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**BID NUMBER RT 68/2005: APPOINTMENT OF A SERVICE PROVIDER TO MANAGE  
AND ADMINISTER THE FINANCING OF SUBSIDISED MOTOR VEHICLES FOR THE  
STATE FOR A PERIOD OF FOUR YEARS**

**TERMS OF REFERENCE AND SPECIAL CONDITIONS**



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## 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.
- **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 that are delegated by the Accounting Officer 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 finance and administer the required and specified financial 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.



- **Fleet Responsibility Manager** - an official designated by the Accounting Officer or Chief Financial Officer to assume financial accountability for a fleet of vehicles.
- **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 Treasury Regulations in terms of the Public Finance Management Act, 1999 as published in chapter 16A of the Government Gazette No. 27388 dated 15 March 2005. 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 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:

$$P_s = 90 \left( 1 - \frac{H_s - R_s}{R_s} \right)$$

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”);	6
Preference points for equity ownership by historically disadvantaged individuals who is a female;	2
Preference points for equity ownership by historically disadvantaged individuals who has a disability;	1
The promotion of SMMEs	1

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 A) 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, one original document and two (2) printed copies of which the document signed in the original will be the legal submission 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 A.
Section 3	Proof of past financing management experience and credentials
Section 4	CVs of Financial Consultants and an indication of number of Financial Consultant per province (stipulate)
Section 5	Process Diagram
Section 6	Training programme
Section 7	Examples of all available reports
Section 8	Help manual for reports
Section 9	Disaster Plan
Section 10	Implementation plan
Section 11	Proposed amendments to the example of the Service Level Agreement issued with the bid documents. (Annexure B)



### 3.2. Information Session

A clarification session will be held in Room ....., National Treasury on -----  
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 -----  
on -----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

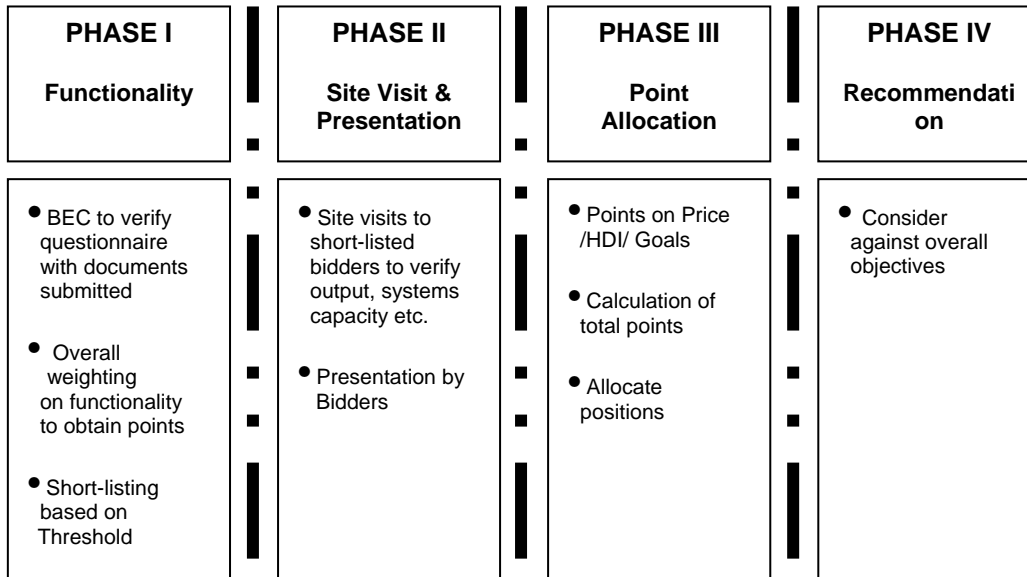
The Bid Evaluation Committee (BEC) on a basis of functionality (50%) and price (50%)  
will conduct the evaluation. The BEC will consist of representatives from:

- 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 – 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 A.

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.



<b>CRITERIA FOR FUNCTIONALITY (REFER TO THE FUNCTIONALITY SCORECARD – ANNEXURE C)</b>	
Experience and capacity	
Customer Support	
Management Information Systems and Database	
Implementation plan	
<b>Threshold score (75%)</b>	

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 37.5% 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.



### 4.1.2. Phase II – Site visits and presentations

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.

