



**BID NUMBER RT 62/2005: APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE
MAINTENANCE ON SUBSIDISED MOTOR VEHICLES FOR THE STATE FOR A PERIOD OF
FOUR YEARS**

TERMS OF REFERENCE AND SPECIAL CONDITIONS



CONTENTS

1.	Definition and Terms	4
2.	Legal Framework	6
2.1.	Precedence.....	6
2.2.	Preference Points	6
3.	Bid Process	8
3.1.	Format and Submission of Bids.....	8
3.2.	Compulsory Information Session	9
3.3.	Requests for further information.....	9
4.	Evaluation Methodology	10
4.1.	Evaluation Phases	10
4.1.1.	Phase I – Pre – Qualification.....	11
4.1.2.	Phase II – Evaluation of Functionality.....	13
4.1.3.	Phase III – Site visits	14
4.1.4.	Phase IV – Decide on option and calculate total points.....	14
4.1.5.	Phase V – Recommendations.....	16
5.	Timetable.....	16
6.	Contact Details.....	16
7.	Introduction to Requirements.....	17
8.	Background.....	17
8.1.	Policy	17
8.2.	Implications as a Result of Changes to RT 57	19
8.2.1.	Vehicle Service Plan.....	19
8.2.2.	Warranty Period.....	19
8.3.	Period of Contract	19
8.4.	Current Vehicle Fleet and Early Termination Statistics	20
9.	Task Directives / Requirements.....	21
9.1.	Industry Standards and Norms	21
9.2.	Experience and Capacity	21
9.2.1.	Experience.....	21
9.2.2.	Capacity.....	21



CONTENTS

9.3. Customer Support	22
9.3.1. Provincial Offices	22
9.3.2. Call Centre.....	22
9.3.3. Administration of Service Plan.....	23
9.3.4. Administration of Fuel Re-imbusement.....	23
9.3.5. Training.....	24
9.4. Management Information Systems and Database	25
9.4.1. Types of Reports / Information.....	25
9.4.2. Security and Confidentiality of Data	27
9.4.3. Ownership of Data	27
9.4.4. Insurance.....	27
9.4.5. Systems Enhancement.....	28
9.4.6. Implementation Plan.....	28
10. Financial Considerations	29
10.1. Pricing Schedule Options	30
10.1.1. Option 1 – Fund owned by Service Provider with Profit Sharing	30
10.1.2. Option 2 – Managed Maintenance	31
11. General	32
11.1. Service Level Agreement (SLA).....	32
11.2. Channels of Communication	32
11.3. Inspection and Audit	32
11.4. Fraud Prevention and Detection.....	33



1. Definition and Terms

In this bid document, the following words or expressions shall have the meanings hereby assigned to them, except where the context otherwise requires.

- **Accounting Officer** – The head of a department must be the accounting officer for that department.
- **BEC** – Bid Evaluation Committee which shall be formed by the State to evaluate bid proposals submitted by bidders, and to finalise with the successful bidder, the service level agreement post contract award.
- **Bid** - a written offer in a prescribed or stipulated form, in response to an organ of State for the provision of services, works or goods.
- **Bid Adjudication Committee** – an adjudication committee comprising of members from various user departments and are duly delegated by their respective Accounting Officers to adjudicate the bid.
- **Contract** - the agreement that results from the acceptance of a bid by an organ of State.
- **Contractor** - the successful bidder who is awarded the contract to maintain and administer the required and specified transport services to the State.
- **Consortium/Joint Venture** - an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.
- **Departmental Transport Control Officer** - an official designated by the Accounting Officer to assume responsibility for the department's vehicle fleet.
- **Transport Officer** – an officer appointed by the Accounting Officer to, inter alia, administer the department's subsidised transport.
- **Driver** - an official authorised by the State to drive a vehicle.



- **GAAP** - Generally Acceptable Accounting Practices
- **Maintenance** - the top-up or additional servicing (not included in the service plan), repairs, and tyres, etc.
- **Merchant / Supplier** – any legal entity which contracts with the maintenance service provider to provide goods or services to the State on presentation of valid identification issued by the service provider.
- **Responsibility Manager** - an official designated by the Accounting Officer or Chief Financial Officer to assume financial responsibility for a fleet of vehicles.
- **Service Plan** - the services prescribed by the manufacturers of the vehicles.
- **Subsidised Vehicle Owner** – a government employee who was allocated a vehicle in terms of scheme A of the subsidised vehicle scheme policy.
- **The State** in this document refers to National and Provincial spheres of government, which are distinctive, interdependent and interrelated This excludes Constitutional Institutions, Major Public Entities and Other Public Entities, as well as local authorities.



2. Legal Framework

2.1. Precedence

All bids and contracts will be subject to the General Conditions of Contract (GCC) issued in accordance with the Regulations in terms of the Public Finance Management Act 1 of 1999: Framework for Supply Chain Management that was promulgated in the Government Gazette No 25767 on 5 December 2003 and any other Special Conditions of Contract (SCC) will be supplementary to that of the General Conditions of Contract. When, however, the Special Conditions of Contract are in conflict with the General Conditions of Contract, the provisions of the Special Conditions of Contract will prevail.

