



**SALGA**  
South African Local Government Association

Menlyn Corporate Park, Block B  
175 Corobay Avenue  
Corner Garsfontein Road & Corobay Avenue  
Waterkloof Glen ext. 11, Pretoria, 0001  
Tel : (012) 369 8000  
Fax : (012) 369 8001  
E-mail : info@salga.org.za

**REQUEST FOR PROPOSALS (RFP)**

# Banking Services Terms of Reference

The supply of banking services as main banker to SALGA

**BID REFERENCE #**

**SALGA06/2011**

**Gauteng**

3rd Floor Braampark  
Forum 2, 33 Hoofd Street  
Braamfontein; 2017

**Eastern Cape**

First Floor, 3 Berea  
Terrace  
Berea  
East London; 5214

**Free State**

Corner Nelson Mandela  
Drive & Burger Street  
Bloemfontein; 9300

**Kwa-Zulu Natal**

202 Transnet Building  
3rd Floor  
Smith Street  
Durban; 4000

**Limpopo**

49 Standard bank  
building 2nd Floor  
Corner Landros Mare  
and Thabo Mbeki Street  
Polokwane; 0699

**Mpumalanga**

Salga House  
11 Van Rensburg Street  
Nelspruit, 1200

**North West**

Jade Square, Suite 400  
Corner OR Thambo &  
Margaretha Prinsloo  
street  
Klerksdorp; 2570

**Northern Cape**

Crescent House  
1 & 2 D' Arcy Street  
Kimberly; 8300

**Western Cape**

7th Floor  
Eleven Elderley Street  
Cape Town, 8000

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**A) TENDER NOTICE**

*The South African Local Government Association invites duly registered banking institutions to provide the SALGA with a full range of banking services for a period of 5 years.*

*The terms of reference document will be available from Monday, 7 November 2011 and may be collected at the reception of Menlyn Corporate Park; Block B; 175 Corobay Avenue; corner Garsfontein & Corobay Avenue; Waterkloof Glen ext. 11; Pretoria between 08:00 and 16:30, or downloaded from our website: [www.salga.net](http://www.salga.net) under the tenders tab..*

*Bidders should take note that SALGA reserves the right to negotiate terms and conditions after the selection of the successful tender.*

*Tenders must be deposited in the tender box on the Ground Floor, Menlyn Corporate Park; Block B; 175 Corobay Avenue; corner Garsfontein & Corobay Avenue; Waterkloof Glen ext. 11; Pretoria, by no later than 11h00AM on Wednesday, 30 November 2011.*








*NB: No faxed, e-mailed or late tenders will be accepted.*

*Tender enquiries may be directed to: Alpheus Malete / Bonginkosi Maseko, Tel. (012) 369-8000*

*Technical enquiries in respect of the banking services tender, may be directed to Nceba Mqoqi, Tel. (012) 369 8000*

## **B) INTRODUCTION**

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

-  Represent, promote and protect the interests of local government;
-  Transform local government to enable it to fulfil its developmental role;
-  Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
-  Enhance the role and status of municipalities;
-  Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
-  Ensure the full participation of women in organised local government;
-  Be the National Employers' Association representing all municipal members and, by agreement, associate members.

## **1. INSTRUCTION TO BIDDERS**

### **1.1 General Instructions**

This document constitutes a Request for Proposal (RFP), which specifies SALGA's requirements for banking services. The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision making timetable. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e. a per unit fee based on activity, a flat monthly or annual fee for specific services detailed. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit to the National Executive Committee (NEC) being SALGA's accounting authority.

### **1.2 Objectives**

The NEC's objective in the call for proposals is to select a financial institution to provide commercial banking services to the South African Local Government Association as main banker.

### **1.3 Terms of Contract**

The term of the contract will be for five (5) years and will take effect on 1 April 2012. The contract may be extended by mutual agreement. Ninety (90) days written notice must be given if either party wishes to terminate the agreement at the contract's expiry date.

#### **1.4 Questions during Proposal Process**

Enquiries regarding this RFP should be directed to Mr. Alpheus Malete, Senior Buyer, located at the SALGA National Office – 012 369 8000 / 012 365 8521. Questions will only be taken up to Monday, 21 November 2011.

