



## **TERMS OF REFERENCE**

# **APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF BANKING AND RELATED SERVICES FOR A PERIOD OF 60 MONTHS**

Closing Date: 20 June 2018  
Closing Time: 11H00

**For all technical queries, please contact :**

Ms Sinegugu Mthembu – 066 406 2387/ 066 406 3567

## Service Provider Terms of Reference

### PART A

*It is the intention of Enterprise iLembe to enter into a formal contract with a single service provider or consortium to provide the services described herein. These Terms of Reference and the service providers' proposal will form the basis of the contract.*

## Section 1: Details

<b>Province:</b>	KwaZulu-Natal
<b>Municipality:</b>	iLembe District Municipality and the local municipalities comprising of Kwa-Dukuza, Mandeni, Maphumulo & Ndwedwe
<b>Contracting Agency:</b>	Enterprise iLembe Economic Development Agency T/A Enterprise iLembe
<b>Project Name:</b>	Provision of Banking and Related Services

Enterprise iLembe is an economic development agency wholly-owned by the iLembe District Municipality mandated to pursue and facilitate investment, economic development and empowerment in iLembe. The objective of Enterprise iLembe is to improve the competitiveness of the iLembe Region by creating an environment that will enable local business to compete successfully on the international level.

The agency currently has a total staff complement of 24 and 6 board members. Its total budgeted revenue for the 2017/18 financial year is R42, 4mil. The budgeted operational expenditure is R42, 1mil while capital expenditure is budgeted at just under R0, 3mil.

## Section 2: Project Brief

At the expiry of contractual period for the commercial banking and related services, the Agency is required, in terms of legislation, to procure (following competitive bidding processes) banking services for the ensuing period of five years from a suitable and competent financial institution / commercial bank registered in terms of the Banks Act, Act no 94 of 1990. The bid for commercial banking services agreement is to comply with the provisions of the Municipal Finance Management Act, No. 56 of 2003 and the Preferential Procurement Policy Framework Act (PPPFA).

Enterprise iLembe therefore wishes to appoint a financial institution/registered bank to render commercial banking and related services for the Agency for a period of 60 months. Prospective service providers must be commercial banking institutions registered in terms of the Banks Act, Act no 94 of 1990.

It is imperative that Bidders must demonstrate their competence to provide the banking requirements of the Agency.

The successful bidder will be required to subcontract at least 30% of the contract to the business within iLembe District Municipality or make an equivalent contribution through any other economic / social activity as may be agreed upon with the Agency. This must be clearly demonstrated in the bidders proposal.

## **Section 3: Financial Activities and Information**

**3.1. Vat Registration Number:** 4610255624

**3.2. 2017/18 Annual Budget**

The following was approved by the Board during May 2017:

	<b>R '000</b>
Operating Revenue	42 465
Operating Expenditure	42 160
Capital Expenditure	284

**3.3. Schedule of Bank Accounts**

The Agency operates the following bank accounts:

<b>NO.</b>	<b>NAME OF BANK ACCOUNT</b>
1	Primary Bank Account
2	Rocabex Bank Account

**3.4 Time frame**

The appointment for the provision of banking and related services will be for a period of 60 months.

## Section 4: Project Description

### 4.1. Handling of cash and cheques

	SERVICES REQUIRED
4.1.1.	Cash deposit facility (as and when required)
4.1.2.	Cash deposits.
4.1.3.	Cheque deposits by consumers.
4.1.4.	Re-deposit of post-dated cheques presented previously.
4.1.5.	Tracing of R/D cheques.
4.1.6.	Tracing cheques lost in transit.
4.1.7.	Providing copies of deposit slips/ depositor details/ statements.
4.1.8.	Verification of the authenticity of all cheques issued by the Agency.
4.1.9.	Direct on-line function to enquire on the status of cheques presented.
4.1.10	Timeous intervention and rectification of cheques that have been tampered with or fraudulently negotiated.
4.1.11	A dedicated support team to maintain and service all banking queries.

### 4.2. Other Services

	SERVICES REQUIRED
4.2.1.	Statutory Audit Bank confirmation letters/ certificates.
4.2.2.	Online bank statement request facility (90 days free of charge).
4.2.3	Returned/disputed debit order. (Full details of debit order to be provided on request).
4.2.4.	Favorable interest rate on credit balances in the bank accounts of the agency.
4.2.5.	Call account linked to credit account to enable transfer of funds as and when required.