2.2. Preference Points

In terms of regulations 4 and 8 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated by the State on the 90/10 preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price and functionality (maximum 90 points)
- Historically disadvantaged individuals as well as specific goals (maximum 10 points)

The following formula will be used to calculate the points for price and functionality:

$$PS = 90 \left(1 - \frac{Hs - Rs}{Rs} \right)$$

Where;

PS = points scored for price and functionality of bid under consideration

Hs = highest percentage scored by an acceptable bidder for functionality and price

Rs = percentage scored for functionality and price by bid under consideration

A maximum of 10 points will be awarded to a bidder for being a Historically Disadvantaged Individual and/ or sub-contracting with a Historically Disadvantaged Individual and/ or achieving any of the specified goals stipulated in Regulation 17 of Preferential Procurement Regulations.



It is the Government's intention to promote the following goals with this bid, and the points to be allocated are indicated against each goal:

GOAL	POINTS
Preference points for equity ownership by historically disadvantaged individuals who, due to the apartheid policy that had been in place had no franchise in national elections prior to the introduction of the Constitution of the RSA, 1983(Act 110 of 1983) or the Constitution of the RSA, 1993 (Act200 of 1993), ("the Interim Constitution");	3
Preference points for equity ownership by historically disadvantaged individuals who is a female;	1
Preference points for equity ownership by historically disadvantaged individuals who has a disability;	1
The promotion of SMMEs	2
The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations and charity organisations.	3

The points scored by a bidder in respect of the goal indicated above will be added to the points scored for price and functionality. A contract may, on reasonable and justifiable grounds, be awarded to a bid that did not score the highest number of points.

Bidders are requested to complete the various bid schedule evaluation categories, (SBD 6 forms) in order to claim preference points and the evaluation Functionality Scorecard (attached to this document as Annexure C) in order to claim points for functionality.

Only a bidder who has completed and signed the declaration part of the preference points claim form will be considered for preference points. Before a bid is adjudicated or at any time, it may be required from a bidder to substantiate claims it has made with regard to preference.

Points scored will be rounded off to the nearest 2 decimals. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of points for the specified goals.



3. Bid Process

3.1. Format and Submission of Bids

Bidders should provide, by the closing date, three printed copies of which one copy signed in the original will be the legal copy of their bid.

In order to evaluate and adjudicate bids effectively, it is imperative that bidders submit responsive bids. To ensure a bid will be regarded as responsive it is imperative to comply with all conditions pertaining to this bid and to complete all the mandatory response fields and item questionnaires for the individual items the bidder wishes to bid for.

In this regard the bidder's attention is drawn to the response field and price structure explanations and examples supplied in the bid document. Non-compliance with this condition will invalidate the bid for the item/s concerned. Each bid shall comprise of at least the following, bound and clearly indexed: -

Section 1	Standard bidding documents.
Section 2	Completed Functionality Scorecard attached to this document as Annexure C.
Section 3	Pricing Schedules attached to this document as Annexure D.
Section 4	Membership certificates of professional industry bodies
Section 5	Proof of past fleet management experience and credentials
Section 6	CVs of Fleet Managers/Consultants and indication of number of Fleet Managers/Consultant per province (stipulate)
Section 7	Communication plan
Section 8	Training programme
Section 9	Disaster plan
Section 10	Examples of all available reports
Section 11	Help manual for reports
Section 12	Implementation plan
Section 13	Proposed amendments to the example of the Service Level Agreement issued with the bid documents. (Annexure E)
Section 14	Substantiating documentation with regard to Enterprise Development



3.2. Compulsory Information Session

A compulsory clarification session will be held in Room, National Treasury on 30 March 2005. The clarification session provides bidders with an opportunity to clarify aspects of the process as set out in this document and to address any substantive issues that bidders may wish to raise.

3.3. Requests for further information

Bidders may seek clarity or additional information in certain areas. Requests in writing will be entertained by the State, provided that they are reasonable in the State's view as to the timing and contents. In order to maintain transparency and equality, the State will supply all bidders simultaneously with the additional information requested.

Bidders are advised to submit all queries in writing to the contact person before 16h00 on 1 April 2005. The National Treasury will respond in writing to any written queries received or any written requests for additional information received before this date. Copies of questions and responses will be issued to all bidders.