Technical enquiries in respect of the banking services tender, may be directed to Nceba Mqoqi, Tel. 012 369 8000 or 012 365 8533

Bidders finding apparent discrepancies or omissions in the RFP should notify Mr. Alpheus Malete at once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by SALGA after 12:00 noon, four business days prior to RFP closing without providing an extension of time.

#### **1.5 Submission of Proposal**

Submit two copies of the proposal, in sealed opaque envelopes and clearly marked RFP RESPONSE - BANKING SERVICES addressed to:

*South African Local Government Association (SALGA)  
Menlyn Corporate Park  
Block B; 175 Corobay Avenue  
corner Garsfontein & Corobay Avenue  
Waterkloof Glen ext. 11  
PRETORIA*

**Attention: Mr. Alpheus Malete  
Senior Buyer**

Proposals will be received at the reception desk on the first floor, during regular business hours only, up to **11H00AM on Wednesday, 30 November 2011**. Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered, and will be returned to the bidder unopened.

Proposals will not be opened in public.

All proposals will remain in force and will be irrevocable for ninety days after the proposal closing.

Proposals shall be stipulated sums without escalator clauses or other qualifications.

### **1.6 Evaluation Criteria and Process**

Proposals will be evaluated in accordance with the preferential procurement Policy Framework Act (PPPFA), using the 90/10 split against the following categories: Electronic Banking Services, Interest Rate Structure on Loans and Operating Account Balances, Payroll Direct Deposit Services, Bank Service Charges (if any) and the Provision of Ancillary Services. Consideration will be given to the bidder's ability to provide information on innovative services and products providing cost efficient alternatives to SALGA's current operations.

A Bid Evaluation Committee will review and evaluate the proposals. A maximum of four (4) bidders may be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. If presentations are necessary they will be made on 12 December 2011 at a time and location to be confirmed. A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed.

### **1.7 Contract Award**

SALGA reserves the right to accept any proposal submitted, or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents may be accepted or disqualified, at the option of SALGA.

It is anticipated that the successful bidder will be notified by 31 January 2012.

Please outline in your proposal the assistance your bank is prepared to provide in order to meet the scheduled 1 April 2012 date for the full implementation of services.

### **1.8 Termination of Contract**

SALGA reserves the right to terminate the agreement with 30 days written notice to the bank subject to the following:

- 1.8.1 the bank fails to perform in accordance with the specified service requirements as set out in the RFP;
- 1.8.2 the bank fails to provide any product or service as defined under part 3 below without written explanation;
- 1.8.3 the bank otherwise violates the provisions of the RFP to a substantial degree.

### **1.9 Liability**

SALGA will not be held liable for any actions of the bank and/or its employees.

### **1.10 Important Dates**

21 November 2011 - Last day for questions

30 November 2011 - Proposal submissions due 11H00AM

12 December 2011 - Presentations if necessary

31 January 2012 - Recommendations to the Bid Adjudication Committee for awarding contract

## **2. BIDDER QUALIFICATIONS**

To be considered a candidate for the provision of banking services for SALGA, bidders must:

- 2.1 be approved by National Treasury after 1 April 2001; in terms of section 7 of the Public Finance Management Act, the Act (PFMA)
- 2.2 maintain branch office network in close proximity to SALGA locations throughout the Republic;
- 2.3 have the ability to provide electronic direct deposit payroll services to SALGA employee accounts at the financial institution of their choice.

### **3. SERVICE REQUIREMENTS (SPECIFICATIONS)**

#### **3.1 Background Information**

SALGA revenues are derived from two major sources and are received according to the following schedule:

Membership levies – billed to municipalities on 1<sup>st</sup> April and payable 90 days thereafter i.e. 1<sup>st</sup> July.

Government grants – quarterly instalments paid in advance

Salaries and benefits for SALGA employees represent 52% of the total expenditure budget.

All other expenditures flow through the purchasing and accounts payable process and are paid on the basis of terms of contract and/or invoice.

#### **3.2 Introduction**

The Bidder's proposal should effectively and adequately, without ambiguity demonstrate how it is able to provide its services to SALGA. The proposal should encompass key areas of support and partnering i.e. innovation, high quality, value-add solutions and pro-activity of its service models.

