



MBD1

**PART A  
INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE THULAMELA MUNICIPALITY**

BID NUMBER:	49/2023/2024	CLOSING DATE:	19 MARCH 2024	CLOSING TIME:	11:00 AM
DESCRIPTION	REQUEST FOR PROPOSAL- DEBT COLLECTION ON COMMISSION BASIS FOR A PERIOD OF THREE (3) YEARS				

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX  
SITUATED AT (STREET ADDRESS

<b>OLD AGRIVEN BUILDING</b>
<b>THOHOYANDOU</b>
<b>0950</b>

**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
TAX COMPLIANCE STATUS	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3 ]
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TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
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SIGNATURE OF BIDDER		DATE	
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CAPACITY UNDER WHICH THIS BID IS SIGNED

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT	FINANCE	CONTACT PERSON	NEMBUDANI VE/TSHILOLO TF
CONTACT PERSON	MUDZILI TP	TELEPHONE NUMBER	015 962 7711/7550
TELEPHONE NUMBER	015 962 7629	FACSIMILE NUMBER	015 962 4020
FACSIMILE NUMBER	015 962 4020	E-MAIL ADDRESS	
E-MAIL ADDRESS	mudzilitp@thulamela.gov.za		



**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED--(NOT TO BE RE-TYPED) OR ONLINE</b>	
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.	
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.	
2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.	
2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.	
2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.3. DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	<input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.  
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....

DATE: .....



## THULAMELA LOCAL MUNICIPALITY

### INVITATION TO BID

#### REQUEST FOR PROPOSAL-DEBT COLLECTION ON COMMISSION BASIS FOR A PERIOD OF THREE (3) YEARS

Thulamela Municipality invites prospective service providers for provision of the following service:

Bid number	Project description	Non-refundable bid price	Contact Person	Evaluation criteria
No.: 49/2023/2024	Request for proposal-debt collection on commission basis for a period of three (3) years	R3.00 per page or can alternatively be downloaded from Thulamela website ( <a href="http://www.thulamela.gov.za">www.thulamela.gov.za</a> ) for free	Mrs Nembudani V.E. (015 962 7711) Mrs Tshililo T.F. (015 962 7550) and/or Mr Mudzili T.P. (015 962 7629)	80/20 Preference points system and functionality

Tender documents are obtainable from Procurement Office, Office No. 02 at Thulamela Local Municipality Head Office, during the following times: 08:00 to 15:30 (Monday to Friday) at a **Non-refundable bid price of R3.00 per page** as from **15 February 2024** or can alternatively be downloaded from Thulamela website ([www.thulamela.gov.za](http://www.thulamela.gov.za)) for free. The tenderer(s) should also download SCM forms that are found in the **SCM-FORMS sub folder** on the website and complete as part of the Bid documents.

**The service providers must submit the completed Bid documents (in black ink) and hand deliver or courier them to Thulamela Municipality. All completed Bid documents (hand delivered or couriered) must be dropped in the BID BOX before the closing date and time of the Bids closure. The onus is on the service providers to make sure the Bid documents are submitted on time and late submission won't be accepted.**

Interested service providers will be expected to submit the Bid documents with the following compulsory requirements.

- ❖ Tax Compliance Status Letter or Tax Compliance Pin Number
- ❖ Company registration documents (e.g., CK)
- ❖ Proof of registration on CSD

**BID NUMBER 49/2023/2024: REQUEST FOR PROPOSAL-DEBT COLLECTION ON COMMISSION BASIS FOR A PERIOD OF THREE (3) YEARS**

- ❖ Organogram of project team indicating Key Personnel
- ❖ Curriculum Vitae (CV's), of key personnel as per the Organogram.
- ❖ Proof of municipal rates and taxes or municipal service charges owed by the bidder and all its directors, not in arrears for more than 3 months. (The proof of municipal rates and taxes or municipal service charges to be submitted must not be older than three (3) months from the closing date of the bid. Attach valid lease agreement in case of rental of office facilities and municipal clearance in respect of the areas exempted from billing by municipalities.
- ❖ List of similar projects completed by the service provider in the last 5 years with clients contact details, description, and contract values (Attached signed appointment letters and/or official purchase orders).

Tenderers should note the following: Functionality will be scored out of 100% and the minimum threshold to qualify is 70%. Tenderers who fail to meet the minimum threshold will not be considered for further evaluation.