4.2.6	Point of sale terminals must be installed where they are required which will accept credit, debit and other cards and be linked to agency accounting system (if required)
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### 4.3. Reporting, Audit Trails and Queries

	<b>SERVICES REQUIRED</b>
4.3.1.	Comprehensive daily and monthly cash management reports and statements.
4.3.2.	Hard copies of historic information in respect of all bank related queries and indicate the available period (e.g. minimum 12 months).
4.3.3.	A download and hard copy of electronic payments received through internet, saswitch, telephone banking, etc., into file format for electronic receipting into the agency's system.
4.3.4.	Deposit error corrections must be reported to the Agency within 48 hours of the deposit inclusive of all supporting documentation.
4.3.5.	On-line, real-time browsing facilities.
4.3.6.	An audit trail to be maintained of cheques deposited at the bidder's bulk cash centre.

### 4.4. Electronic Banking Services

	<b>SERVICES REQUIRED</b>
4.4.1.	Direct on-line balance enquiry.
4.4.2.	Direct on-line statement enquiry.
4.4.3.	Direct on-line stop payment facility.
4.4.4.	Direct on-line reversal of stop payment.
4.4.5.	Electronic historic information in respect of all bank statements and indicate the available period (e.g. minimum 12 months).
4.4.6.	Facility to download information on the bank statement into the Agency's Munsoft system to facilitate bank reconciliations.
4.4.7.	An audit trail of all electronic fund transfers in/ deposits.
4.4.8.	Direct on-line facility to enable transfer of funds electronically between the Agency's bank accounts.
4.4.9.	An electronic enquiry facility to access direct debit rejections with a reason/ code explaining the rejection.
4.4.10	EFT payments facility to nominated accounts where the bidder's system allows the Agency to specify the maximum amount as well as the number of payments per day to be made to a nominated account with exception reports

4.4.11	<p>when these limits are exceeded.(Investments, salaries etc.)</p> <p>An audit trail of all EFT payments per payee name and should be able to be printed if required.</p> <p>Integration to the MUNSOFT system, if required.</p>
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**4.5. Credit Facilities**

	SERVICES REQUIRED
4.5.1.	Fuel Cards Facility. (If required)
4.5.2.	Overdraft Facility ( <b><u>APPROVAL ONLY ON REQUEST BY COUNCIL</u></b> ).

**4.6 INVESTMENTS**

It should be noted that the investments activities fall outside the scope of this bid.

**Section 5: Requirements Related to the Tender**

**BIDDER’S RESPONSE**

This section sets out the banking and related services that the Agency requires to be provided, or made available, by the financial institution/ registered bank (the Bidder). The Bidder is requested to supply full details of the services required. The Bidder must supply details of:

- (a) The time frames required by the bank and a programme for implementation of the required banking services,
- (b) Any additional computer hardware or software that is required and the minimum bandwidth requirement (specify who bears the associated cost) in order for the proposed banking systems to interface with the agency’s financial system;
- (c) The training requirements (and specify who bears the associated cost) for the Agency’s personnel to use the proposed banking system.

## **ADDITIONAL INFORMATION TO BE SUPPLIED BY BIDDER**

1. Set of audited annual financial statements for the recent 3 (three) financial years.
2. The most recently published credit rating report by a local Independent Credit Rating Agency and by an International Credit Rating Agency.
3. The Branches and service points in the iLembe District Municipality area.
4. The Branch Network in Kwa-Zulu Natal.
5. Details of the designated main branch where the Agency's bank account will be located:-
  - Name and Physical Location
  - Banking relationship structure, names and positions
  - Staffing numbers and structures
  - After hours services
6. The administrative and Information Technology systems and support services
7. Membership of a Clearing House
8. Bidder's information system must be web based.
9. All banking requirements for resolutions and approvals e.g. Signatories
10. The bidder's current involvement in providing a banking service to National, Provincial, Local government and Parastatals. Three (3) written references to be supplied.
11. The bidder's current involvement in providing a banking service to Local government whose Financial Management system is Munsoft. Three (3) written references to be supplied.
12. The bidder's current contribution towards social responsibility initiative to the previously disadvantaged communities particularly in iLembe District Municipality with three (3) letters of reference from 3 community beneficiaries.
13. Statement of intent of the bidder to commit towards social responsibility initiatives within the iLembe District Municipality area of jurisdiction.