### 4.1.3. Phase III – Calculate total points

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	6 points
Preference claim for equity ownership by HDI's who are women	2 points
Preference claim for equity ownership by HDI's who are disabled	1 point
Preference claim for promotion of Small Businesses	1 point

**Total points: 100 points**

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

#### 4.1.4. Phase IV – Recommendations

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

- Departments receive financing services for individual officials who qualify to partake in the subsidised scheme.
- 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:** Falala Mthembu  
**Address:** National Treasury  
**Directorate:** Contract Management  
**Private Bag X 115**  
**PRETORIA**  
**0001**  
**Tel no:** (012) 315-5369  
**Fax no:** (012) 315-5058  
**E-mail:** [falala.mthembu@treasury.gov.za](mailto:falala.mthembu@treasury.gov.za)

## 7. Background

### 7.1. Introduction

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

The management and financing services should be flexible enough to accommodate changes in the business needs of the State. The State's specific objectives in outsourcing its management and financing services and operations to the private sector are to ensure that: -

Departments receive financing services for individual officials who qualify to partake in the subsidised scheme.

- Black economic empowerment is achieved at equity, managerial and supply level throughout the contract.

### 7.2. Basic System Requirements

Current subsidised motor transport scheme: -

All new applicants that participate are to be financed and administered by the Contractor. This scheme is currently servicing an average of 6 000 new vehicle applications annually, which is an indication of the expected volumes of transactions



All subsidised vehicles are to be insured and maintained by RT214 and RT62 respectively.

The bidder should bear in mind the following financing arrangement:-

- a 0% residual value will be applied to all contract arrangements; and
- Depreciation will be calculated on a straight - line basis.

### 7.3. 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 for all vehicles procured through the current service provider over a period of 6 years.

**Please note that these statistics must be utilised for the sole purpose of preparation of this bid.**

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
<b>Total</b>	<b>9529</b>		<b>7609</b>		<b>227</b>		<b>214</b>		<b>17579</b>



- 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

The State does not guarantee the fleet size.

## 8. Minimum Requirements of the Subsidised Motor Transport Scheme A and B.

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

### 8.1 Scheme A

- 8.1.1 For the purpose of applying for and securing a loan to buy a vehicle, the qualifying official participating in Scheme A shall be furnished with an approval from the Accounting Officer of each Department i.e. Z81.
- 8.1.2 The State and/or its officials will bear no risk for arrear payments or deductions exceeding 45 days from date of contract signature between the contractor and state officials.
- 8.1.3 Payments to the contractor and deductions transactions via PERSAL/PERSOL must be executed on the salary date of the official.
- 8.1.4 The contractor must have 100% information technology capability to collect and pay the capital remuneration via the PERSAL and PERSOL system on date of contract commencement.
- 8.1.5 The contractor must guarantee 100% accuracy in payment and deductions of capital allowances.



- 8.1.6 An official may exercise the option of purchasing a more expensive vehicle other than, that which the Head of the Department has approved. The official is then liable for all costs exceeding the cost approved by the State. The availability of subsidised vehicles must be limited to State Contract RT57.
- 8.1.7 Upon death, retirement, retrenchment, or request by the State, or resignation the payment of the capital remuneration must be terminated within 30 days of the request date.
- 8.1.8 The vehicles as required by the State must be financed, administered and ordered by the contractor in the following manner:-
- Only approved applications by the Head of Department may be procured by the contractor.
  - The contractor will bear all risk of inaccuracy of payments and the collection of capital allowances.
  - All applications are subject to the contractor's credit vetting criteria.
- The state does not offer any financial guarantees.**
- Only approved subsidised vehicles from RT57 which is arranged by National Treasury may be procured via National Department of Transport by means of orders by the contractor.
  - The contractor must pay for the subsidised vehicle and related auxiliary services within (7– 30) days maximum of receipt of the invoice in terms of the PFMA. Non-payment within the stipulated period will attract penalties as levied by the motor manufacturer and auxiliary suppliers for late payments.
  - 100% accuracy must be guaranteed in the ordering of subsidised vehicles from RT57.
  - All subsidised vehicles must be allocated to the subsidised transport owner within a maximum of 7 (seven) working days from delivery date.
  - The Contractor must register all vehicles in the titleholders name and the official shall be responsible for licensing the vehicle annually.
  - A State official receives a Capital Remuneration in equal monthly installments for the duration of the contract period via the payroll system [PERSAL/PERSOL]. Simultaneously an Installment must be deducted from the official's salary. The Contractor will be responsible for the payment and deduction of capital remuneration via the PERSAL/PERSOL system.



