



Tenders are hereby invited for the following:

SERVICE PROVIDER TO ASSIST THE MUNICIPALITY WITH DEBT COLLECTION

NOTICE No: 68/2017-2018

Completed tender documents must be in a sealed envelope endorsed with the name, "**Service Provider to assist the Municipality with Debt Collection – NOTICE No: 68/2017-2018**" and must be deposited in the Tender Box at the Senqu Local Municipality Offices, Lady Grey not later than **12:00, Friday, 04 May 2018** when tenders will be opened in public.

Enquiries should be addressed to: Mr A Gushmani

The Senqu Municipality Supply Chain Management Policy as well as the following conditions shall apply:

- Canvassing of municipal staff or councillors will automatically disqualify any tender.
- The tender must be bound with own documents and all SCM documents and tender advertisement.
- The tender must be bound with the tender bidding checklist as the first page of the document with the completed page numbers.
- The Tenderer must submit a copy of the Central Supplier Database registration form.
- A current Tender Tax Clearance Certificate (original) must be supplied with the tender or the SARS PIN number or else the tender will not be considered.
- All prices must include VAT.
- The municipal rates and taxes or municipal charges owed by the preferred bidder and all its directors with the Company to the municipality or municipal entity, or to any other municipality or its entity, must not be in arrears for more than three months. Proof must be submitted in the form of a recent municipal account or letter of good standing of All Directors and the registered company – as per the National Treasury database
- If a municipal account is not available, a copy of the lease contract with the confirmation from the Owner of the property that confirms in writing that the rental is paid up to date or a letter from the Councillor or Headman confirming that the bidder does not pay any rates or taxes.

- The successful bidder will be required to register on the Senqu Municipality data base.
- Prices must be valid for a minimum period of 90 days.
- The tenders will be evaluated on the 80/20 preference points system as prescribed in the PPPFA; these documents will be available on the Senqu Municipality website – www.senqu.gov.za
- Preferential Procurement Regulation 2017 (B-BBEE) principles will apply, whereby a tenderer's submission will be evaluated according to the sum of the Award of Points in respect of the tender value and the status of the enterprise
 - Adjudication criteria are as follows:
 - 80 Points for Price
 - 20 Points for B-BBEE status level of Contribution

Points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contribution:	Number of Points (80/20 System)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non Compliant Contributor	0

- The Senqu Municipality does not bind itself to accept the lowest or any other bid and reserves the right to accept the whole or part of any bid.
- No emailed or faxed documents will be accepted.
- It is the responsibility of the Tenderer to ensure that tenders sent via courier is placed in the Tender Box at the advertised date and time.
- Submission of an original B-BBEE Verification Certificate or certified copy.
- A trust, consortium or joint venture must obtain and submit a consolidated B-BBEE status Verification Certificate with the tender.
- **A consolidated Tax clearance and bank account will be required if the winning bidder is a joint venture before any payments will be made.**
- The successful tenderer will be requested in certain circumstances to be requested to enter into a Service Level Agreement.
- This tender will be evaluated on a two bidding evaluation stage – First you will be evaluated on functionality of 64.% out of 100% and then the price and BBEEE points will be evaluated.
- Bids which are late, incomplete, unsigned will not be accepted including couriered documents
- All SARS, BBEEE, Bank accounts and Directorship will be verified on the National Central Data Base – please ensure you keep your matters updated on

CSD otherwise you can be penalized or be non-responsive for certain matters. This CSD database will be used as the Municipalities main resource to verify tender information.

- The following Municipal Bid Documents are compulsory documents and must be included in the tender document:
 - Advertisement (This document)
 - Specifications (Terms of reference)and (Tick and sign)
 - MBD 1(Invitations to bid) – Please ensure your price is on the bid document and signed
 - MBD3.1 (Pricing schedule).
 - MBD 4(Declaration of Interest) If declared in service of the State please provide full details and reference letters.
 - MBD 6.1(Preference points claim form) Attach the valid BBEEE certificate
 - MBD7.1 (Contract form)
 - MBD 8(Declaration of Bidder's past supply chain management practices)
 - MBD 9(Certificate of independent bid determination)