## Section 6: Adjudication Criteria

### EVALUATION CRITERIA

Bids will firstly be evaluated on functionality, thereafter on the 80/20 preference points scoring system using the 2017 Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act (No. 5 of 2000).. Only those bidders who obtain the minimum threshold points on functionality will proceed into the next phase of evaluation.

#### Evaluation Criteria

FUNCTIONALITY	SCORE
<p><b>The bidders' most recent bank rating (bidders to submit only one copy of recent bank rating)</b></p> <ul style="list-style-type: none"> <li>• B rating</li> <li>• C rating</li> <li>• D+ (i.e. D and beyond)</li> <li>• No rating submitted</li> </ul>	<p>35 20 15 0</p>
<p>Number of years the bidder has rendered the banking services to municipalities (<b>letters of reference clearly indicating years of service</b>)</p> <ul style="list-style-type: none"> <li>• 10 years and more</li> <li>• 5 to 9 years</li> <li>• 0 to 4 years</li> </ul>	<p>25 15 5</p>
<p><b>Branches and/or Banking Facilities</b> in each Municipal Area (KwaDukuza, Ndwedwe, Maphumulo and Mandeni)</p> <ul style="list-style-type: none"> <li>• Branches in all 4 local municipalities</li> <li>• Branches in 3 local municipalities</li> <li>• Branches in 2 local municipalities</li> <li>• Branch in only 1 local municipality</li> <li>• No branch within iLembe District area</li> </ul>	<p>10 8 5 3 0</p>



Record of the Bidder's contribution towards social responsibility within iLembe District Municipality ( <b>3 letters of references from beneficiaries</b> )	
<ul style="list-style-type: none"> <li>• 3 or more letters of reference</li> <li>• 2 letters of reference</li> <li>• 1 letter of reference</li> <li>• None</li> </ul>	15 10 5 0
<b>TOTAL</b>	<b>85</b>

Only bidders who score a minimum points of 51 points (60%) shall be considered for further evaluation. Bidders who fail to score a minimum points of 51 points (60%) shall be disqualified and will not be considered for further evaluation.

### **PRICING SCHEDULE**

The Bidder must ensure that this Section is fully completed. Tick either 'YES' or 'NO'. If the answer is 'YES' then indicate the associated costs if applicable:-

NB: Evaluation of prices will be based **ONLY** on items marked by asterisk (\*)

	SERVICES REQUIRED	REFERENCE TO SECTION	YES / NO	[YEAR 1] UNIT COST (VAT INCL)	[YEAR 2] UNIT COST (VAT INCL)	[YEAR 3] UNIT COST (VAT INCL)	[YEAR 4] UNIT COST (VAT INCL)	[YEAR 5] UNIT COST (VAT INCL)
1.	Cash deposit facility*	6.1.1.						
1.1	Cash handling fee – branch	6.1.2.						
2.	Direct EFT Deposits (customer receipts)*	6.1.15.						
3.	Direct Cash Deposits (customer receipts)*	6.1.2.						
4.	Speedpoint Transactions*	6.1.17.						
5.	Cheque deposit fee (customer receipts)*	6.1.3.						
6.	Electronic Funds Transfer Payments (EFT) Transactions*	6.4.12						
7.	Fuel Cards*	6.5.1						
7.1	Monthly Fixed Service Charges							
7.2	Transaction Fees							
7.3	Interest Charges ( <b>NB: indicate applicable interest rates</b> )							
7.4	Other Fees (if any)							

	<b>SERVICES REQUIRED</b>	<b>REFERENCE TO SECTION</b>	<b>YES / NO</b>	<b>[YEAR 1] UNIT COST (VAT INCL)</b>	<b>[YEAR 2] UNIT COST (VAT INCL)</b>	<b>[YEAR 3] UNIT COST (VAT INCL)</b>	<b>[YEAR 4] UNIT COST (VAT INCL)</b>	<b>[YEAR 5] UNIT COST (VAT INCL)</b>
8.	Direct Debit Orders (outgoing / payments)*	6.1.16						
9.	Original deposit of post-dated cheque	6.1.3.						
9.1	Re-deposit of post-dated cheques	6.1.4.						
10.	On line photographic images of cashed cheques	6.1.5						
11.	Supply of pre-printed numbered deposit books	6.1.6						
12.	Cash deposit errors	6.1.7 / 6.3.4						
13.	Cheque collection facility	6.1.8						
14.	Tracing of R/D cheques • R/D cheque fee	6.1.8						
15.	Tracing cheques lost in transit	6.1.9						
16.	Providing copies of deposit slips/ statements	6.1.10						
17.	Verification of cheques issued	6.1.11						
18.	Direct on-line, cheque presented enquiry facility	6.1.12						
19.	Timeous intervention and rectification of fraudulently negotiated cheques	6.1.13						