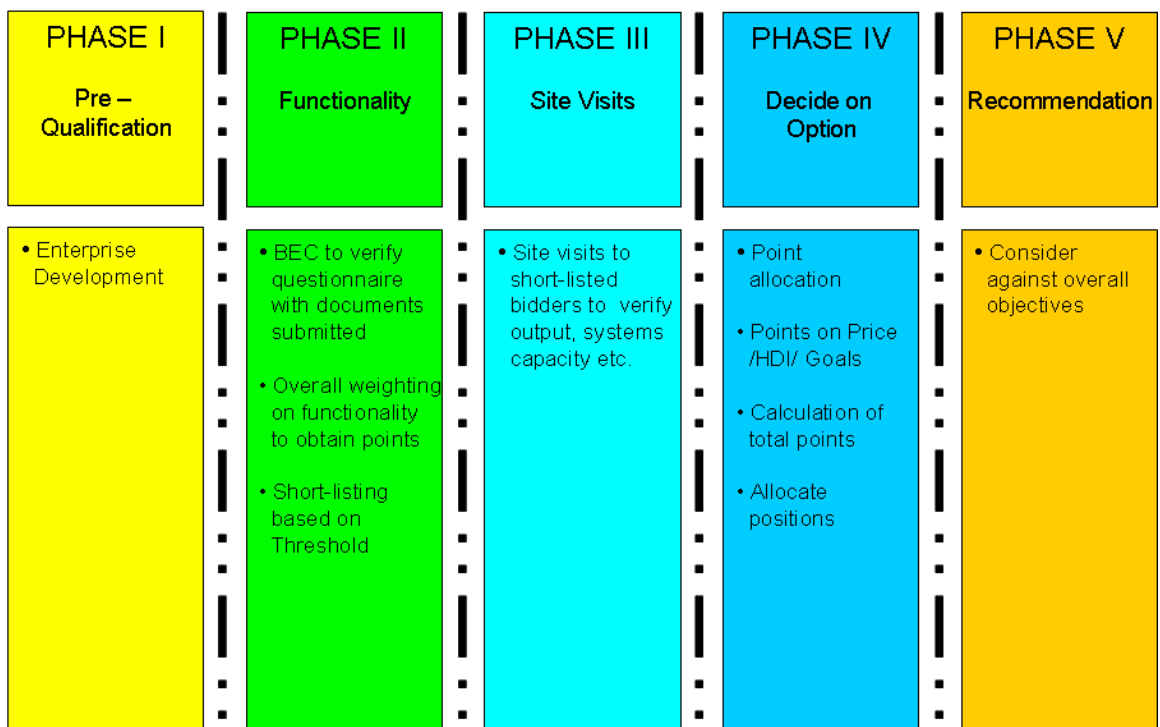
4. Evaluation Methodology

The evaluation will be conducted by the Bid Evaluation Committee (BEC) on a basis of functionality (50%) and price (50%). The BEC will consist of representatives from:

- National Treasury
- National Department of Transport
- Provincial Departments
- Other Users Departments
- Independent Systems experts

4.1. Evaluation Phases

The following diagram summarises the evaluation phases and the actions involved in every phase.





4.1.1. Phase I – Pre – Qualification

The bidders are required to comply with all the criteria pertaining to Enterprise Development below. In the event that the bidder does not fully comply with all the criteria the respective bid submission will be disqualified.

Should the bidder comply with all criteria of Enterprise Development, the bidder will then advance to Phase 2.

Enterprise Development

Enterprise development contributes towards the increase in the amount, size and type of enterprises and is central to an empowerment programme. New enterprise creation provides an opportunity to increase black participation in the economy, whilst simultaneously promoting competitiveness.

The State is committed to the transformation of the fleet management industry in line with the objectives of the Broad Based Black Economic Empowerment Act No 53 of 2003. To this end a BEE participation goal has been set for this bid.

Enterprise development will be measured against the following:

- Equity ownership

Bidders are encouraged to form partnerships, joint ventures, or other suitable arrangements with enterprises that are owned and managed by black people.

The Bidder shall ensure that no less than 30% (thirty percent) of the enterprise are owned by individuals classified as HDIs. Please refer to the Preference Claim Form in terms of the PPPFA Regulations (SBD6.1) of the standard bidding documents.

- Targeted or affirmative procurement policies and spend

Bidders are required to contract-out at least the following percentage of the total value (net invoices value excluding VAT) of goods and services procured to BEE entities during the contract period:

Year	1	2	3	4	5	6+
Percentage	8 %	12%	15%	20%	25%	30%



- Employment equity

The Contractor shall undertake to develop, implement and maintain an employment equity plan that meets the requirements of the Employment Equity Act that is currently administered by the National Department of Labour.

Note: In submission of the bids, bidders must include a programme on how the objectives of Enterprise Development would be achieved with the commencement of the contract. Documentation should be attached with reference to the Joint Venture Agreement, List of merchants to be used with reference to their BEE equity ownership, employment equity of the enterprise etc.



4.1.2. Phase II – Evaluation of Functionality

The evaluation of the functionality will take place on the basis of the responses and support documentation on the Functionality Scorecard. Bidders must rate themselves using the Functionality Scorecard (Excel spreadsheet) which is attached to this document as Annexure C.

The State reserves the right to amend the score allocated by bidders with regard to functionality based on reasonable and justifiable grounds to avoid prejudice. However, the criteria and weight will not be adjusted.

The BEC members will individually evaluate the responses received against the following criteria.