- **Failure to complete all supplementary information and the RETURNABLE SCHEDULES including requested MBD Forms not completed in full and not signed will result in the tender being disqualified.**

All documents are available on the Senqu Municipality website- www.senqu.gov.za

M. M. Yawa

Municipal Manager
13/04/2018

SECTION 1.1: SPECIFICATIONS AND EVALUATION SCHEDULE

Introduction

Senqu Municipality invites tenders from duly qualified and registered debt collection service providers to assist Senqu Municipality with collecting revenue on overdue accounts, for a three-year period, on a commission basis based on success for pre-legal activities as well as a set fee for legal collection and remedial activities. Senqu Municipality is invoicing for Property rates, Electricity and Refuse removal to Consumers and rendering management services related thereto. The service Provider will perform the pre-legal debt collection services in accordance with a SLA to be concluded with Senqu Municipality for all debtors who are overdue for 60 days and above. The Service provider will perform the legal debt collection services in accordance with a SLA to be concluded with Senqu Municipality for all debtors who are assessed and handed off for legal collection (est. 120days +)

2.1.1 Specifications

The information requested from bidders in this tender has been identified by the Municipality as necessary in order for them to be able to evaluate the commitment, capability, suitability and capacity of the bidders (Refer to Section 2.2).

2.1.2 Evaluation schedule

For a bidder to qualify, it is a requirement for a prospective bidder to score a minimum of 74 out of 100 points for functionality.

The following weightings will apply to these categories:

2.1.3 Scoring

Each category of main criteria has been divided into specific sub-categories, which will each be scored separately, using the following guidelines:

FUNCTIONALITY

Criteria	Total	Minimum	Score
<p>2.1.3.1.1 Experience The company profile must be attached to prove the company experience in debt collection services.</p> <ul style="list-style-type: none"> (i) less than 3 years = 10 points (ii) 3 – 5 years = 15 points (iii) 5 + years = 20 points <p>Attach references relating to debt collection project.</p>	20	15	
<p>2.1.3.1.2 Geographical capacity</p> <ul style="list-style-type: none"> (i) less than 2 staff dedicated to Senqu = 2 points (ii) 3 – 5 staff dedicated to Senqu = 3 points (iii) >6 staff dedicated to Senqu = 5 points <p>Attach organogram clearly mark the staff dedicated to Senqu.</p>	05	02	
<p>2.1.3.1.3 Automated online debt management system The bidder must provide evidence of an appropriate electronic interface to maintain the debt collection.</p> <ul style="list-style-type: none"> (i) If such interface does not exist, the bidder must confirm its willingness to accept the cost for development of such interface to the satisfaction of Senqu Municipality =5 (Attach sworn statement deliberating on commitment with clear deadlines) (ii) Appropriate electronic interface to maintain the debt collection process and enable online reporting and access to different features =10 other credit control actions and to integrate with the municipality's financial system. (Submit three proofs of System Report with three municipal confirmation) (iii) Credit control system / software: Ability of the system to send SMS's and receive feedback from clients, produce final demand, disconnection lists, automated ad hoc meter and other credit control actions and to integrate with the municipality's financial system. Attach three proofs of System Report with three municipal confirmation) =15 	15	10	
<p>2.1.3.1.4 Customer enquiry and service points (3 points) (Project being implemented previously for a municipality or similar authority)</p> <ul style="list-style-type: none"> (i) 1 - 2 days per week = (5 points) (ii) 3 - 4 days per week = (10 points) (iii) 5 - days per week = (15 points) <p>Attach confirmation indicating similar projects</p>	15	10	
<p>2.1.3.1.5 Indigent management (10 points) The bidder must supply information on the existence of (personnel and systems) infrastructure to provide for,</p>	15	10	

inter alia, the following: (i) 2 years' experience = (5 points) (ii) 3 years' experience = (10 points) (iii) More than 3yrs experience = (15 points) Attach confirmation letter from another municipality			
Legal services (i) Proof, 3 years on the fields	05	05	
General impression, meet all listed below	05	05	
Current client list, meet all listed below	10	10	
Identity and financial integrity, meet all listed below	10	10	
TOTAL	100	74	

2.1.3.1 Technical/Functionality Requirements

For each bidder, the Municipality will evaluate the following:

2.1.3.1.1 Experience and human resources (20 points)

Bidders must manage all processes on an ongoing and permanent basis in an office situated within the Senqu Municipal boundaries.

