

TERMS OF REFERENCE FOR EVALUATION OF BIDDERS FOR THE PANEL OF FINANCIAL MANAGEMENT SERVICES FOR THE DEPARTMENT OF ENERGY FOR A PERIOD OF THREE (3) YEARS

1. BACKGROUND

1.1 In terms of section 38 (1) of the Public Finance Management Act, Act 1 of 1999; the accounting officer for a Department, Trading Entity, or Constitutional Institution should ensure maintenance of an effective, efficient and transparent systems of financial and risk management and internal control; and

1.2 The Department's Audit and Risk Committee and the Executive Management has , in various instances raised concerns regarding the capacity challenges within the Financial Management Services Branch to effectively implement and deliver on financial management services needed by the Department.

1.3 In order for the Financial Management Services to adequately and promptly assist the Accounting Officer and management on matters of financial management, resources should be readily available to assist the Department with such services immediately when the need arises. The appointment of consulting firms will ensure availability of resource and will minimise any delays that are caused by sourcing of quotations and evaluating the proposals for each time that the service is required.

2. SCOPE OF WORK

Service providers will be required to provide the Department with Financial Management service for the following areas:

2.1. Financial Planning and Management Accounting

2.1.1. Provide budget analyst and financial management services.

2.2 Financial Administration and Accounting

2.2.1 Provide expenditure management services;

2.2.2 Provide revenue management services; and

2.2.3 Provide asset management services.

2.3 Supply Chain Management

2.3.1 Demand and acquisition services;

2.3.2 Logistic services;

2.3.3 Supplier Performance management services; and

2.3.4 Bid Committee administration services.

2.4 Internal Control

2.4.1 Compilation of Interim and Annual Financial Statements;

2.4.2 Co-ordination of the integrated internal control system;

2.4.3 Co-ordination of the implementation of the audit recommendations; and

2.4.4 Facilitate the assurance services.

NB: Bidders to provide minimum hourly rates for the levels of Assistant Director, Deputy Director and Director consistent with the DPSA salary levels.

3. PAYMENT

3.1 The Department will not make an upfront payment to the selected service provider.

3.2 Payment will only be made within 30 days in accordance to the delivery of services that will be agreed upon by both parties and upon receipt of an original invoice.

3.3 The Department will make payments on a time-and-cost basis as the milestones in Paragraph 4.1 are achieved.

4. REPORTING REQUIREMENT AND PROGRESS MEETINGS

4.1 It is envisaged that the Department of Energy will require an initial meeting with the successful bidder to agree on the project process.

4.2 Regular meetings for feedback on progress shall be held, as and when necessary, but at least once a week. The venue for these meetings will be the Department's offices in Pretoria. The service provider's Project Manager will be obliged to attend.

5. COMPLETION DATE

- 5.1 The consulting firms/service providers will serve on the panel for a period of three (3) years and will be utilized as and when required.
- 5.2 Where firms are contracted on specific services, they will be contracted for a period not exceeding twelve (12) months and the contract may be renewable based on performance.
- 5.3 The Department reserves the right to terminate the contract should the appointed service provider misrepresented itself and will not be in a position to fulfil the requirements as contained in the contract (which might result in the Department failing to deliver on its mandate).

6. COMPULSORY INFORMATION SESSION

- 6.1 A compulsory information session will be held on **28 November 2013** at the Department of Energy, 192 Corner Visagie and Paul Kruger, Pretoria, 0001.

7. TAX CLEARANCE CERTIFICATE

- 7.1 The bidder is required to submit an original and valid Tax Clearance Certificate issued by the South African Revenue Services, together with the bid documents before the closing date and time of the bid. **Failure to comply with this condition will invalidate the bid.**

8. CONFIDENTIALITY OF INFORMATION

- 8.1 The names of all the members of the team must be disclosed for the prior approval of the Department of Energy. Any changes, replacements and/or additions should be submitted for prior approval of Department of Energy.
- 8.2 A declaration of interest will be required if a bidder or a member of its staff is affiliated with an employee of the Department of Energy.

9. OBLIGATIONS OF SERVICE PROVIDERS

9.1 The service providers are expected to provide own laptop when requested to provide services in Senior Management Services (SMS) level.

9.2 Service providers providing Supply Chain Management related services must submit confidential and/or top secret clearance issued by State Security Agency (SSA). Failure to submit proof, the proposal will not be considered by the Department.

10. EVALUATION METHODOLOGY

10.1. Cost

10.1.1 The service provider will be required to provide a quote regarding the work to be undertaken for this project.

10.1.2 The service provider should provide hourly rates as prescribed by Department of Public Service and Administration (DPSA) as the work will be as and when required.

10.2 Broad-Based Black Economic Empowerment (B-BBEE)

10.2.1 Provisions of the Preferential Procurement Policy Framework Act (PPPFA) 2011 and its regulation will apply in terms of awarding points.

10.2.2 Bidders are required to submit original and valid B-BBEE status level verification to substantiate their B-BBEE rating claims.

10.2.3 Bidders who do not submit their B-BBEE status level verification certificates or are non-compliant contributors to B-BBEE will not qualify for preference points for B-BBEE.