CRITERIA FOR FUNCTIONALITY (REFER TO THE FUNCTIONALITY SCORECARD – ANNEXURE C)	WEIGHT
Industry Norms and Standards.	2
Experience and capacity	11
Customer Support	50
Management Information Systems and Database	96
Implementation plan	10
Total	169
Threshold score (75%)	126

The percentage scored for functionality will be calculated as follows:

Each panel member will award values for each individual criterion on the score sheet. The value scored for each criterion should be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for the various criteria. These marks will be added to obtain the total score.



The following formula will then be used to convert the total score to a percentage for functionality:

$$PS = \frac{So}{Ms} \times Ap$$

Where

Ps = percentage scored for functionality by bid/proposal under consideration

So = total score of bid/proposal under consideration

Ms = maximum possible score

Ap = percentage allocated for functionality

The percentages of each panel member will be added together and divided by the number of panel members to establish the average percentage obtained by each individual bidder for functionality.

All bidders who scored the minimum threshold of 126 (75%) or more will advance to phase III of the bidding process. Bids/proposals that do not score the specified minimum percentage for functionality will be disqualified and not be considered further.

4.1.3. Phase III – Site visits

During this phase the bidders will be scored against the same criteria and weights but the score will be influenced by the findings of the BEC following the site visits undertaken to the short listed bidders' premises.

Calculation of the percentage for functionality takes place in the same manner as stated above.

4.1.4. Phase IV – Decide on option and calculate total points

The BEC will now consider which option will be recommended. Calculation of points will only continue on the option selected.

The percentage scored for price will be calculated as follows: The lowest acceptable bid/proposal will obtain the maximum percentage allocated for price, ie, 50%.



The other bids/proposals with higher prices will proportionately obtain lower percentages based on the following formula:

$$PS = \frac{P_{min}}{P_t} \times AP$$

Where

Ps = percentage scored for price by bid/proposal under consideration

Pmin = lowest acceptable bid/proposal

Pt = price of bid/proposal under consideration

Ap = percentage allocated for price

The percentage for price will then be added to the percentage obtained for functionality to get a percentage out of 100 that represents functionality and price combined.

In terms of regulation 13 of the preferential procurement regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), the percentage out of 100 will be converted to a point out of 90 by applying the following formula:

$$Ps = 90 \left(1 - \frac{Hs - Rs}{Rs} \right)$$

Where

PS = points scored for price and functionality of bid under consideration

Hs = highest percentage scored by an acceptable bidder for functionality and price

Rs = percentage scored for functionality and price by bid under consideration

The final points to choose the preferred bidder will be calculated as follows:

Points on functionality and price	90 points
Preference claim for equity ownership by HDI's who had no franchise	3 points
Preference claim for equity ownership by HDI's who are women	1 point
Preference claim for equity ownership by HDI's who are disabled	1 point
Preference claim for promotion of Small Businesses	2 points
Upliftment of communities	3 points
Total points:	<u>100 points</u>

Note: The preference claim forms are part of the standard bidding document.



4.1.5. Phase V – Recommendations

The bidder with the highest points will then be considered for recommendation based on the following overall objectives:

- The needs of all subsidised vehicle owners are understood and met
- Individual departments receive fleet services from experts that will introduce efficiency and savings whilst identifying and exploiting economies of scale
- Opportunities are maximised for staff to develop and acquire more skills
- Black economic empowerment is achieved at equity, managerial and supply level throughout the contract.

5. Timetable

ACTION	DATE
Advertisement of bid	
Clarification session	
Deadline for the submission of written enquiries.	
Closing date of bid	

6. Contact Details

All correspondence in respect of this bid should be addressed and delivered to:

Name: Carlo Raffanti
Address: National Treasury
 Directorate: Contract Management
 Private Bag X 115
 PRETORIA
 0001
Tel no: (012) 315-5380
Fax no: (012) 315-5354
E-mail: carlo.raffanti@treasury.gov.za



7. Introduction to Requirements

The State requires a maintenance and administration service that will support the administration of the subsidised motor vehicle fleet while providing an effective and efficient service.

The service should enhance the management of the subsidised vehicle fleet whilst providing an economic, effective and efficient service. The management service should be flexible enough to accommodate changes in the business needs of the State. The specific objectives in outsourcing management service and operations to the private sector are to ensure that:

- The needs of all subsidised vehicle owners are understood and met
- Individual departments receive fleet services from experts that will introduce efficiency and savings whilst identifying and exploiting economies of scale
- Opportunities are maximised for staff to develop and acquire more skills
- Black economic empowerment is achieved at equity, managerial and supply level throughout the contract

Bids received will be evaluated against these overall objectives as documented above.

8. Background

8.1. Policy

The Contractor will maintain and administer the subsidised motor transport scheme in terms of the subsidised motor transport policy, which is subject to amendments by the National Department of Transport.

Note: The State only subsidise the maintenance of Scheme A vehicles, therefore the policy on Scheme B vehicles is not applicable to this contract. The sealing of odometers is not a prerequisite in this bid despite being mentioned in the policy.