Bidders should illustrate their experience relevant to debt collection services as set out in tender specifications. Evidence of such experience should include at least the following:

- a) Schedule of staff available and corporate support. Bidders must provide an organogram of personnel to illustrate respective roles and responsibilities in general as well as specifically for the Senqu Municipality;
- b) Details of staff experience, qualifications and technical competence. The number of personnel (full time equivalent) currently providing services to the customer i.e.
 - (i) Total number of personnel who under the bidder's authority have provided these services to its customers over the last 12 months.
 - (ii) Schedule of personnel who will be committed to providing the services to the Senqu Municipality; their credentials and experience; the percentage of time each person will commit to the Municipality.
 - (iii) Experience of Senior Management allocated to Senqu Municipality
- c) Details of the bidder's management and reporting structure and processes;
- d) Debt collection experience in general;

- e) Where debt collection services are currently provided to other municipalities, the bidder must give details of the total number of consumer accounts and the number of arrear accounts per Municipality;
- f) Details of staff experience with regard to the electronic system used by the bidder.

2.1.3.1.2 Geographical capacity (05 points)

The bidder/tender consortium is required to address in detail how they will service the geographical locations of the Municipality's client base (Refer 2.1.3.1.5).

Tenders should indicate clearly amongst others the capacity and capability they currently have geographically regarding:

- a) Human resources and staff complement.
- b) Technology utilised and volume of transactions.
- c) Processes and methodology applied.
- d) Infrastructure.

2.1.3.1.3 Automated online debt management system (15 points)

The bidder must make use of a sophisticated computer system to manage the debt collection process on behalf of the Municipality. The Municipality utilises *Sebata Financial System* and the successful bidder must provide evidence of an appropriate electronic interface to maintain the debt collection process and enable online reporting and access to different features. If such interface does not exist, the bidder must confirm its willingness to accept the cost for development of such interface to the satisfaction of Senqu Municipality.

The service provider must pay for, use and supply access to an automated online debt management system which will manage and control various administrative functions, including the following:

- o Cut-off and remedial action lists; Hand over cut off list to Municipality – daily
- o Pre-legal collections;
- o Soft and hard tracing;
- o Online integration with ITC system;
- o Promise to pay arrangements; (signed Section 58)
- o Legal collections including summonses, judgements, letter of execution and instruction to sell;
- o Handing over to and monitoring of attorneys;
- o Handing over and controlling of debt collecting process;
- o Success management and reporting;
- o Password control and access management;
- o Indigent registration and management;
- o Query and maintenance management; and
- o Indigent Register.

The online debt management system must also facilitate a debt recovery diary and workflow and indigent campaign management.

- a) The municipality is currently using the Sebata Financial System. Any successful bidder system is required be compatible with the Sebata system. Any changes required to make the bidders system compatible with Sebata will be at the cost of the bidder and not the Municipality.
- b) The successful bidder must provide, at own cost all hardware and software required to provide the necessary services to the Municipality.

c) The bidder must provide details of the electronic system in use and to what extent it will satisfy the tender specifications. The bidder must supply the following details:

- (i) Name of the system
- (ii) All current installations
 - o Client name and industry
 - o Location.
 - o Period since first installed (years)
 - o Indicate if system is currently implemented and used in full or in part; if in part, explain which parts are and which are not implemented or uses.
 - o Average number of users on the system at any one time.
 - o Any written references provided by the customer.
 - o Reference name and telephone number.
- (iii) Number of personnel who under the bidder's authority have provided maintenance or customer support for the system over the last 12 months; provide names and any relevant accreditations.
- (iv) Overview of the hardware, infrastructure, networking & technology architecture; Provide details of support arrangements and evidence of performance over the last 12 months; Back-up and recovery arrangements.
- (v) Other relevant information the bidder considers appropriate to substantiate the quality of its system.