**Functionality Score Table:**

	TARGETED GOALS:	WEIGHT
1	Relevant Experience	20
2	Number of Clients within the last 3 years	20
3	Qualification /CV key personnel	10
4	Membership with professional bodies	15
5	Local Offices	5
6	Use of Customer Relations & Data Management system	5
7	Ability to pursue progressive legal action	15
8	Access to Credit Bureaus & Credit rating agencies	10
	<b>TOTAL</b>	<b>100</b>

Bids will be assessed under the provisions of the following Acts and its Regulations: Municipal Finance Management Act, (Act 56 of 2003); PPPFA, Supply Chain Management Policy of the municipality in accordance with the specifications and in terms of **preferential points system and functionality.**

Specific Goals Categories (CSD will be used for verification)	Number of Points (80/20 system)
	20 Points breakdown
1. 100% Black ownership	10
2. 100% Women ownership	5

3. Youth	3
4. Disability (Medical certificate will be used to verify the disability status of the bidder)	2

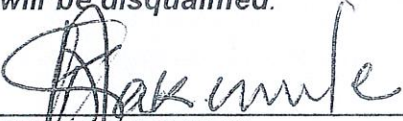
Sealed bid documents must be submitted in envelopes clearly indicating "**BID NUMBER AND DESCRIPTION**" on the outside and must reach the undersigned by depositing it into the official Bid Box at the front of the main entrance to the Civic Centre, by no later than **11H00 on, 19 March 2024**.

Administrative queries can be directed to Mr. Mudzili T.P. at 015 962 7629 and technical queries can be directed to Mrs. Nembudani V.E. at 015 962 77711 or Mrs. Tshililo T.F. at 015 962 7550, during office hours.

The Municipality is not bound to accept the lowest Bid and reserves the right to accept any part of a Bid. Bids must remain valid for a period of ninety (90) days after closing date of the submission thereof.

Bids may only be submitted on the bid documentation provided by the municipality.

**NB: Bids which are late, incomplete, unsigned, completed by pencil, sent by telegraph, facsimile, electronically (Fax), or E-mail and without the compulsory requirements will be disqualified.**

  
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 MAKUMULE M. T.  
 MUNICIPAL MANAGER

13.02.2024  
 DATE



**BID NO: 49/2023/2024 TERMS OF REFERENCE FOR DEBT COLLECTION ON COMMISSION BASIS**

**1 CONTRACT/SERVICE LEVEL AGREEMENT**

1.1 The debt collection service will be done in accordance with the contract that will be signed by the Bidder and the Thulamela Municipality.

1.2 The tender contract will be valid for the period of 3 years.

**2. TENDER FEES**

3.1 Tender proposals must indicate fee structures and such fees must be on Commission basis on successful collections only.

3.2 To assist the Bidders in completing the tenders, it is mentioned that the current residential, business and industrial outstanding debts of municipal accounts are as follows:

**Consumer Accounts. (Services, Property Rates & other services) as at 31 December 2023**

Debtors Ageing (Excl Government)	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Over 180days
Residential	7,612,421	5,551,273	5,525,148	5,338,918	5,231,944	5,266,418	353,209,757
Business	3,557,320	2,516,656	2,062,138	1,889,975	1,970,868	2,018,896	86,216,109
<b>Total</b>	<b>11,169,741</b>	<b>8,067,930</b>	<b>7,587,286</b>	<b>7,228,892</b>	<b>7,202,812</b>	<b>7,285,314</b>	<b>439,425,866</b>

**3. DEBTORS**

The debt collection function will be performed only on consumer accounts handed over for collection and any other debts that have been handed over for collections in respect of debt owed to Thulamela Municipality by any debtor.

#### **4. LEGAL ACTION**

Bidders will be expected to institute court proceedings where necessary and as a final outcome be expected to register debtor at Credit Bureau.

#### **5. RESPONSIBILITIES**

5.1 The Council is responsible for furnishing the Bidder with the list of debtors that are handed over for collections. Council. Accounts will be handed over to the debt collector only after internal credit control processes have been followed.

5.2 The Council will be responsible to furnish the Bidder with the relevant documents and information, for the Bidder to execute the debt collection function.

5.3 The Council's debt collection staff will be of assistance to the Bidder at all times in order to execute his/her duties of debt collecting.

5.4 The Bidder is responsible to implement strategies, actions and solutions in order to ensure that the debt collection function is effective and outstanding monies actually collected.

5.5 It remains the responsibility of the Bidder to list the names of the account holders whom after all necessary attempts to recover the outstanding amount still did not respond.

5.6 The Bidder will be required to list the bad payers to the Credit Bureau

5.7 The Bidder must be in a position to capacitate the debt collection officials in the Revenue Division of the municipality.

5.8 The Bidder may be required to have local offices to ease correspondence with debtors.

5.9 The Bidder will be required to submit monthly progress reports of handed over accounts

5.10 The Bidder must conclude agreements with debtors in line with Council approved Credit control and debt collection Policy.