**The requirements of SALGA are that the successful Bidder is able to provide the following:**

- An efficient and cost effective current account administration service;
- Enhanced business processes for improved efficiencies resulting in reduced costs;
- Processes and controls to mitigate operational risk and fraud;
- A complete banking service to SALGA's National Office and Provincial Offices;
- The phased-in implementation of the conversion interface with the successful Bidder;
- The provision of appropriate skills training in all spheres of financial services as required by SALGA;
- The ability to handle large volume transactions.

The proposed solutions should be discussed under the following headings in the tender document requested from the Bidders i.e.

- Bank branch network (item 3.3)
- Transactional Banking Services (item 3.4)
- Electronic Banking Services (item 3.5)
- Cash Management Services (item 3.6)
- Payroll Direct Deposit Services (item 3.7)
- Line Of Credit/Short-Term Borrowing Requirements (item 3.8)
- Other Lines Of Credit (item 3.9)
- Implementation and Training (item 3.10)
- Relationship Team (item 3.11)
- Banking facilities for SALGA staff (item 3.12)

- Other Services (item 3.13)

Pricing is to be completed on the template provided and all additional costs that the Bidder foresees will be incurred by SALGA are to be included as an appendix to the tender document.

### **3.3 LOCATION OF BANK BRANCHES**

SALGA's bank accounts are to be maintained at a branch in the Pretoria offering a full range of services and within a reasonable distance from the SALGA's building. Please provide the location of the branch you are proposing as the SALGA's main branch.

In addition, SALGA's provincial offices require access to a bank branch network in order to withdraw cash for petty cash purposes (via debit cards).

Please complete Appendix "A" indicating the location of the branch you are proposing to service each of the provincial offices listed.

### **3.4 TRANSACTIONAL BANKING SERVICES**

The required bank account categories are as follows:

- Main account (item 3.4.1);
- Membership levy income account (item 3.4.2);
- Donor funded accounts X 3 (item 3.4.3);
- Petty cash account, linked to 10 ATM cards (item 3.4.4);
- Provincial bank accounts X 9 (item 3.4.5);
- Salaries account (item 3.4.6);
- Lodge card / Travel card (item 3.9.1);
- Business credit cards (item 3.9.2);
- Fleet cards (item 3.9.3).

The above mentioned accounts should comprise the following:

- Daily sweeping of debit/credit balances;
- Deposit identifier.

#### **3.4.1 Main Current Account**

The majority of SALGA's financial business will be conducted through this account. Payments to vendors will be made using this account. Receipts of government grants are received via this account. SALGA currently access daily reports on the activity on this account via an internet portal with user security. Due to a limited nature (seldom) of foreign exchange transactions, the organisation does not employ any hedging mechanism it uses the ruling spot rate at transaction date. A summary of the Main Current Account activity and average annual volumes is as follows:

- Cheques Issued: ± 120
- EFT payments: ± 3,600
- Forex transactions: ± 8
- Debit Orders: ± 120

- Bank Statements – Daily on-line access and Monthly with honoured cheques and all other documentation
- Account Services - cheque certification and annual audit verification

### **3.4.2 Membership Levies Account (Investment Account)**

Receipts for membership levies are deposited into this account. Payments to Lodge Cards will be made using this account. Funds will be transferred from the Membership Levy Account to the Main Cheque Account as needed. A summary of activity and average annual volumes is as follows:

- Cheques Issued: none
- Receipts: ± 566
- Bank Statements: Daily on-line access and Monthly statements with all other documentation
- Account Services: auto clearing of cheque deposits and annual audit verification

### **3.4.3 Donor Funded Accounts**

SALGA receives funds from the donor community that must be accounted for separately. Currently there are three such donor funded projects. SALGA currently access daily reports on the activity on these accounts via an internet portal with user security. A summary of the Donor Funded Accounts activity and average annual volumes is as follows:

- Number of donor funded accounts: 3 (three)
- Cheques Issued: none
- EFT payments: ± 24 X 3 accounts
- Forex transactions: ± 5
- Debit Orders: none
- Bank Statements – Daily on-line access and Monthly statements with all other documentation
- Account Services - cheque certification and annual audit verification

### **3.4.4 Petty Cash Accounts**

All debit cards issued to provincial offices for petty cash purposes must be linked to this bank account. Funds will be transferred from the Main Cheque Account to the Petty Cash Account as needed. All SALGA provincial offices must be able to withdraw cash for petty cash purposes at a specific branch and at ATM's. Please provide details on available services including the interest rate structure on account balances, service charges (if any) and a complete listing of branch locations in close proximity to SALGA's offices.