2.1.3.1.4 Customer enquiry and service points (15 points)

The bidder must supply information on permanent staff (experience, etcetera) to be utilised for customer care and enquiries at the following points:

o Sterkspruit	✓ 5 days per week
o Herschel	✓ 2 days per week
o Lady Grey	✓ 5 days per week
o Barkly East	✓ 5 days per week
o Rhodes	✓ 2 days per week
o Rossouw	✓ 1 days per week

2.1.3.1.5 Indigent management (10 points)

The bidder must supply information on the existence of (personnel and systems) infrastructure to provide for, inter alia, the following:

- a) Registration of indigent customers;
- b) Details of electronic system used for indigent management
- c) Maintenance of an integrated database of indigent customers;
- d) Verification and evaluation by visits to the premises;
- e) Verification that Indigent Consumers are not in services of the State (Local, Provincial & National)
- f) Participation on a selection committee to evaluate applications;
- g) Re-assessments of existing indigent beneficiaries; and

h) Promotional and community awareness campaigns

2.1.3.1.6 Legal services (05 points)

The bidder must confirm and describe its infrastructure and capacity to:

- a) Advise the pre-legal and legal processes before continuing Manage the pre-legal and legal process;
- b) Report to the Municipality on problem areas and/or municipal services;
- c) Advise the Municipality on the recoverability of debt in terms of applicable legislation; and
- d) Advise the Municipality on possible write-offs with complete supporting documentation.

2.1.3.1.7 General impression (05 points)

The bidder will, inter alia, be evaluated with regard to:

- a) The bidder's understanding of the Municipality's requirements; and
- b) Other information to support criteria as listed in paragraphs 2.1.3.1.1 to 2.1.3.1.9.
- c) In addition to the other criteria above, bidders should demonstrate their knowledge and experience as follows:
 - (i) By submitting copies of its Business Process flow charts/definitions and System User flowcharts/definitions with its bid.
 - (ii) By submitting any additional information, it considers necessary to substantiate its knowledge and experience of Debt Collection and Management Services in local government.
- d) The Service Providers must be able to set up office and system facilities, engage/train personnel and effect the hand-over of cases and data/information from the current Service Provider, Debt pack.
 - (i) Provide details of a proposed implementation plan to effect this transition.
 - (ii) Indicate the number of months the bidder expects will be required to effect the transition; provide evidence of recent implementations to substantiate the bidder's expected timeframe for the Municipality.

2.1.3.1.8 Current clients (5 points)

Bidders must provide written references of clients serviced or their contact details (specifying name of contact person, telephone number and e-mail address).

2.1.3.1.9 Identity and financial integrity (5 points)

Bidders are required to provide the following information:

- a) Name and contact details
- b) Form of entity (e.g. company, individual, corporation, trust, etcetera).
- c) Proof and details of registration

- d) A valid tax clearance certificate from South African Revenue Services
- e) Audited annual financial statements for each entity forming part of a bidder. This must be presented for the most recent financial year.
- f) Details of membership with trade associations and professional bodies.
- g) Proof of registration on the National Treasury Central data base
- h) Nature of current business.
- i) Number of years in business.
- j) Summary of South African human and other resources and capacity.
- k) Where the bidder is a consortium, the tender must contain a signed memorandum of understanding between the various partners:
 - o Regulating the composition of the bidder and the relationships between its members.
 - o Identify the leading member of the bidder consortium and should include evidence of the lead member's authority to act on behalf of all other members in respect of this project.

For a bidder to qualify, it is a requirement for a prospective bidder to score a minimum of 74 out of 100 points for functionality.

SECTION 2.2 SERVICES TO BE PROVIDED

2.2.1 Debt Collection and Administration Services

2.2.1.1 The Municipality is invoicing all service charges and service fees arising from all accounts to Customers and rendering revenue management services related thereto.

2.2.1.2 The Service Provider will perform the debt collection and administration services in accordance with a Service Level Agreement to be concluded with the Municipality.

2.2.2 Arrear debt

The Contractor will be permitted to implement debt collection on Customer's arrear debts, i.e. unpaid after due date, as may be approved by the Municipality from time to time in accordance with its rates, credit control and debt collection and tariff policies.