(Attached is the Policy of Subsidised Vehicle Scheme A – Annexure A)

The subsidised motor transport scheme can be summarised as follows:

- A government employee qualifies for a subsidised vehicle if he/she travels between 21 000 km and 29 000 km per annum for official purposes.
- The vehicle is regarded as a “tool-of-trade” and not as a service benefit.
- The final approval regarding the allocation of a subsidised vehicle vests with the Accounting Officer.



- Vehicles are purchased through the RT57/2005 (previously RT77) which is a transversal contract administered by the National Treasury.
- A Service Provider finance the vehicle for a period between 32 and 48 months in accordance with contract RT68/2005.
- Government insures the vehicle in accordance with RT 214/2005.
- The official utilisation period for a new subsidised vehicle shall be for a minimum of 32 and a maximum of 48 months with a maintenance contract of 160 000 kilometres including both private and official kilometres travelled. The official must complete the official assigned kilometre distance that has been negotiated, per individual contract, with the Contractor before qualifying for a further vehicle within the Scheme. No official will be allowed to terminate his or her contract before 32 months has lapsed, irrespective of the mileage travelled. The maintenance plan is intended to cover all expenses related to the maintenance and use of the vehicle which includes inter alia tyres, exhausts etc for the duration of the individual contract period (the financing contract) with the following exceptions:
 - services covered by the manufacturer's service plan;
 - damage arising from abuse of vehicles (if proved);
 - accidental damage;
 - glass windscreens
 - incidental damage – rims
- An official may exercise the option of purchasing a more expensive vehicle other than the benchmark, which has been approved by the Head of the Department. In this case the official is then financially responsible for the difference in the maintenance rate from what was approved. The vehicle must however still be purchased from contract RT 57.
- The official shall receive a Maintenance Allowance and Fuel Re-imburement (for official kilometres only) from the State via the payroll system. Simultaneously, a maintenance amount deducted from the official's salary shall be paid electronically to the contractor via the financial service provider over the agreed contract period.
- Upon death, retirement, retrenchment or resignation the Departments will notify the Contractor in writing and no further maintenance allowances shall be paid by the State.
- Should the official transfer within the State, the Contractor will then be required to transfer the official's account to their regional office closest to the place of transfer



8.2. Implications as a Result of Changes to RT 57

8.2.1. Vehicle Service Plan

In the previous RT 57 contract, subsidised vehicle owners made use of the maintenance contract (RT 62) for the full maintenance of subsidised vehicles even though certain vehicles were purchased with a Service Plan included in the price. There has been a fundamental change to the RT 57/2005, contract in that all motor vehicles offered on this contract have a Service Plan included in the price of the vehicles, minimum of 90 000 kilometres.

The implication is that the maintenance service providers will have to inform subsidised vehicle owners when they should have their vehicles serviced, settle the account for any expenses not covered by the service plan and warranty period and cater for the top-up services.

Note: The warranty period and service plans terms and conditions of all the vehicles available on RT57/2005 are attached as Annexure B of this document.

8.2.2. Warranty Period

The warranty period on the vehicles purchased in accordance with the RT57/2005 will be at least twelve (12) months.

Note: The warranty period and service plans terms and conditions of all the vehicles available on RT57/2005 are attached as Annexure B of this document.

8.3. Period of Contract

All vehicles financed on the Finance Contract (RT68/2005) from the commencement date of this maintenance contract - envisaged as 1 June 2005 – until the contract period of 4 (four) years have lapsed, will be included in this contract. The maintenance agreement with the respective subsidised vehicle owners will not be transferred when a future contract is awarded.



8.4. Current Vehicle Fleet and Early Termination Statistics

The following table is a representation of the active vehicles per engine capacity and category as well as early termination statistics as received from the Financial Service Provider.

Current Active Vehicles per engine capacity									
Engine Capacity	Category A	As % of fleet	Category B	As % of fleet	Category C	As % of fleet	Category D	As % of fleet	TOTAL
1200	12	0.07	0	0.00	0	0.00	0	0.00	12
1300	985	5.60	62	0.35	0	0.00	0	0.00	1047
1400	561	3.19	182	1.04	0	0.00	0	0.00	743
1600	7203	40.98	176	1.00	0	0.00	0	0.00	7379
1800	538	3.06	954	5.43	0	0.00	95	0.54	1587
2000	108	0.61	2017	11.47	0	0.00	35	0.20	2160
2200	0	0.00	1209	6.88	0	0.00	0	0.00	1209
2400	0	0.00	950	5.40	36	0.20	67	0.38	1053
2500	122	0.69	1539	8.75	101	0.57	0	0.00	1762
2600	0	0.00	180	1.02	28	0.16	0	0.00	208
2700	0	0.00	47	0.27	6	0.03	0	0.00	53
2800	0	0.00	87	0.49	20	0.11	0	0.00	107
3000	0	0.00	176	1.00	27	0.15	17	0.10	220
3300	0	0.00	30	0.17	9	0.05	0	0.00	39
Total	9529		7609		227		214		17579

Where Category A = Sedans and hatch backs
 B = Light Delivery Vehicles (LDVs)
 C = 4x4 LDVs
 D = Mini Busses and Multi Purpose Vehicles (MPVs)

Termination statistics for the period December 2003 to December 2004		
Terminations before the first 12 months	Total Early Terminations	Total Natural Terminations
88	667	2383



9. Task Directives / Requirements

Refer to the Functionality Scorecard (Attached as Annexure C) whilst comparing with the aspects below. Bidders are required to rate themselves according to the allocation information per individual criteria. However, the State reserves the right to amend the score allocated by bidders based on reasonable, and justifiable grounds. However, the criteria and weight will not be adjusted.

