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Tel: 033 897 4440 Fax: 033 341 0986  
Ref No. Bid 1255/2024-F

**MINUTES OF THE COMPULSORY BRIEFING SESSION FOR BID: 1255/2024-F APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO RENDER THE BANKING SERVICES FOR THE PROVINCIAL GOVERNMENT OF KWAZULU-NATAL FOR A PERIOD OF THIRTY-SIX MONTHS**

**DEPARTMENT OF TREASURY OFFICIALS PRESENT:**

Ms. A. Zondo	Supply Chain Management	Chairperson
Mr. F.J Pretorius	Assets and Liabilities	Bid Technical Evaluation Committee: Chairperson
Ms. T. Makhathini	Supply Chain Management	Presenter
Mr. N Manyoni	Supply Chain Management	Secretariat
Mr. N. Buthelezi	Supply Chain Management	Secretariat
Ms. N. Maphumulo	Supply Chain Management	Secretariat
Ms. T Weston	BTEC Representative	Bid Technical Evaluation Committee: Member
Ms. J.L Pretorius	BTEC Representative	Bid Technical Evaluation Committee: Member

**Date:** 13 November 2024  
**Time:** 10:00 am  
**Venue:** KZN Provincial Treasury, Nomalanga Building, Boardroom  
1, 214 Langalibalele Street, Pietermaritzburg.

**1. OPENING AND WELCOME**

Ms. A Zondo opened the meeting and welcomed all present to the meeting. All attendees were given the opportunity to introduce themselves.

**2. ATTENDANCE**

The attendees were requested to sign the attendance register and it was noted that four service providers attended the briefing session.

**3. PRESENTATION OUTLINE**

- Opening and welcome
- Attendance
- Standard Bidding Documents
- Terms of Reference
- Closure



NO.	ITEM
1.	<b>Standard Bidding Documents</b>
	<p>1.1 The Chairperson handed over to Ms T Makhathini to present the official bid document and the following was noted: The bid would be evaluated on the four following phases:</p> <ul style="list-style-type: none"><li>a) Phase 1 – Supply Chain Administrative Compliance;</li><li>b) Phase 2 - Mandatory Technical Requirement;</li><li>c) Phase 3 - Functionality Criteria; and</li><li>d) Phase 4 - 80/20 Preference Point System.</li></ul> <p>1.2 Bidders were reminded that the briefing session was compulsory, therefore the only proposals that would be consider on the close bid would be for the four firms that attend the session. Bidders were also requested to familiarise themselves with the definitions used in the bid document.</p> <p>1.3 <b>Phase 1:</b></p> <p>1.3.1 <b>SBD 1- Part A: Invitation to bid:</b> The closing date and time was explained and emphasized that the supplier information must be duly completed.</p> <p>1.3.2 <b>SBD 1 – Part B: Terms and Conditions for bidding:</b> Must be duly completed.</p> <p>1.3.3 <b>Section A – Special Instruction and notices to bidders regarding the completion of bidding forms:</b></p> <ul style="list-style-type: none"><li>a) Unless inconsistent with or expressly indicated otherwise by the context, the singular would include the plural and vice versa and with words importing the masculine gender shall include the feminine and the neuter</li><li>b) Under no circumstances whatsoever would the bid forms be <b>retyped or redrafted</b>. Photocopies of the original bid documentation would be used, but an original signature must appear on such photocopies.</li><li>c) The bidder was advised to check the number of pages and to satisfy himself that none are missing or duplicated.</li><li>d) Bids submitted must be complete in all respects.</li><li>e) Bids would be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.</li><li>f) Each bid would be addressed in accordance with the directives in the bid documents and would be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope would not contain documents relating to any bid other than that shown on the envelope. If this provision was not complied with, such bids could be rejected as being invalid.</li><li>g) All bids received in sealed envelopes with the relevant bid numbers on the envelopes would be kept unopened in safe custody until the closing time of the bids. Where, however, a bid was received opened, it would be sealed. If it was received without a bid number on the envelope, it would be opened, the bid number ascertained, the envelope sealed, and the bid number written on the envelope.</li><li>h) A specific box would be provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid would be considered.<ul style="list-style-type: none"><li>- It was emphasized that no document will be accepted from the courier companies, SCM official will not accept or communicate with any courier companies that would be submitting a bid.</li></ul></li><li>i) No bid sent through the post would be considered if it was received after the closing date and time stipulated in the bid documentation, and proof of posting would not be accepted as proof of delivery.</li><li>j) No bid submitted by telefax, telegraphic or other electronic means would be considered.</li></ul>



- k) Bidding documents must not be included in packages containing samples. Such bids could be rejected as being invalid.
- l) Any alteration made by the bidder must be initialled.
- m) Use of correcting fluid would be prohibited – bidders were advised that if a mistake is made, where mistakes are made; changes could be made however changes must be initialled.
- n) Bids would be opened in public as soon as practicable after the closing time of bid.
- o) Where practical, prices would be made public at the time of opening bids.
- p) Bidder must initial each and every page of the bid document.