2.2.3 The Services to be provided by the Service Provider include:

2.2.3.1 perform indigent audits as prescribed by the Municipality from time to time;

2.2.3.2 identify and evaluate possible write-offs of outstanding debt;

2.2.3.3 log and report meter-related queries to the Municipality and/or designated contractor;

2.2.3.4 debt management services including:

- a) debtor identification through an arrears extract or preferably through an interface with the Municipality's systems;
- b) filtering arrears information for import into the Service Providers system;
- c) issuing of reminders to customers of their outstanding debt, by means of telephone, SMS's, e-mail, telegram or fax;
- d) issuing notification of Councils intention to disconnect services 7 days, with credible supporting evidence

- e) identify and inform the Municipality of meters to be blocked; list be provided daily
- f) daily preparation of disconnection/reconnection orders for electricity;
- g) handling all logistical matters in terms of the physical disconnection and reconnection of defaulters and in this respect the Contractor will at all times employ persons with the relevant qualifications and experience as prescribed by the applicable legislation to undertake this work;
- h) maintain record of relevant municipal charges and submit these to the Municipality for upload into its systems in a format to be agreed – preferably a seamless interface;
- i) negotiating acceptable payment agreements in accordance with the Municipality policy; such arrangements will apply to all debt, both current and in arrears;
- j) obtaining and maintaining acknowledgements of debt, emolument attachment orders;
- k) follow-up on negotiated agreements;
- l) identification of defaults on negotiated agreements;
- m) preparation of summonses;
- n) obtaining judgments;
- o) before handing over an account, the contractor must carry out in consultation and liaison with the Municipality and Legal services, a social assessment on site and face-to-face with the occupants/owners; present a social assessment report to the Municipality with recommendations on how to handle the outstanding debts;
- p) ongoing liaison with legal service providers in terms of the execution of judgments;
- q) keeping record and follow-up on disconnected customers not reconnected;
- r) responsibility for all correspondence with debtors handled by the Service Provider in terms of the policy, up to the stage of handing over for legal proceedings;

2.2.3.5 Preparation of reports according to the time frames set out below: -

- a) indigent applications (monthly/quarterly/annually);
- b) recommended write-off report (monthly/quarterly/annually);
- c) arrangements made for domestic, businesses and indigent (monthly/quarterly/annually);
- d) final demands issued (delivered and posted) (monthly/quarterly/annually);
- e) correspondence handled with debtors (monthly/quarterly/annually);
- f) electricity cut/reconnections (monthly/quarterly/annually);
- g) meter audit (monthly/quarterly/annually);
- h) electronic copy of municipal charges (weekly);
- i) matters to be handed over and handed-over statistics (monthly/quarterly/annually);
- j) payment level statistics (monthly/quarterly/annually);
- k) arrears extract statistics (monthly/quarterly/annually);
- l) workflow statistics for all actions;
- m) arrears statistics (monthly/quarterly/annually)
 - o growth in indigent accounts;
 - o cash flow improvements;
 - o net effect on arrears;
 - o collection on arrangements;
 - o attorneys brought forward balances; and
 - o impact of arrangements of brought forward balances
- n) quarterly reports, within 7 days of the end of the quarter, of:

- the Contractor's performance during that financial quarter;
 - a comparison with targets of and with performance in the previous financial quarter;
 - the development of performance targets set by the Contractor for the following quarter;
 - measures that were or are to be taken into account to improve performance; and
 - prior to the effective date and quarterly thereafter in conjunction with the Municipal Manager, or his nominee, to perform a Quarterly Assessment of the current situation by:
 - identifying possible constraints and developing plans to overcome the constraints;
 - an analysis of the Municipality's outstanding debtors' book;
 - proposals for improved assistance to indigent customers;
 - recommendations in terms of improved customer care; and
 - Proposed specific projects, the areas of focus, resources required and proposed outcomes.
- o) annual reports, by 30th June of each year, of:
- the Contractor's performance during that financial year, in comparison with targets of and with performance in the previous financial year;
 - the development of performance targets set by the Contractor for the following year; and

2.2.4 Specific System Requirements

2.2.4.1 It must be an on-line system and be able to interface with the financial systems in such a way that it can serve as an extension of the existing systems. Data will be transferred between the Contractor's and the Municipality's systems in a format to be agreed on.