9.1. Industry Standards and Norms

The Contractor shall ensure that the services provided within the contract period to the State are in line with the changing transport industry norms.

Note: The bidder is required to attach proof of membership of professional industry bodies.

9.2. Experience and Capacity

9.2.1. Experience

Relevant and previous experience in similar fleet management projects will serve as an advantage to bidders.

Note: The bidder is required to submit proof of their experience and credentials.

9.2.2. Capacity

The current subsidised motor transport fleet is approximately 17 000 vehicles which is distributed throughout the country. Vehicles are replaced on average every four years.

Within the current subsidised motor transport scheme all new applicants that participate in the scheme shall enter into maintenance contracts where their vehicles are maintained and administered by the contractor. [This scheme currently averages some 6 000 new vehicle applications annually which is indicative of the expected volumes of transactions].

No vehicles purchased prior to 1 June 2005, already financed, in terms of national contract RT68/2005, will be transferred from the current maintenance contracts to the successful bidder. Only new applications will be furnished with a maintenance plan by the successful bidder. The State does not guarantee the fleet size.



9.3. Customer Support

9.3.1. Provincial Offices

From the commencement of the contract the contractor shall have established physical presence in each Province. The dedicated consultant / fleet managers must, for the very least be able to perform the following tasks:

- assist departments and resolve issues that arise with the day-to-day operation of the contract
- pro-actively analyse the subsidised fleet management costs as well as administration and provide fleet management advice and assistance to the State
- assist Departmental Transport Control Officers and Transport Officers on the reports generated
- act as nodal point for the collection of all documents related to the maintenance and administration thereof
- to co-ordinate and manage monthly and quarterly meetings
- obtain knowledge of the State's business principles and accordingly assist with the optimisation of its subsidised fleet. Consequently, the Contractor will be contractually required throughout the contract period to provide recommendations in order to optimally manage the fleet size and cost.

Note: The bidder is required to provide documentation detailing the qualifications of all fleet managers/consultants as well as an indication of the number of fleet managers/consultants that will be established in the provincial offices.

9.3.2. Call Centre

The Contractor will make a call centre available consisting of a dedicated information line at his Head Office for 24 hours a day to log, answer and resolve any queries regarding the maintenance and administration status of a vehicle.



9.3.3. Administration of Service Plan

Since all vehicles will be purchased with a service plan, bidders should submit a communication plan regarding the required liaison between the manufacturer's dealers, the contactor and the subsidised vehicle owner to ensure that the fleet service provided maintains acceptable standards and that responsibilities are well defined. The communication plan should include at least the following:

In the event of a service:

- Contractor to inform the user when service is due.
- User to notify Contractor of the closest and most convenient dealership as authorised by the manufacturer (in RT57).
- Contractor can also advise user where to go, as long as it is in fair proximity.
- Contractor to liaise with dealer regarding repairs not covered by service plan.

In the event of top-up maintenance,

- Contractor to inform the user when service is due.
- Contractor to inform user of merchant to be used. (Where service will be rendered)

The Contractor shall issue the official with a form of identification on the maintenance plan of the vehicle including top-up services etc.

Note: The bidder is required to submit a Communication Plan.

9.3.4. Administration of Fuel Re-imbusement

The contractor would also be required to administer the fuel claims of subsidised vehicle users. This would entail the capturing of log sheets summaries by the contractor's personnel as well as providing Transport Control Officers (who have access to Internet) the opportunity to capture it.



9.3.5. Training

During the period of the contract, the Contractor shall provide training on an ad-hoc basis countrywide, to mainly but not limited to, Departmental Transport Control Officers and Transport Officers.

Training courses shall address all related systems as well as the procedures which have bearing on this contract for example:

- General fleet management concepts;
- The fuel administration system (capturing of log sheets);
- The purpose and method of accessing management reports;
- The implications of any system changes; and
- Reporting of fraud and fraud related issues.

The State will not bear any additional cost for the provision of training.

All bidders are required to submit a draft training programme with their bid. This programme shall include at least the following:

- Proposed dates (reference to frequency);
- Available facilitators;
- Timetables;
- The syllabus;
- Venues for training sessions;
- Anticipated number of participants per course.

Note: The bidder is required to submit the training programme.



9.4. Management Information Systems and Database

Please take note that the IT capabilities will be inspected and tested during the site visit phase of evaluation.