### **3.4.5 Provincial Bank Accounts**

All provincial offices maintain bank accounts for fundraising activities, and to transact on specific province funded programmes, etc. Funds will be transferred from the Main Cheque Account to the Provincial Cheque Accounts as needed. Please provide details on available services including the interest rate structure on account balances, service charges (if any). A summary of activity and average annual volumes is as follows:

- Number of provincial cheque accounts: 9 (nine)
- Cheques Issued: none
- EFT payments: ± 204 X 9 bank accounts
- Forex transactions: none
- Debit Orders: none
- Bank Statements – Daily on-line access and Monthly statements with all other documentation
- Account Services - cheque certification and annual audit verification

### **3.4.6 Salaries Bank Account**

A cheque account to be used for payments to employees and councillors is maintained by the national office. Funds will be transferred from the Main Cheque Account to the Salaries Cheque Account as needed. Please provide details on available services including the interest rate structure on account balances, service charges (if any). A summary of activity and average annual volumes is as follows:

- Number of employees: ± 337 (three hundred and thirty seven)
- Cheques Issued: ± 12
- EFT payments: ± 2,844
- Forex transactions: none
- Debit Orders: none
- Bank Statements – Daily on-line access and Monthly statements with all other documentation
- Account Services - cheque certification and annual audit verification

## **3.5 ELECTRONIC BANKING SERVICES**

### **3.5.1 Introduction**

SALGA currently has an on-line access to a variety of electronic cash management services allowing for the monitoring of SALGA's daily activities in each of its operating accounts. Current services utilised include daily balance and transaction reporting, cheque reconciliation, electronic funds transfer for payments to, foreign exchange reporting, disbursement auditor and deposit auditor.

SALGA expects the successful Bidder to understand and identify its needs and to provide innovative solutions.

The requirement is the ability to use real-time systems that provide cash management; payment and receipts solutions. These must have built in efficiencies where there is a clear reduction in costs with regard to SALGA's administration and accounting functions; improved controls with the result being in a reduction in operational risk and fraud.

### **3.5.2 Payment management**

The Bidder should be able to facilitate secure and timely movement of funds; and meet SALGA's requirements in respect of EFT's for all salaries; creditor; and other payments.

The following are imperatives for management of payments:

- Timely and secure processing of all transactions;
- Ability to interface (where required) with payroll and line-of-business applications currently used;
- Stringent authorisation and security controls;
- Efficient management and reduction of risk processes;
- Enhanced data integrity due to stringent validation controls;
- Cost effective processes.

### **3.5.2.1 Transactions and Balances**

- To provide on-line real-time account balance and transaction enquiries;
- To provide real-time transaction search capabilities;
- To provide transaction history (list of transactions) storage retrieval for up to 90 days.

### **3.5.2.2 Electronic Funds Transfer**

- Payments to beneficiaries in real-time;
- Payments to beneficiaries at other banks to be effected on a same day value basis;
- A nominated account facility to ensure that payments are only made to beneficiaries that have been specifically loaded on a payments database, which is held on the system
- Intra-group transfers for transfers between SALGA's own bank accounts maintained by the successful Bidder;
- Allow for payments to be post-dated
- Remittance advices; advice of payment can be sent by e-mail or fax
- Referencing is available for all transactions simplifying bank reconciliations
- Data import capabilities.

### **3.5.3 Statements and reconciliation management**

The Bidder should provide for the automatic downloading of electronic banking statements for subsequent import to SALGA's line of business systems.

### **3.5.4 Electronic delivery and system interface (optional)**

The successful Bidder should ensure that all available options of communicating with the SALGA's mainframe are set out with costs in the tender.

A proposed host link option to be made available to SALGA in order to facilitate high volume processing for electronic salary payments transfers, debit collections and electronic statements.