## 8.2. Scheme B

- 8.2.1 The contractor must finance State officials qualifying to participate in Scheme B.
- 8.2.2 No vehicle may be supplied through National Contract RT57. The contractor is required to negotiate fleet discounts with a wide range of manufacturers\dealerships for the purchase of new or second-hand vehicles. Details of the negotiated discounts shall be to the relevant Departments and officials on request.
- 8.2.3 The Contractor is only required to provide finance to officials once the official has met the credit vetting requirements of the Contractor.
- 8.2.4 The official receives a travelling allowance from the State for official travel.
- 8.2.5 The same interest rate offered under Scheme A shall apply to Scheme B

**Note: Please refer to the Subsidised Motor Transport Policy (Annexure C) for more details on the relevant schemes.**

## 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 allocated information per individual criteria as well as provide comments on every aspect. However the State reserves the right to amend the score allocated by bidders based on reasonable, and justifiable grounds. 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 industry norms.

### 9.2. Experience and Capacity

#### 9.2.1. Experience

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

**Note: The bidder is required to submit reference 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.

No vehicles purchased prior to \_\_\_\_\_, already financed, in terms of national contract RT68/2001, will be transferred from the current financing contract to the successful bidder. Only new applications will be financed 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 financial consultant 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;
- 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 finance and administration thereof;
- to co-ordinate and manage monthly and quarterly meetings and
- 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 qualifications of the representatives of the contractor must be provided and an indication of the number of financial consultants per province.**

### 9.3.2. Call Centre

The Contractor will make a call centre available consisting of a dedicated information line at his Head Office during office hours to log, answer and resolve any queries regarding services as provided by them. Calls and service levels will need to be monitored and managed and reported on monthly.



### 9.3.3. Administration and Communication of Information

Should the service plan be included in the purchase price of the vehicle, the Contractor/finance service provider should be able to communicate the information regarding the service plan through to the maintenance service provider as appointed in terms of contract RT62\2005CV Additional information will need to be provided to the maintenance service provider as to equip them to maintain the vehicles. This will include, but not be limited to:

- Vehicle registration number
- Chassis number
- Approved benchmark
- Engine number
- M&M code
- Driver details
- Persal number
- Vehicle make
- Vehicle model
- Accessories fitted to the vehicle. (Tow bars, canopies est.)

**Note: This information to be provided to the maintenance service provider should be available in an electronic format**

### 9.3.4. Process diagram

The bidders are required to indicate anticipated process flow from the application stage of a subsidised vehicle to delivery and any additional processes that might follow.

**Note: Bidders are required to submit a process flow diagram**

### 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:

- Process of application for the financing of a vehicle
- Related documentation/forms for applications
- Tracking of vehicle orders and account details
- 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 a 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. Prior notice of these inspections will be given.

### 9.4.1. 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 the State to allow it to manage its requirements and expenditure. Given this fact, the Contractor shall have, and maintain, an IT System that allows the State access to retrieve accurate and relevant management information from the Contractor that is not older than 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 IT System. The Contractor will bear the cost of enhancing their systems.



- 9.4.1.3 The Contractor must ensure 100% accuracy of payments of collection of installment from officials via the PERSAL/PERSOL system. The contractor will bear the risk of incorrect collection and\ or 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 financing 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.



- The state can stipulate what reports are required.

**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 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.



#### 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 -----
- 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 of the successful bidder may be altered after consultation and agreement.

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

### 10. Financial Considerations

Variable interest rate to be applied in relation to prime. Administration costs and other related costs to be collated on a monthly basis.

Note

- The bidder must submit the interest rate percentage.
- The bidder must submit the criteria applied for changing the interest rate.
- The bidder must supply the State with the rates of interest to be applied for financing options based on short-term favourable lending rate.
- The administrator cost should be specified.



- The State shall not accept any changes for items that are not reflected in the pricing schedule submitted by the Contractor and no charges other than those listed in this schedule will be permitted. All fee structures must be supplied up-front.
- All fees should be quoted including Value added Tax

## **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 B

**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.

### **11.4. Fraud Prevention and Detection**

11.4.1. The Contractor shall take adequate steps to minimise the risk of collusion among its staff, Maintenance Contractor, Manufacturers and the State Officials. Furthermore, the Contractor's systems and procedures shall incorporate both preventative and detective safeguards capable of preventing and detecting fraudulent transactions.



- 11.4.2. The Contractor shall report in writing by facsimile or electronic mail (e-mail) to the State, any suspected irregularities involving a Government official immediately upon the suspicion arising.
- 11.4.3. The Contractor shall assist the State in investigating such irregularities by providing to the State any evidence that it may require.
- 11.4.4. The Contractor shall be required to be involved in establishing an anti-fraud unit that will work closely with the appropriate authorities.

## 11.5. Period of Contract

All vehicles financed on the Finance Contract (RT68\2005) from the commencement date of this finance contract - envisaged as ----- until the contract period of 4 (four) years have lapsed; will be included in this contract. All financing deals signed over the 4 (four) year period of the contract will be managed and administered by the contractor until such contracts are terminated or reached natural termination.