	<b>SERVICES REQUIRED</b>	<b>REFERENCE TO SECTION</b>	<b>YES / NO</b>	<b>[YEAR 1] UNIT COST (VAT INCL)</b>	<b>[YEAR 2] UNIT COST (VAT INCL)</b>	<b>[YEAR 3] UNIT COST (VAT INCL)</b>	<b>[YEAR 4] UNIT COST (VAT INCL)</b>	<b>[YEAR 5] UNIT COST (VAT INCL)</b>
20.	Direct deposits on submission of the municipal a/c	6.1.15						
21.	Debit order facility for consumers	6.1.16						
22.	Audit confirmation letters/ certificates	6.2.1.						
23.	Online bank statement request (older than 90 days)	6.2.2.						
24.	Returned/ disputed debit order	6.2.3.						
25.	Interest rate on net current account credit balance - relationship to prime overdraft rate	6.2.4.						
26.	Capturing of 10-digit municipal bill account number on bank statement.	6.2.5.						
27.	Download deposits with 10-digit account numbers into file format.	6.2.6.						
28.	Daily and monthly cash management reports and statements	6.3.1.						
29.	Hard copies of historic information requested	6.3.2.						

	<b>SERVICES REQUIRED</b>	<b>REFERENCE TO SECTION</b>	<b>YES / NO</b>	<b>[YEAR 1] UNIT COST (VAT INCL)</b>	<b>[YEAR 2] UNIT COST (VAT INCL)</b>	<b>[YEAR 3] UNIT COST (VAT INCL)</b>	<b>[YEAR 4] UNIT COST (VAT INCL)</b>	<b>[YEAR 5] UNIT COST (VAT INCL)</b>
30.	Downloading of electronic payments into file format	6.3.3.						
31.	Deposit error corrections reported within 48 hours	6.3.4.						
32.	On-line, real-time browsing facility	6.3.5.						
33.	Audit trail maintenance of cheques deposited at the Bidder's bulk cash centre	6.3.6.						
34.	Direct on-line balance enquiry	6.4.1.						
35.	Direct on-line statement enquiry	6.4.2.						
36.	Direct on-line stop payment of cheques	6.4.3.						
37.	Direct on-line reversal of stop payment	6.4.4.						
38.	Historic information supplied electronically	6.4.5.						
39.	Facility to download bank statements into Munsoft	6.4.6.						
40.	Audit trail of electronic transfers in/ deposits	6.4.7.						
41.	Direct on-line facility to capture bank transfers	6.4.8.						
42.	Electronic direct debit facility	6.4.9.						

	<b>SERVICES REQUIRED</b>	<b>REFERENCE TO SECTION</b>	<b>YES / NO</b>	<b>[YEAR 1] UNIT COST (VAT INCL)</b>	<b>[YEAR 2] UNIT COST (VAT INCL)</b>	<b>[YEAR 3] UNIT COST (VAT INCL)</b>	<b>[YEAR 4] UNIT COST (VAT INCL)</b>	<b>[YEAR 5] UNIT COST (VAT INCL)</b>
43.	On line direct debit rejections.	6.4.10.						
44.	EFT payments to effect investments with financial institutions  - transfer to bidders bank  - transfer to Agent bank	6.4.11						
45.	EFT facility to effect salary payments  - transfer to Bidders bank  - transfer to Agent bank  - recall of transfer  - late recalls  - return of unpaid items  - copies of payment reports  - transaction tracing	6.4.11						
46.	ACB facility to effect salary payments	6.4.11						
47.	ACB recall to stop payment of salary	6.4.11						
48.	Direct on-line audit trail of all unpaid cheques	6.4.12						