### **3.5.5 Internal audit compliance**

The successful Bidder must liaise with SALGA's internal audit team regarding solution processes and procedures ensuring that operational risks are addressed.

## **3.6 CASH MANAGEMENT SERVICES**

The Cash Management System must play a role in optimising cash balances and reducing costs associated with the management and movement of funds. The system must allow

SALGA to set up accounts and consolidate them at various reporting levels. The consolidation must allow for the set-off of debit and credit balances without the need to transfer balances daily from accounts that have surpluses to those accounts that are in overdraft.

Comprehensive statement, transaction enquiry and reporting facilities must be available via file transmission for direct interface with SALGA's financial and accounting system that will allow SALGA to keep strong administrative and accounting control over banking accounts.

### **3.7 PAYROLL DIRECT DEPOSIT SERVICES**

SALGA provides full payroll services to its employees including the preparation and processing of monthly payrolls and all related payroll remittances. Payroll data is transmitted electronically from SALGA's payroll system (SOFTLINE VIP) through the electronic banks' portal for credit to the employee's bank account at the financial institution of their choice. The total amount of each payroll is charged to SALGA's Salaries Current Account. With over ± 337 employees and ± 100 councillors on the governance structures, the monthly volume of electronic items processed can range from 400 to 500 transactions depending on the number of transactions.

### **3.8 LINES OF CREDIT/SHORT-TERM BORROWING REQUIREMENTS**

#### **Introduction**

The economic downturn of 2008-09 has had an impact on SALGA's payment levels for membership levies. This has resulted at times with member municipalities taking too long to remit their membership levies, due to residents not remitting their accounts promptly. Furthermore, SALGA has experienced growth over the past three years necessitating investment in capital assets (operating capital) and leasehold improvements. This growth is anticipated to continue through to the year 2012. SALGA will have completed capital projects over this time frame valued in excess of R3 million.

A very specific cycle exists for the financing of these capital investments. Short-term financing must be used to fund the capital investment.

#### **Short-term credit requirements**

As short-term funds are required, SALGA may borrow from the bank at that point in time. The term of borrowing typically ranges from 30 to 90 days and the use of short-term money market instrument requiring the minimum amount of documentation and effort is preferred. Borrowing requirements for this purpose are not guaranteed to the successful bidder of this RFP.

SALGA will require an Operating Line of Credit of R20 – R30 million to cover daily cash requirements and short-term capital investment needs. All loan advances and payments are to be made automatically by the bank on a daily basis through the Main Current Account. The bidder's response should provide details as to the method of security, repayment terms, interest payment arrangements, compensating balance requirements and any other terms and conditions. Interest rates provided should include the rate of interest to be paid by the bank for the investment of surplus funds in all current accounts. Bidders should also provide

a copy of all resolutions that will require NEC approval, with their response. SALGA will require monthly statements of the daily current account and load balances detailing interest earned on the current accounts and interest paid on the operating line of credit.

### **3.9 OTHER LINES OF CREDIT**

#### **3.9.1 Lodge Card / Travel Card**

SALGA operates a lodge card that is used to fund travel and accommodation services such as airline bookings; hotel accommodation etc. The current facility has a limit of R2.8 million rand and is payable 30 days from statement date. SALGA will require this facility which will be paid from the Membership Levies Account. Please provide details on available services including the interest rate structure on account balances, service charges (if any). A summary of activity and average annual volumes is as follows:

No of transactions: ± 10,800 (ten thousand eight hundred)

Annual monetary value: ± R20 million

#### **3.9.2 Business Credit Cards**




SALGA also operates business credit cards for its senior management. There is a total of 18 senior executives who qualify for a business credit card i.t.o. SALGA's policy. The total facility required is R 190,000 made up as follows: seventeen (17) X credit cards of R 10,000 and one (1) X credit card of R 20,000. Please provide details on available services including the interest rate structure on account balances, service charges (if any).

#### **3.9.3 Fleet Cards**

SALGA has a fleet of seven (7) motor vehicles, this figure may increase in future. Expenditure, incurred for the maintenance of the vehicles; fuel costs etc. are settled via fleet cards. Please provide details on available services including the interest rate structure on account balances, service charges (if any).