5.11 Bidder will ensure that clients(debtors) pays directly to the municipality and all deposit payments are paid into nominated Municipal bank account.

#### **6. EVALUATION**

6.1 All bids received will be evaluated by a panel on a basis of functionality only. It must be noted that successful bidder is expected to charge the municipality on a percentage commission basis on the amount received from debtors for the specified period only.

6.2 With regards to functionality the following criteria will be applicable, and the maximum weights of each criterion as indicated in the brackets will be awarded for successfully providing detailed information in the proposal.

- 6.3 Relevant Experience and detailed information with references (40).
- 6.4 Providing information on the level of expertise and qualification of key senior personnel involved in this project – submission of CV's (10).
- 6.5 Proof of membership with the professional bodies. (15)
- 6.6 Local Offices (05)
- 6.7 Use of Customer Relations Management and Data Management system (5)
- 6.8 Ability to pursue progressive legal action ( 15)
- 6.9 Access to Credit Bureaus and Credit rating agencies and ability to pursue adverse listing ( 10)

ITEM	CRITERIA	POINTS (%)
1.	<p><b>Relevant Experience (at least 3 years of experience in Debt collection. (Please attach signed Appointment letters and References from previous institutions, with contact numbers).</b></p> <p><b>Weight:</b></p> <p><b>1 Year = 5%</b></p> <p><b>2 Years = 10%</b></p> <p><b>3 Years and above = 20%</b></p>	20%
2.	<p><b>Number of Clients in Debt Collection within a period of 3 years. (Please attach signed Appointment letters and Reference from previous institutions, with contact numbers)</b></p> <p><b>Weight:</b></p> <p><b>1 Client = 5%</b></p> <p><b>2 Clients = 10%</b></p> <p><b>3 Clients and above = 20%</b></p>	20%

3.	<p><b>Expertise of Key Senior Personnel, minimum of at least 2 Key personnel:</b></p> <p><u>(Attach Qualifications in Debt collection/Legal Field + Information Technology field and CV's with experience in these fields).</u></p> <p><b>Key Personnel: Recognized Qualification Debt Collection or Legal Field.</b></p> <p><b>Weight:</b></p> <p><b>Qualification = 5%</b></p> <p><b>Key Personnel: Recognized Qualification in Information Technology:</b></p> <p><b>Qualification = 5%</b></p>	10%
4.	<p><b>Membership Professional Bodies - Council for debt collectors and Association of Debt Recovery Agents (Attach membership certificate for the entity)</b></p> <p><b>Weight:</b></p> <p><b>Certificate for Membership with Council for Debt collectors = 10%</b></p> <p><b>Certificate for Membership with Association of Debt recovery Agents = 5%</b></p>	15%
5.	<p><b>Local Offices: Availability of local offices within the following jurisdictions:</b></p> <p><b>Weight:</b></p> <ul style="list-style-type: none"> <li>- Outside the Limpopo Province in South Africa 1%</li> <li>- Limpopo – 1%</li> <li>- Vhembe – 3%</li> <li>- Thulamela – 5%</li> </ul>	5%
6.	<p><b>Use of Customer Relations Management and data management system.</b></p>	5%

	<p>(Attach proof of automated Data Management system that is in use, screenshot of system showing name of the system and Entity's name is also acceptable).</p> <p>Weight: Proof of Data Management system in use = 5%</p>	
7.	<p>Ability to pursue progressive legal action including, emoluments attachment order and Warrant of Execution, Number of legal actions taken against defaulters that yielded positive results to clients.</p> <p>(Attached copy of Legal Case for Collection of Debt, handled by your firm).</p> <p>Weight:</p> <ol style="list-style-type: none"> <li>1. Case = 5%</li> <li>2. Cases = 5%</li> <li>3. Cases = 5%</li> </ol>	15%
8.	<p>Access to Credit bureaus &amp; Credit rating agencies and ability to pursue adverse listing of defaulters with Credit Bureau/s. (Attach confirmation of subscriber agreement with Credit Bureaus)</p> <p>Weight: = 10%</p> <ol style="list-style-type: none"> <li>1 Bureau = 5%</li> <li>2 Bureaus = 5%</li> </ol>	10%

Bidders should note the following: Functionality will be scored out of 100 and the minimum threshold to qualify is 70%. Bidders who fail to meet the minimum threshold will not be considered for further evaluation.

## 7. PRICE SCHEDULE

Financial proposal should be indicated separately as follows:

- Percentage (%) commission applicable (indicate whether VAT incl. or VAT excl)

The following is a statement of similar work executed by the company/ies in the last five (5) years:

Employer, Contact person and telephone number	Description of contract	Value of work inclusive of VAT (Rand) if applicable	Date Completed