	<b>SERVICES REQUIRED</b>	<b>REFERENCE TO SECTION</b>	<b>YES / NO</b>	<b>[YEAR 1] UNIT COST (VAT INCL)</b>	<b>[YEAR 2] UNIT COST (VAT INCL)</b>	<b>[YEAR 3] UNIT COST (VAT INCL)</b>	<b>[YEAR 4] UNIT COST (VAT INCL)</b>	<b>[YEAR 5] UNIT COST (VAT INCL)</b>
49.	Audit trail of all unpaid salaries	6.4.12						
50.	Audit trail of EFT of direct deposits	6.4.12						
51.	EFT service to facilitate the creation of bulk payments or collections for importing and release	6.4.12						
52.	Issuing of guarantees							
53.	Letters of credit/forward cover/foreign currency							
54.	Customer credit referencing							
55.	Economic advice/forecast							
56.	Debit/credit card vending machines							
57.	Overdraft Facility ( <b>NB: indicate applicable interest rates</b> )							

## **REQUIRED ANNEXURES**

### **Annexure A: Detailed Proposal**

### **Annexure B: Registration details & Compliance**

- Company registration documents
- All interested bidders must be registered on the Central Supplier Database for Government. Proof of registration must be attached to the proposal (along with the Supplier Number as well as the unique registration reference number). **Please visit <https://secure.csd.gov.za/> to register on the Central Supplier Database. It is compulsory for service providers to be registered on the Central Suppliers Database and to submit proof thereof in their proposals**
- All bidders must submit a Valid Tax Clearance Certificate (**Compulsory**). In line with the latest circular from SARS (South African Revenue Services), bidders can now submit a **UNIQUE PIN** to enable the municipality to verify the bidder's tax compliance status online via E-filing.
- MBD 1, 4 and 6.1 Forms (**Compulsory**). **Please note that the MBD 6.1 Forms have been revised. Please ensure that the 2017 MBD 6.1 Forms are submitted.**
- Power of Attorney/ Signing authority where applicable
- If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements for the past three years or since establishment if established during the past three years
- A certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services for which payment is overdue for more than 30 days.
- Particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract.
- Proof of B-BBEE status level of contributor – i.e. B-BBEE Status level certificate issued by an authorized body or person OR A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice OR any other requirement as prescribed in terms of the B-BBEE Act. (Please attach the approved B-BBEE accreditation certificate or supporting Affidavit, if available in order to claim points for this.)

### **Points to note regarding the B-BBEE Status Level:**

- Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- A trust, consortium or joint venture, will qualify for points for their B-BBEE status level



as a legal entity, provided that the entity submits their B-BBEE status level certificate.

- A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

# TERMS OF REFERENCE

## PART B: SPECIAL CONDITIONS OF CONTRACT

### 1. DEFINITIONS AND TERMS

#### Scope

The purpose of this section is to define some of the terms used in this document.

#### Definitions

1. In these documents the following words or expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:
  - (a) “Commercial Bank” means a bank registered in RSA and providing commercial banking services that is connected to the Automated Clearing Bureau and with an extensive branch network;
  - (b) “Contract” means an agreement entered into between the commercial bank and Enterprise iLembe where the commercial bank has agreed to render commercial banking services as specified in the bid specifications. Such a contract will include all appendices to the main document and must conform to the bid specification;
  - (c) “Employer” means Enterprise iLembe or any person authorized by the Board to act on its behalf;
  - (d) “Bidder” means person or persons, partnership, company or firm who herewith submits a bona fide bid / proposal for the provision of Commercial Banking Services involving Bank Accounts for Enterprise iLembe;
  - (d) “Municipality / District Municipality / District or Council” means iLembe District Municipality.
  - (e) “Agency” means Enterprise iLembe.
2. Words in the singular shall also include words in the plural and vice versa and words denoting the male gender shall be interpreted as also referring to the female gender where the context permits.

### 2. BID CONDITIONS AND RULES

#### 2.1 GENERAL

The Bid is in line with the Municipal Finance Management Act (MFMA). Also the bid will be conducted in line with the requirements of the Council’s Supply Chain Management Policy.

#### 2.2 CAPABILITIES AND EXPERIENCE OF BIDDERS

Bidders are required to provide any information regarded necessary to demonstrate their conformance to the criteria set out in the specifications and also any other information to demonstrate their capabilities, experience and track record.

Bidders are required to submit, together with bid documentation, latest set of its audited annual financial statements.

## **2.3 QUERIES REGARDING THE BID**

- 2.3.1 Any queries regarding this bid which the bidders may wish to raise, shall be submitted in writing to the officials mentioned in the bid notice.
- 2.3.2 No requests for information shall be made to any other person or place and in particular not to the existing providers of these services.