9.4.1. Types of Reports / Information

- 9.4.1.1. It is the responsibility of the Contractor to supply accurate and relevant management information on a continuous basis to allow for the management of the fleet's requirements. Given this fact, the Contractor shall have and maintain, an IT system that allows the State to access and retrieve accurate and relevant management information from the Contractor within 24 hours.
- 9.4.1.2. The Contractor shall be responsible to ensure that all IT Systems are compatible and integrates with the State's Payroll System. The Contractor will bear the cost of enhancing their systems.
- 9.4.1.3. The Contractor must ensure 100% accuracy of payments of maintenance and fuel allowances to officials via the PERSAL/PERSOL system. The contractor will bear the risk of incorrect collection and payment of allowances to officials.
- 9.4.1.4. The Contractor's management information system shall throughout the contract period have to the capability to be enhanced / customised / newly specified in order to accommodate the State's changing business requirements.
- 9.4.1.5. In the event of termination or breach of contract, the Contractor shall provide its entire database containing the up-to-date information in respect of the State's fleet contract, in electronic format, within 24 (twenty-four) hours of such termination or breach, to the State. The cost of such transfer of information will be for the account of the Contractor.
- 9.4.1.6. The Contractor must have proven IT capability to provide management report in hard copy and electronically from award date of the contract.
- 9.4.1.7. Reports and reporting systems shall be user friendly:
 - each report shall have a narrative heading which indicates the nature of the report and clearly identifies at least the Responsible Manager and the User Department.
 - the reports / data required in an electronic format and hard copy shall be easily accessible through an efficient, user friendly menu system compatible with at least Microsoft Windows NT or Microsoft Windows 95 operating system.



- the Contractor must supply the State with a system/application in order for the state to analyse electronic downloaded data where required.
- all reports must be exportable to at least a Microsoft windows application.
- the purpose of, and suggested usage for, each report shall be documented in “help” manuals and shall be addressed during training sessions conducted by the Contractor throughout the contract.
- printed reports that are required monthly shall be delivered within 7 (seven) working days of the cut-off date of that month.
- printed reports that are required weekly shall be made available within 24 hours of the cut-off date for that week.

Note: The bidder is required to submit examples of all available reports and the Help manuals on the purpose and use of above reports

- 9.4.1.8. The Contractor’s information system shall have the facility to provide information relating to the fleet at various levels, therefore with regard to the entire fleet, fleet per province or fleet per department. (For the purpose of reporting a national department should be treated as a province).
- 9.4.1.9. The system shall allow for the printing of on-line reports by all parties who have authorised access to reports.
- 9.4.1.10. The minimum required management reports that must be provided by the Contractor are the following:
- list of all instances where officials have constant deviations (exceeding 20%) in the official kilometres travelled compared against the contracted official kilometres allowed.
 - vehicle by account number and fuel allowance report reflecting all the active subsidised vehicles, officials name, kilometres travelled, amount remunerated to the official, highlighting the non-submission of log sheet returns to the National/Provincial Departments.
 - fleet inspection report (after inspection of the vehicles).
 - report reflecting the percentage official vs. private mileage based on the total kilometres travelled for a certain period.



- list of the maintenance provision versus actual costs.
- full report of the total fleet reflecting a breakdown of actual cost per vehicle.

9.4.1.11. The contractor shall provide the State with a contract management tool/suggestions in conjunction with the comments on the Service Level Agreement (SLA) to manage the contract.

9.4.2. Security and Confidentiality of Data

9.4.2.1. The Contractor undertakes to disclose information relating to the contract only in terms of the contract and only to the parties stipulated in the contract, both during the contract period and subsequently. Information may only be disclosed to outside sources with the prior, written approval from the National Treasury.

9.4.2.2. To protect the database relating to State's fleet contract, the Contractor shall have in place, and shall maintain, suitable back-up procedures and disaster plans to protect data. The Contractor shall back-up all electronic data on a daily basis. The costs associated with the recapture and processing of data for whatever reason shall be borne by the Contractor.

Note: All bidders are required to submit their disaster plans.

9.4.3. Ownership of Data

9.4.3.1. The State is, and remains, the sole owner of all data generated by the execution of this contract. The Contractor shall provide the data to the State or a third party upon written request and approval from the National Treasury.

9.4.4. Insurance

9.4.4.1. The Contractor is advised to obtain adequate professional indemnity insurance against all damage, and loss of data for which it may be held legally responsible as the risk of such losses will not be borne by the State.



9.4.5. Systems Enhancement

9.4.5.1. The Contractor shall constantly seek to enhance its systems and shall evaluate any new technology designed to curb fraud and abuse. The Contractor's management information systems shall throughout the contract period have the capability to be enhanced / customised/ newly specified in order to accommodate the State's changing business requirements. The State shall be consulted before any significant changes to systems are effected.

9.4.6. Implementation Plan

9.4.6.1. The Contractor shall furnish a detailed implementation plan as part of the bid documents that includes steps, timeframes and responsibilities of the various parties, based on the assumption that the contract shall be awarded by the State with effect from 1 June 2005.

