 000.00		
TOTAL SUM INSURED IN EXCESS OF R 500 000.00	R31 510 816	

SASRIA - Non Motor
SASRIA - Motor

Councillors SASRIA - Non Motor
Councillors SASRIA - Motor

Moqhaka Municipality Claim History for 3-year period up to 2023.

Section	2021	2022	2023
Business All Risk	R80 500.00	R120 998.00	R87 799.00
Combined	R812 082.00	R1 100 000.00	R259 622.00
Motor Fleet	R191 286.00	R517 000.00	R89 000.00
Motor Liability	R60 000.00	R56 823.00	R13 759.00
Motor Vehicle exceeding R500K	R0.00	R50 000.00	R99 000.00
Public Liability	R1 674 890.00	R570 180.00	R1 485 165.00
Theft	R197 662.00	R0.00	R208 620.00

C. Performance Management

In terms of Section 116 (2) of the MFMA, the municipality is required by Law to monitor the performance of service providers on a monthly basis in line with the performance areas as stipulated in the Service Level Agreement (SLA). The monitoring of panels will be done as and when their services are utilised.

D. Preferential Points System

Indicate whether the tender will be evaluated in terms of 80/20 below a 50 million and 90/10 above 50 million.

80/20

A maximum of 20 points (80/20 preference points system), will be allocated for specific goals.

80 – Price
20 – Specific Goals **(Locality = 15, Women Ownership = 5)**

E. Duration of the Contract

State how long the contract will take
3 Years

F. Functional or Technical Evaluation Criteria (If Applicable)

See examples of Functional Evaluation Criteria below in Annexure A

ANNEXURE ''A''

Technical or Functional Evaluation Criteria and Functional Evaluation Report Guideline

Technical Mandatory Requirements

• **The service provider must provide proof of a valid license to transact business as a financial service provider (FSP) as per financial advisers and intermediary services act. (FAIS Act) (Attach proof)** • **South African based Insurer agency contract (Attach Proof)**	

Technical/Functional Requirements

Only those tenderers who score the **minimum of 70 points** in respect of the following criteria are eligible for further evaluation.

Criteria	Weight	Points	Documents to be submitted as proof to score points
Demonstrate the company experience in similar projects.		**40**	For the Bidder(s) to be considered, the bidder(s) must provide **written and signed** references on a letterhead from clients. Reference letters of similar projects (intermediary/insurance services) with contact details for references that can be contacted by the Municipality to confirm that letter is valid.
• 7 plus years of experience	5		
• 6 years of experience	4		
• 5 years of experience	3		
• 4 years of experience	2		
• 3 years of experience	1		
• Less than 3 years of experience	0		
Claims administration system		**10**	**Claims procedures to be clearly documented and relevant forms to be attached** Bidder to provide written and signed recommendation letters on a letterhead from clients.
• 5 plus letters of recommendation	5		
• 4 letters of recommendation	4		
• 3 letters of recommendation	3		
• 2 letters of recommendation	2		
• 1 letters of recommendation	1		
• 0 letters of recommendation	0		
Experience in Risk Management		**15**	Bidder to provide written and signed recommendation letters on a letterhead from clients.
• 5 Plus letters of recommendations	5		
• 4 letters of recommendation	4		
• 3 letters of recommendation	3		
• 2 letters of recommendation	2		
• 1 letters of recommendation	1		
• 0 letter of recommendation	0		

Key representative qualification **Member of institute of independent directors , Institution of Risk Managers, Finance degree and FAIS accredited**		**10**	The bidder must provide the following certificate: • Finance degree NQF level 7 or equivalent • FAIS accreditation • IODSA accreditation • IRMSA accreditation
• 4 of 4 Certificates	5		
• 3 of 4 Certificates	4		
• 2 of 4 Certificates	3		
• 1 of 4 Certificates	2		
• No certificates	0		
Public Sectors Clients with portfolio value of R5 billion or above		**25**	Bidders should submit written and signed confirmation letter on a letterhead from the clients.
• 5 Confirmation letters	5		
• 4 Confirmation letters	4		
• 3 Confirmation letters	3		
• 2 Confirmation letters	2		
• 1 Confirmation letter	1		
• No confirmation letter	0		
MAXIMUM POSSIBLE SCORE		**100**	