## **2.4 SUBMISSION OF BID**

**Failure to submit required registration and compliance documentation as per the list below, as well as any other required documents may result in your proposal being disqualified.**

Proposals must be submitted in a sealed envelope clearly marked **“PROPOSAL FOR: Appointment Of Service Provider for the provision of banking and related services”** and must be hand delivered and deposited into the tender Box located at **Sangweni Tourism Centre, Cnr. Link Road & Ballito Drive, Ballito** and addressed to;

**The Chief Executive Officer**

**Enterprise ilembe,**

**Sangweni Tourism Centre,**

**Cnr Link Road & Ballito Drive;**

The closing date for submission of proposals is **11H00 on 20 June 2018.**

**NB:** All proposals must be hand-submitted to the tender box. Incomplete, faxed, emailed and late applications/submissions **WILL NOT** be considered. Bidders using a courier service to deliver their proposals are responsible for ensuring that such documents are physically deposited into the tender box before the closing date and time.

**PROPOSALS RECEIVED AFTER 11H00 ON 20 JUNE 2018 WILL NOT BE ACCEPTED AND THEREFORE NOT CONSIDERED.**

**Enterprise iLembe does not bind itself to accepting the lowest or any of the bids received and reserves the right to accept the whole or part of the bid/proposal.**

## **2.5 DISQUALIFICATION OF BID**

The bidder who has not conformed to these rules and the instruction reflected in the official bid notice may be disqualified at the discretion of the Enterprise iLembe.

## **2.6 VALIDITY PERIOD**

The bid shall remain valid and binding for a period of 90 (Ninety) days effective from the closing date of this bid.

## **2.7 LEGAL ASPECTS**

### **2.7.1 LAW**

The laws of the Republic of South Africa shall be applicable to each contract created by the acceptance of a bid and each bidder shall indicate a place in the Republic and specify it in his bid as his domicilium citandi et executandi where any legal process may be served on him.

### **2.7.2 JURISDICTION**

Each bidder shall undertake to accept the jurisdiction of the law courts of South Africa.

### **2.7.3 LANGUAGE OF CONTRACT**

The bid documents have been drafted in English and any contract which originates from the acceptance of the bid will be compiled, interpreted and construed in English.

### **2.7.4 DELEGATION OF AUTHORITY**

Enterprise iLembe may delegate any powers vested in them by virtue of these rules to any officer or employee of the agency.

## **3. BID SPECIFICATIONS**

### **3.1 PURPOSE**

The purpose of this document is to set out commercial banking service requirements to meet the needs of Enterprise iLembe.

### **3.2 GENERAL**

Bidders must be able to demonstrate their competency to provide the commercial banking services to address the needs of Enterprise iLembe, as well as working closely with the officials of the agency, in particular the Finance Department.

### **3.3 SALIENT FEATURES**

Bidders must demonstrate the financial stability of their organization in writing and submit copies of the latest published (audited) financial statements. The following specific information should be provided if not furnished in the financial statements:

- An indication as to whether the company or the institution is listed on the Stock Exchange;
- Majority shareholders (shareholding in excess of 51%);
- Details of the organization or group structure.

#### **3.3.1 FORM OF BID**

The certificates, schedules and forms required by this bid shall be signed by the bidder in black ink. Where the space provided in the bound document is insufficient, separate schedules may be drawn up in accordance with the given formats. These schedules shall then be bound together with a suitable contents page and submitted with the bid documents. All such schedules must be signed by the bidder in black ink.

### **3.3.2 SIGNING OF BID**

The bid must be signed by a person who is duly authorized to do so. A bid submitted by a corporation must bear the seal of the corporation, which must be attested by its secretary. Confirmation of the authorized signatory should be furnished in the format as indicated in MBD 9.

Bids submitted by joint ventures of two or more firms must be accompanied by the document of formation of the joint venture, authenticated by a notary public or other official deputed to witness sworn statements, in which is defined precisely the conditions under which the joint venture will function, its period of duration, the persons authorized to represent it and obligate it, the participation of the several firms forming the joint venture, and any other information necessary to permit a full appraisal of its functioning.

### **3.3.3 BID ALL-INCLUSIVE**

The bidder must allow in the bid for all labour, material, equipment, all obligatory taxes, all travel, accommodation and subsistence, levies and everything necessary for the execution and completion of the contract in accordance with the bid documents.