2.2.4.2 It must have a built-in workflow process – the system must start at a pre-determined action and follow the credit control and collection processes automatically.

2.2.4.3 The system should automatically diarise all actions for the prescribed periods and instruct operators accordingly.

2.2.4.4 The system must have an automatic monitoring process of actions and staff performance to identify bottlenecks and the effectiveness of every action in process.

2.2.4.5 It must contain document templates for all the necessary letters, forms, instructions and legal processes to effectively control debtors and recover arrears.

2.2.4.6 It must be flexible and allow for the customisation of standard documents according to needs and for the creation of additional documents where necessary.

2.2.4.7 The system must accommodate different processes for different types of accounts.

2.2.4.8 The system must be able to generate management reports.

2.2.4.9 The complete history of the account must be on enquiry screens – copies of all document generated and received should be available and easily accessible.

2.2.4.10 The history should be kept in the system for future reference until such time that the municipality decides to delete it.

2.2.4.11 The system must be user friendly and uncomplicated.

2.2.4.12 It should have built-in security levels and prioritisation levels.

2.3.4.13 Maintenance of an indigent and social assessment database.

2.2.4.14 The system should cater for all credit control and debt collection functions e.g.

- Telephone warnings.
- Final demands.

- Disconnections and re-connections orders.
- Arrangements.
- Summonses.
- Tracing
- Acknowledgements of debt.
- Emolument attachment orders.
- Judgements.
- Letter of Execution
- Instruction to remove and sell
- Write-offs.
- Management reports.
- Indigent administrations.
- Sequestrations, estates and liquidations.
- Social assessments.

2.2.4.15 Daily back-ups.

2.2.5 Public Liability Insurance

The Contractor's Public Liability Insurance will not be covered by the Municipality's overall Public Liability Insurance. The contractor must provide its own Public Liability Insurance,

2.2.6 Operating costs

All costs related to the performance of the Contractor's Debt Collection and Management Services will be for its own account and should be included in its fees stipulated in this bid. These include, but are not limited to:

- Office accommodation
- Servers
- Scanners
- PC's
- Printers
- Stationary
- Telephone costs
- Network infrastructure and communication costs
- Software licenses for the contractor's staff to use the system (licenses for the Municipality 's staff should be identified separately in the fees stipulated in the bid documents.)

SECTION 2.3 ANNEXURE A

DEFENITION OF SUCCESSFUL COMPLETION

1. Final demand

- Letter is printed;
- Letter posted or delivered at the correct address;
- Action reported on management report; and
- Fee raised on system.

2. Cut off and letter of notification – Electricity

- Instruction is printed on the cut off list;
- Letter delivered at correct address;
- Keeping record of electricity cut-offs lists;
- Action reported on management report;
- Fee raised on system.

3. Re-connection of Electricity

- Re-connection of electricity list;
- Action reported on management report;
- Fee raised on system.

4. Promise to pay arrangement, Section 58 notice

- Client responds after action has been taken;
- Ensure the prescribed amount has been paid;
- Arrangement made and recorded;
- Action reported on management report; and
- Fee raised on system

5. Indigent application support

- Receive client request for subsidy;
- Assist with completion of subsidy and agreement forms;

- Check and verify the client information with DBSA/Stats S.A websites;
- All prescribed documentation handed over to municipal officials;
- Action reported on management report; and
- Fee raised on system.

9. Summons

- No response from client or default on arrangement;
- Summons printed and authorised;
- Summons issued by court;
- All prescribed documentation delivered to sheriff of the court;
- Positive sheriff returns recorded;
- Summons diary updated;
- Action reported on management report; and
- Fee raised on system.

10. Judgement and letter of execution

- No response after summons served;
- Judgement and letter of execution printed and authorised;
- Judgement granted;
- Positive court return recorded;
- Judgement diary updated;
- Action reported on management report; and
- Fee raised on system.

11. Hand over to attorney

- No response from client or default on arrangement;
- Management instruction and authorisation to hand over;
- All prescribed documentation handed over to municipal officials;
- Action reported on management report; and
- Fee raised on system.