10.2.4 In a case of Exempted Micro Enterprise (EMSs), AO/AA must ensure that the B-BBEE Status Level Verification Certificates submitted are issued by the following agencies:

- Verification agencies accredited by SANAS
- Registered auditors approved by IRBA

10.3. Bidders who qualify as EMEs

- (a) Accounting officers as contemplated in the CCA; or
- (b) Verification agencies accredited by SANAS; or
- (c) Registered auditors (Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates).

10.3.1 The table below depicts the B-BBEE status level of contribution:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

10.4 **COMPANY EXPERIENCE**

10.4.1 Service providers should have at least have three (3) years' experience in the financial management and accounting consultancy services.

10.4.2 Supported by proof from three (3) contactable referees indicating that similar project/s was/were executed.

10.5 **EXPERIENCE AND KNOWLEDGE OF TEAM MEMBERS AND TEAM LEADERS**

10.5.1 Team leader must have at least five (5) years in the financial management and financial accounting environment.

10.5.2 Team members must have three (3) years' experience in the financial management and financial accounting environment.

10.5.3 CV's of the team leaders with three (3) contactable references must be attached as proof.

10.6 PROJECT PLAN

10.6.1 A detailed project plan with intermediate and final outputs and identified Timeframes/ milestones.

10.6.2 Proposed Methodology.

10.6.3 Management of the project.

10.7 TEAM LEADERS QUALIFICATIONS

10.7.1 Team leaders and team members must have a recognisable qualification National Diploma or Degree in Public or in Accounting or equivalent qualifications.

10.7.2 Copies of certified certificates must be attached as proof. Failure to attach, bidders will forfeit functionality points.

10.8 TEAM MEMBERS QUALIFICATIONS

10.8.1 Specific requirements for individual assignments will be submitted to the appointed service provider and at least 3 CV's for team members will be requested in order to verify and ensure the appropriate skills match for the individual assignment.

10.9 REGISTRATION WITH PROFESSIONAL BODIES

10.9.1 Service providers must be registered with professional bodies South African Institute of Chartered Accountants (SAICA).

10.9.2 Original or certified copies must be attached to the proposal. Failure to attach, bidders will forfeit functionality points.

10.10 EVALUATION CRITERIA

10.10.1 Bids will be evaluated on 80/20 point system as outlined in the PPPFA of 2011.

The proposals will be evaluated in two phases:

Phase 1: Bidders will be evaluated based on functionality. The minimum threshold for functionality is **70 out of 100 points**. Bidders who fail to meet minimum threshold will be disqualified and will not be evaluated further for price and BBBEE points.

No.	Criteria	Weights
1	<p>Company Experience:</p> <ul style="list-style-type: none"> ❖ Service providers should have at least have three (3) years' experience in the financial management and accounting consultancy services ❖ Supported by proof from three (3) contactable referees Indicating that similar project/s was/were executed ❖ Service providers must be registered with professional bodies South African Institute of Chartered Accountants (SAICA). 	<p>20</p> <p>5</p> <p>5</p> <p>10</p>
2	<p>Team leader and team members experience:</p> <ul style="list-style-type: none"> ❖ Team leader must have at least five (5) years financial management and financial accounting environment. ❖ Team members must have three (3) years' experience in financial management and financial accounting environment. ❖ CV's with three (3) contactable references must be attached as proof. 	<p>30</p> <p>10</p> <p>10</p> <p>10</p>
3	<p>Team leaders and team members' qualifications:</p> <ul style="list-style-type: none"> ❖ Team leader and team members must have a recognisable qualification National Diploma or Degree in in Accounting or equivalent qualifications. ❖ Copies of certified certificates of team leaders must be attached as proof. Failure to attach, bidders will forfeit functionality points. ❖ Copies of certified certificates of team members will be requested prior to the commencement of a specific 	<p>20</p> <p>10</p> <p>10</p>

	assignment	
4	Project Plan:	30
	❖ A detailed project plan with intermediate and final outputs and identified timeframes/milestones.	10
	❖ Proposed Methodology.	10
	❖ Management of the project.	10
	Total	100

For purpose of evaluating functionality, the following values will be applicable:

0=	Very Poor	Do not meet the requirements
1=	Poor	Will not be able to fulfil the requirements
2=	Average	Will partially fulfil the requirements
3=	Good	Will be able to fulfil the requirements
4=	Very Good	Will be able to fulfil better in terms of the requirements adequately
5=	Excellent	Will fulfil the requirements exceptionally

Phase 2:

Price	80
B-BBEE compliance	20

11. FORMAT AND SUBMISSION OF THE PROPOSAL

11.1 All the official standard bidding documents (SBD) must be completed in all respects by bidders. **Failure to comply will invalidate a bid.**

12. CLOSING DATE

12.1 Proposals must be submitted on **12 December 2013 at 11H00** at the Department of Energy, 192 Corner Visagie and Paul Kruger Streets, Pretoria in the bid box marked Department of Energy. **No late bids will be accepted.**

13. ENQUIRIES

BID ENQUIRIES:

Ms Rachel Moerane/ Ms Daisy Maraba

Tel:012 406 7747/ 406 7748

E-mail: rachel.moerane @energy.gov.za / daisy.maraba@energy.gov.za

TECHNICAL ENQUIRIES:

Mr Justin Daniel

Tel: 012 406 7702

Email address: justin.daniel@energy.gov.za