### **3.3.4 ALTERATIONS TO BID DOCUMENTS**

No unauthorized alteration or addition shall be made to the form of bid, to the pricing schedule of services to be rendered or to any other part of the bid documents. If any such alteration or addition is made or if the pricing schedule of services to be rendered, or other schedules or certificates are not properly completed, the bidder will be disqualified. The bidder shall request the agency, at as early a date as possible during the bid stage, to clarify any point which is difficult to interpret. Should it be found that a point in question is significant; the agency will inform all bidders as early as possible.

### **3.3.5 OWNERSHIP AND CONFIDENTIAL NATURE OF DOCUMENTS**

All documents relating to the bid shall remain the property of the Enterprise iLembe and may not be reproduced, sold or otherwise disposed off. All recipients of the bid documents (whether or not a bid is submitted) shall treat the details of the documents as confidential.

### **3.3.6 BID ACCEPTANCE**

Enterprise iLembe does not bind itself to accept the lowest or any other bid.

### **3.3.7 BID WITHDRAWAL OR MODIFICATION**

Any bidder has the right to withdraw, modify or amend his bid after it has been delivered, provided that the request for such withdrawal, modification or correction, together with full details of such modification or correction is received at the address given for the submission of the bid in writing or by telefax before the closing date and hour which is set for the receipt of the bids. The original bid as amended by such written or telefax communication will be considered the bidder's offer.

### **3.3.8 CANCELLATION OF CONTRACT**

3.3.8.1 If the agency is satisfied that any person (being an employee, partner, director or shareholder of the bidder or a person acting on behalf of or with the knowledge of the bidder), firm or company:

- (a) is executing a contract with the agency unsatisfactorily;
- (b) has offered, promised or given a bribe or other gift or remuneration to any officer or employee in the Public Service in connection with obtaining or executing a contract;

- (c) has acted in a fraudulent manner or in bad faith or in any other unsatisfactory manner in obtaining a contract with any government department, provincial administration, public body, company or person, or that he has managed his affairs in such a way that he has in consequence thereof been found guilty of a criminal offence;
- (d) has approached an officer or employee in the Public Service before or after bids have been called for, to influence the award of the contract in his favour;
- (e) has withdrawn or amended his bid after the time set for the receipt and opening of bids;
- (f) when advised that his bid has been accepted, has given notice of his inability to execute or sign the contract or to furnish any security required;

3.3.8.2 If the agency is satisfied that any person, firm or company is or was a shareholder or a director of a firm or company which, in terms of sub-rule 3.3.8.1, is one from which no bid will be favourably considered for a specified period, the government may also decide that no bid from such person, firm or company shall be favourably considered for a specified period.

3.3.8.3 Any restriction imposed upon any person, firm or company shall, for the purpose of this rule, apply to any other undertaking with which such person, firm or company is actively associated. The expression "person, firm or company" shall include an authorized employee or agent of such a person, firm or company.

3.3.8.4 Decisions of the agency in terms of sub-rule 3.3.8.1 to 3.3.8.3 and any revocation or variation of such decisions may be communicated to the Accounting Officer.

### **3.3.9 BID RULES ARE BINDING**

The bid rules as well as the instructions given in the official bid notice shall be binding on all bidders submitting bids for the service or services stated in the bid documents.

### **3.4 GEOGRAPHICAL SPREAD**

Bidders must provide details (written or graphical) of their representation within the jurisdiction of iLembe District indicating the following:

- The location (by village, town, or city);
- Number of branches/sub-branches; and
- Automated teller machines (ATMs) located within the boundaries of iLembe District Municipality.

The successful bidder will be required to subcontract at least 30% of the contract to the business within iLembe District Municipality.

### **3.5 TECHNICAL CAPABILITIES**

Bidders must supply details which support their abilities in the following areas:

### **3.5.1 ELECTRONIC PAYMENTS/COLLECTIONS**

- (a) The bidder must be able to process payments and/or collections electronically by means of a magnetic tape and possible other means e.g. data lines, from accounts held at one or more commercial banks;
- (b) The bidder must have an ACB function that directly connects to the agency (IP to IP protocol).