### **3.10 IMPLEMENTATION AND TRAINING**

Dedicated team and project Manager for:

-  All inclusive seamless installation of all solutions
-  Transactional Banking Solutions;
-  Electronic Banking Solutions;

A contractual agreement in the form of a Service Level Agreement between SALGA and the Bidder should be in place at commencement of the contract.

Sufficient time frames for implementation of the various solutions should be planned by the Bidder.

Identify training requirements and time frames for the implementation of solutions.

Dedicated implementation team to facilitate smooth transition of banking services to SALGA.

A dedicated specialist Electronic Banking Manager & Relationship Manager should attend to the following:

- Ensure correct set up and optimisation of the Cash management system structure
- Identify all additional systems interface requirements for electronic statements and electronic fund transfers
- Identify Cash Management, Payments Management and Internet Banking additional access requirements across SALGA including the institutional and remote requirements and the installation thereof
- Liaise with appropriate officials regarding interfaces into the SALGA line of business application and text files that can be imported into other applications
- Specifically focus on opportunities for conversion of cheques and manual transfers to EFT's
- Identify, in consultation with SALGA, all access levels, authorities, profiles and limits for staff requiring access to the electronic banking systems
- Attend to the legal documentation and the signing thereof
- Formalise service level agreements incorporating back up procedures and processes particularly with regards to electronic funds transfers
- Identify training requirements and arrange the necessary training in consultation with SALGA
- Provide all user manuals.

### **3.11 RELATIONSHIP TEAM**

The Bidder should be able to provide SALGA with an experienced dedicated relationship team that will support SALGA's operations. The team should understand and be familiar with SALGA's operations in order to deliver effective solutions that will elicit quick sound decision making.

### **3.12 BANKING FACILITIES FOR STAFF**

The Bidder should also be able to demonstrate what schemes and benefits they will provide for SALGA staff.

### **3.13 OTHER SERVICES**

#### **3.13.1 Additional Services**

SALGA will be interested in information and details of additional services available with potential benefits to SALGA.

#### **3.13.2 Statistical Data**

SALGA will require access to statistical data relating to the operation of the current accounts and loan activity on an annual basis, i.e. average daily deposits, average daily account balances, average daily loan balances, etc.

#### 4. EVALUATION

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of staff officials of SALGA and possibly other external parties will evaluate the proposals of the bidders.
- The committee will individually evaluate each of the bid proposals received against the appointed criteria as provided for in Preferential Procurement Policy Framework Act of 2005 (As amended).

All proposals submitted will be evaluated on three categories:

- (i) Functionality (technical content)
- (ii) Price
- (iii) Compliance with the BEE goals

Bids are evaluated in accordance with the preferential procurement Policy Framework Act (PPPFA), using the 90/10 split.

Firstly, the assessment of functionality must be done in terms of the evaluation criteria and the minimum threshold value of 60 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

Thereafter, only the qualifying bids are evaluated in terms of the 90/10 preference points systems, 90 points will be used for price only and the 10 points are used for HDI ownership and / or achieving the prescribed RDP goals

The Point's breakdown is as indicated below:

For functionality, the following criteria will be applicable and the maximum value of each criteria is indicated as below:

<b>CRITERIA FOR FUNCTIONALITY</b>	<b>WEIGHT</b>
Approach and Methodology	30
Current experience	15
Quality of methodology	15
Expertise and experience of staff	30
<b>Total for functionality</b>	<b>90</b>
<b>Threshold</b>	<b>60</b>

Bidders who score 60 (average) points and above will be considered in phase 2 of the evaluation.

The points for functionality and price will be converted to 90 using the formula prescribed in the 90/10 points system.

The remaining 10 points will be allocated for HDI as follows:

<b>CRITERIA</b>	<b>WEIGHT</b>
HDI who had no franchise in national elections before the 1983 and 1993 Constitution	6
HDI who is female	2
HDI who has a disability	2
<b>TOTAL</b>	<b>10</b>

Summary of the evaluation process:

<b>CRITERIA</b>	<b>WEIGHT</b>
Functionality/Price converted to	90
Historically Disadvantage Individuals points	10
<b>TOTAL</b>	<b>100</b>

The Bid Evaluation Committee will thereafter meet in order to formulate recommendations to the Bid Adjudication Committee.