12. Payment to the service provider, for actions performed, will be authorised if details of the following can be supplied:

- Full payment of account, including fees and increased deposit are paid by client;
- Registration of client as indigent and arrear debt is taken to council for write off; or
- Where all necessary actions were taken, the debt was found to be irrecoverable and the debt is written off; or
- Summons issued, services restricted and case handed over to attorney for collection.

SECTION 2.3: PRICING SCHEDULE

The successful bidder must provide a detailed breakdown of its prices, costs and fees calculated on a volume basis as well as annual escalations.

VAT MUST BE INCLUDED IN THE TENDER PRICE.

The Municipality will make payment in respect of services provided only when instructions to perform a specific action are successfully completed. The definition of successful completion in practical situations as well as conditions for payment is attached hereto marked Annexure A.

Fees and costs may be renegotiated by the Municipality in cases where recovery steps have been instituted but not completed and the debt is written off.

A. System/administration setup and installation fees.

Setup and installation:	
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B. Debt administration

Bidders must provide a per action administration fee for the following tasks:

IMPORTANT:

- **The average actions per month as shown below will only be used as a norm to evaluate the tender. The actual number of transactions may however differ from these figures.**
- **The actions mentioned below are fully described in annexure A. The prices must be based on the descriptions of those actions.**

ACTION	AVERAGE P.M.	AMOUNT PER ACTION VAT INCL
Final demand/Letter of notification/section 129 demand	50	
Cut-off and letter of notification, Electricity	25	
Disconnection	90	
Re-connection, Electricity	50	
7 Day notices Electricity	100	
Promise to pay arrangement	100	
Full asset survey (Meter inspection)	100	
Indigent application support	550	
Summons	30	
Hard Tracing	50	
Judgement and letter of execution	30	
Hand over to attorney	50	
OTHER ACTIONS, NOT MENTIONED ABOVE - PLEASE GIVE FULL DETAILS		

- Bidder's must provide a fee, **per report**, for:

Online tracing	
Online credit reports	

- Bidders must provide a **monthly administrative fee** for the following:

Data capture and updating of the database	
Compilation of and filing of documents	
Attendance of the weekly and monthly management meetings	
Project management	
Other services provided, e.g. management reports etc	

The following minimum volumes must be obtained on a monthly basis:

- All debt collection activities and procedures defined in the Service Level Agreement may not be more than two days in arrears; and
- Four (4) success management reports per month.

C. Indigent management/

a) Bidders must provide a **per action** administration fee for the following tasks:

ACTION	AVERAGE P.M	AMOUNT PER ACTION VAT INCL.
House audits for first applicants	2775	
Annual re visitation and auditing of beneficiaries	33000	
Ad hoc investigations as and when requested by the Municipality	450	
Ad Hoc after-hours visits in wards with assistance with indigent applications.		

Per hour

b) Bidders must provide a **monthly administrative** fee for the following:

Description	Per 1000 applications	Amount per 1000 applications
Data capture and updating of indigent database		
Compilation of and filing of indigent beneficiary's documents		
Participation on the selection committee		
Project management, e.g. meetings with municipal staff		
Other services provided, e.g. management reports		

The following minimum volumes will be obtained on a monthly basis:

- Re-evaluation of 10% of all indigent beneficiaries on the database;
- House audits of all new applicants received within a calendar month;
- Up to four meetings per month of the selection committee to evaluate beneficiaries; and
- One management report per month.

D. Disbursements:

The bidder must specify a monthly disbursement fee which includes telephone calls, faxes, paper, postage stamps and any other relevant costs.	
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PLEASE NOTE: The Municipality pays the following fees directly to the relevant service providers which must be excluded from the above tariffs: Revenue stamps and sheriff fees as well as legal actions instituted by The Municipality's attorneys.

Further Proposals for services offered by yourself (not mentioned in this document) - the Municipality is not binned to consider this table below.

Description	Amount additional

If a bidder suggests an alternative price structure, full details can be submitted on separate schedules for consideration. The right however, is still vested in the Municipality to give preference to the price structure as setup above.

THE ABOVE PRICES MUST BE FIXED FOR A PERIOD OF 1 (ONE) YEAR AFTER SIGNING THE SERVICE LEVEL AGREEMENT.

ANNUAL ESCALATION:

Year 2..... percentage

Year 3..... percentage