### **3.5.2 ELECTRONIC CASH MANAGEMENT**

#### **a) Account information**

- i. The bidder must install and/or maintain an online electronic banking system with reliable built in security measures and procedures e.g. frequent changing of passwords;
- ii. The bidder must provide the necessary training to Enterprise iLembe staff on the use of banking system;
- iii. The bidder must indicate the ability to keep financial historical information for a minimum period of three months on the electronic banking system;
- iv. The bidder must provide an archiving facility for periods in excess of three months;
- v. The agency must be able to obtain/access the following information online:
  - Account enquiries/queries;
  - Daily access to consolidated balance information for accounts linked to the online electronic bank system;
  - Information on credit limits applicable to the linked accounts as well as utilization;
  - The bidder must indicate the ability to keep records.
- vi. An indication must be given as to whether the bidder is able to provide information that can be accessed online the same day, e.g. deposits, cheques, payments, transfers etc;
- vii. The bidder must indicate the ability to provide the sorting facility of the online electronic bank system e.g. description of transaction, date, amount, etc;
- viii. An electronic tracing facility must be available whereby the cheque process date and amount can be verified in real time and have an online photographic image of all cheques;
- ix. Reports on ACB transactions to be provided electronically on a daily basis;
- x. Online facility must provide for detailed audit trails;
- xi. Telephone assistance should be made available during office hours with regard to account enquiries.

#### **b) Transfer of funds between banks**

- i. The agency must be able to effect transfers internally between the accounts held with the bidder as well as externally from an account held with the bidder to an account with any other commercial bank through the online system;
- ii. The date of funds transferred to third parties should be the date of the transfer regardless of their banking institution;
- iii. The bidder must indicate the ability to provide a postdated electronic transfer system.

- c) The agency must be able to stop payments electronically;
- d) Access times (7:30-17:00) in respect of all transactions to accounts held with the bidder as well as transactions to accounts with other commercial banks must be indicated;
- e) The security aspects of the online electronic banking system must be indicated.

### **3.5.3 BANK STATEMENTS**

- a) Electronic bank statements - the bidder must provide the agency with daily information in an electronic format of all transactions that interface with the agency's accounting systems for reconciliation purposes;
- b) The agency must be able to download bank statements electronically;
- c) Detailed bank statements charges must be supplied.

### **3.5.4 BUREAU SERVICE**

- a) The bidder must have a bureau service which will enable the agency to send and receive payment in batch format e.g. the electronic payment of salaries and creditors;
- b) All accounts must interface electronically with the agency's Accounting System i.e. (Munsoft) on a daily and monthly (on the 1st working day of the following month) basis.

### **3.5.5 CARD MERCHANT SERVICES**

- a) Point of sale terminals must be installed where they are required which will accept credit, debit and other cards and be linked to agency accounting system;
- b) The bidder must indicate risk and security measures in different types of cards.

### **3.5.6 CHEQUES**

- a) All cheques must be designed to ensure that all possibilities of fraud can be avoided and prevented;
- b) The cheques must be unique for each different bank account and must adhere to the system requirements of the agency;
- c) Blank cheques and deposit books must be held for safekeeping at the bidder and must only be released or issued to authorized personnel of the agency upon request;
- d) The bidder must keep sufficient stock to ensure that cheques and deposit books are available at all times;
- e) Negotiated cheques to be stored with the bidder for a period of seven years after the expiry date of the contract;
- f) The bidder must have the ability to identify cheques that have been tampered with and fraudulently negotiated and be able to rectify such fraudulent actions at the earliest possible time;
- g) Provide a method for the withdrawing of petty cash when the cheques are crossed "not negotiable and not transferable";
- h) Salary cheques to be made available immediately;
- i) The bidder must be a participant in the cheque verification system where lost or stolen cheques and closed accounts are automatically updated.



### **3.5.7 TRANSITIONAL ARRANGEMENTS AND TRAINING**

- a) An indication should be given as to whether the system will operate from a stand-alone PC with a dial up connection or whether it can be accessed from the internet;
- b) An indication must be given regarding the registering of the operators and limiting their access levels on the system;
- c) Training must be provided to the officials on the electronic banking system;
- d) Immediate assistance regarding problems with the system (i.e. – call centre) must be provided.

### **3.5.8 GENERAL**

- a) Enquiries must be dealt with within 48 hours;
- c) Overdraft facility may be considered but only if there is council resolution to this effect;
- d) The bidder must provide proof of financial stability and a positive financial position and performance;
- e) The bidder must have a sufficient branch network infrastructure throughout the district municipality;
- f) The bidder must be a member of a Clearing House (i.e. the institution must be a clearing bank);
- g) The bidder must indicate the extent to which the agency accounts will qualify for beneficial credit interest rates and must stipulate the guidelines which will be used to fix such credit interest;
- h) Compound interest method must be utilized to calculate the daily credit interest earned;
- i) Bidders should detail their experience in handling similar accounts.