9.4.6.2. The implementation plan should include reference to the physical presence required in every province.

9.4.6.3. The implementation plan should not take longer than 3 months to execute.

9.4.6.4. The implementation plan of the successful bidder may be altered after consultation and agreement.

Note: All bidders are required to submit their implementation plan.



10. Financial Considerations

The bidders shall be required to submit pricing schedules under two pricing options. Bidders are compelled to submit offers for both options. Failure to submit both will result in disqualification of the bid in question. It is not pre-determined by the State which of the two options will be used by the Evaluation Panel – such a determination will be made by the Evaluation Panel during the evaluation phase of the bid.

The bidder must submit firm maintenance rates for the entire contract period. Price adjustments will only be considered post bid award in the event of amendments to the service and warranty plans offered on the Vehicles contract (RT 57). Documented proof will be required to substantiate such a request.

Pricing must exclude warranty and service plans offered by motor manufacturers on the vehicles contract RT57. A summary of warranty and service plans is attached as Annexure B.

The bidder shall supply the State with pricing schedules per option (Pricing schedule forms are provided as an Annexure D to this bid document) for a maintenance contract, per engine capacity category including tyres for a period of 32 – 48 months, for a maximum of 160 000km.



10.1. Pricing Schedule Options

10.1.1. Option 1 – Fund owned by Service Provider with Profit Sharing

Maintenance Fund is owned by the Contractor with a 70/30 profit share split in favour of the Contractor with no risk to the State. Under this option, the bidder is required to create and managed a maintenance fund into which all monthly maintenance contribution payments on respect of the vehicles shall be paid.

The fund shall be managed on the following basis:

- All repairs, maintenance and top-up services, excluding services covered by service plan and those arising from excluded causes, in respect of the vehicles shall be paid out of the maintenance fund at the invoiced value thereof.
- Any surpluses in the maintenance fund will be distributed annually on a profit sharing basis, with 70% of the fund to the contractor and 30% to the State.
- The profit sharing will be based on terminated vehicles only.
- Interest incurred on the fund per annum will form part of the fund profit sharing.
- The State reserves the right to conduct an audit on the fund prior to any payouts from the fund.
- The Contractor shall be responsible for any fund deficits. The State shall not participate in the risk, should the fund run at a loss.
- The Contractor shall, on a monthly basis provide financial reports, in terms of GAAP on the status of the fund.
- The Contractor shall specify clearly up-front the administration and other costs it intends to offset against the maintenance fund in respect of the management of the contract. The State shall not accept any charges for items that are not reflected in the initial pricing schedules submitted by the Contractor.
- The State will own all data/information related to the fund.



10.1.2. Option 2 – Managed Maintenance

Under this option, the bidder is required to submit an offer for a monthly maintenance payment contribution per engine capacity category. This option shall be managed on the following basis:

- All repairs, maintenance and top-up services, excluding services covered by the service plan and warranty and those arising from excluded causes, in respect of the vehicles shall be paid by the Contractor.
- There will be no profit sharing for the duration of the contract period. Ownership and management of the fund remains the responsibility of the Contractor.
- The Contractor shall be responsible for any fund deficits. The State shall not participate in the risk, should the fund run at a loss.
- The State will own all data/information related to the fund.



11. General

11.1. Service Level Agreement (SLA)

The Contractor shall be required to sign a Service Level Agreement (SLA), which will assist both parties in the management of this contract. In line with this, the Contractor is required as part of the bid documents to submit comments on the example SLA which encompasses all of the conditions and requirements as specified in this bid document. Example attached as Annexure E

Note: All bidders are required to submit their comments on the example SLA.

11.2. Channels of Communication

For matters relating to the administration of the contract, the Contractor shall communicate only with the National Treasury.

For operational queries, the Contractor shall communicate with the relevant department or if necessary, the National Department of Transport.

11.3. Inspection and Audit

The State reserves the right to inspect and audit any document pertaining to this contract within one year of the date of expiry of the contract. This may also include queries and complaints. The Contractor shall provide any assistance free of charge that may be required in this regard. The cost of inspections and audits shall be borne by the State.

The State reserves the rights to conduct performance (applicable to options 1 and 2) and financial audit (option 1 only) each year on the status of the contract and the Contractor shall provide any assistance free of charge that may be required in this regard.



11.4. Fraud Prevention and Detection

The Contractor shall take adequate steps to minimise the risk of collusion among its staff, finance service provider, manufacturers and the officials. Furthermore, the Contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.

The Contractor shall report in writing by facsimile or electronic mail (e-mail) to the State any suspected irregularities involving an official immediately upon the suspicion arising.

The Contractor shall assist the State in investigating such irregularities by providing any evidence that it may have.

Information provided shall be sufficient to enable the State to institute investigations and / or take corrective action.

The Contractor shall be required to be involved in establishing an anti-fraud unit that will work closely with the appropriate authorities.