## **5. GENERAL CONDITIONS**

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.
- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.

## **6. PRICE SCHEDULE OF SERVICES**

Any costs applicable to implementation on new banking systems and procedures, including the cost of training SALGA staff, computer software and hardware etc., should be shown separately from transaction costs.

## 7. APPENDICES

### 6.1 Appendix “A” – SALGA Office Locations

OFFICE	ADDRESS
NATIONAL OFFICE	<p>Tel: (012) 369 8000 Fax (012) 369 8001</p> <p>Menlyn Corporate Park Block 13 175 Corobay Avenue Cnr Garsfonteing &amp; Corobay Avenue Waterkloof Glen Ext 11 Pretoria P.O.Box 2094 Pretoria 0001</p>
EASTERN CAPE	<p>Tel: (043) 727 1150 Fax (043) 7271156/67</p> <p>First Floor,3 Berea Terrace Berea East London 5214 P.O Box 19511 East London 5214</p>
FREE STATE (	<p>Tel: (051) 447 1960 3426/5824 0027/5202 Fax: (051) 430 8250</p> <p>SALGA House cnr.Nelson Mandela Drive &amp; East Burger Streets Bloemfontein 9300 P.O Box 14 Bloemfontein 9300</p>
GAUTENG	<p>Tel: (011) 276 1150 Fax: (011) 276 3636/7</p> <p>3rd Floor Braampark Forum 2, 33 Hoofd Street Braamfontein 2017 P.O Box 32161 Braamfontein 2017</p>
KWAZULU NATAL	<p>Tel: (031) 361 1236 Fax: (031) 361 1234</p> <p>202 Transnet Building 3rd Floor Smith Street Durban 4000 P.O Box 1525 Durban 4000</p>
LIMPOMPO	<p>Tel: (015) 291 1400</p>

OFFICE	ADDRESS
	Fax: (015) 291 1414  2nd Floor,49 Standard Bank Bldg cnr.Landros Mare and Thabo Mbeki Str Polokwane 0699 Private Bag X 9523 Polokwane 0700
MPUMALANGA	Tel: (013) 752 1200 Fax: (013) 752 5595  Salga House 11 van Rensburg Str Nelspruit 1200 P.O Box 1693 Nelspruit 1200
NORTH WEST (018) 462 5290 (018) 462 4662	Jade Square, Suite 400 cnr OR Thambo & Margaretha Prinsloo Street Klerksdorp 2570 P.O Box 1286 Klerksdorp 2570
NORTHERN CAPE	Tel: (053) 833 2505 Fax: (053) 833 3828  Crescent House 1&2 D` Arcy Street Kimberley 8300 P.O Box 3183 Kimberley 8300
WESTERN CAPE	Tel: (021) 469 9800 Fax: (021) 461 1936  SALGA Western Cape & Parliamentary Offi ces 11 Adderley Street 7th Floor Cape Town 8000 P.O Box 185 Cape Town 8000

## 6.2 Signed Bid Completion Checklist

Item	Description	Yes	No
	Technical Proposal		
1	Invitation to bid (SBDI):completed and signed		
2	Technical Proposal with a work plan		
3	Pricing Schedule(Professional Services)SBD3.3		
4	Did you submit any proof of registration to relevant professional bodies, if applicable?		
5	Declaration of interest (SBD 4) Original completed and signed.		
6	Preference points claim (SBD 6.1) Original completed and signed.		
7	Declaration of Bidder's past SCM Practices (SBD 8) Original completed and signed.		
8	Did you submit proof of shareholding for HDI points (CK documents)?		
9	Did you submit copies of South African ID's for shareholders?		
10	Did you submit a consortium/joint venture agreement, if applicable?		
11	Original and valid tax clearance certificate		
12	Did you submit <b>one</b> (1) original and <b>four</b> (4) hard copies of the bid documents?		
13	Did you submit an electronic copy of the bid documents? <b>(NB: Not compulsory)</b>		
14	Did you take note of and understand the Special Conditions?		
15	Did you submit your management and contact details?		
16	Did you submit contact details for three references?		
17	Did you submit you company profile, brief financial information, concerning turnover and asset value, and details of any BEE Shareholding?		