1.3.4 **Section B - Registration on the Central Suppliers Database (CSD):** Bidders must be registered with CSD.

1.3.5 **Section C - Declaration that information on the central supplier database is and up to date and complete:** Service providers must be registered on CSD and ensure that the information outlined on CSD must be correct and updated as it appears on CIPC.

1.3.6 **Section D - Compulsory Briefing Session Certificate:** Ms Makhathini emphasized that bidders attending the briefing session must ensure certificates are signed and stamped by the representative of KZN Provincial Treasury and it would be compulsory that the certificate be submitted with their company's final bid document. Failure to fully complete, sign and return the form would result in the offer being rejected and considered as non-responsive.

1.3.7 **Section E- SBD 3.1, Pricing Schedule (Firm Prices):** Bidders are required to fully complete the form in all respect. It was further elaborated that bidders should complete the consolidated price on SBD 3.1 and the services pricing schedule from pages 14 to 17. Failing which would result in the offer being considered non-responsive and would be rejected. Ms Makhathini pressed on Annexure A – Additional Cost Schedule that the costs indicated should not form part of the Grand Total on SBD 3.1 and prices in the services pricing schedule.

1.3.8 **Section F – SBD 4, Bidders Disclosures:** It was emphasized that bidders must complete and declare truthfully. It was also emphasized that on paragraph 2.3, bidders must declare by indicated yes or no and furnish (if applicable) whether their directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract. It was added that where the 2.3.1 space to furnish the enterprises, bidders can submit an additional page of enterprise of interest. Furthermore, the bidders were alerted to indicate the name of the signatory in paragraph 3 and ensure that SBD 4 is signed. Failure to declare with honesty and failure to complete fully nullifies the offer submitted.

1.3.9 **Section G-The National Industrial Participation Programme:** The section was not applicable; bidders do not have to complete this form.

1.3.10 **Section H – SBD 6.1, Preference points claim form in terms of the preferential procurement regulations 2022:** the bid would be evaluated using the 80/20 preference point system, bidders would not be eliminated for not completing this form however points for specific goals will not be allocated. It was also emphasized that bidders must fully complete the form by indicating the number of points claimed (using equity ownership formula stipulated on page 27 of the bid document) and sign the form. Failure to submit the required evidence will be interpreted to mean that preference points for specific goals are not claimed.

1.3.11 **Section I - Authority to Sign a Bid:** emphasized that bidders must complete and sign this form in full according to the type of enterprise, authorising the signatory to sign all documents in connection with this bid and any contract resulting therefrom on behalf of the enterprise. It was further elaborated that the section must also be completed by the signatory



who has been appointed and sole owners/ director can appoint themselves. Failure to complete as required will nullify your offer.

**1.3.12 Section J - General Conditions of Contract:** Bidders were requested to read the conditions and familiarize themselves.

**1.3.13 Section K - Special Conditions of Contract:** Bidders must ensure that they read through all the special conditions and the chairperson added that, the listed special conditions of contract were made for this tender and the master agreements would be made based on the discussed conditions. She further advised bidders to engage and to discuss where they require clarity since no new conditions post-award will be accepted and the following were highlighted:

- a) Contract period- the contract period would be thirty –six months and contract would be effective from the 01 of October 2025.
- b) Address of the bidder: Bidders should advise KwaZulu-Natal Provincial Treasury their physical address details from the time of nodding to the expiry of the contract.
- c) False Declaration - information submitted would be verified and any false declaration or misrepresentation would lead to disqualification.
- d) Award of bids - the Department intends to award one (1) service provider.
- e) Price- Bidders were required to fully complete the form in all respect. It was further emphasized that it is mandatory for bidders to complete the SBD 3.1 and the services pricing schedule from page 12 to 18. Failing which would result in the offer being considered non-responsive and would be rejected. Ms Makhathini elaborated on Annexure A – Additional Cost Schedule stressing that the costs indicated should not form part of the Grand Total on SBD 3.1 and prices in services pricing schedule. Failure to do so will lead to disqualification.
- f) Cancellation -KwaZulu-Natal Provincial Treasury reserve the right to cancel the bid and such cancellation would be published in the same media as the invitation to the bid.
- g) Tax Clearance Certificate or Tax Compliance Status Pin: Bidders were encouraged to ensure that their tax matters are compliant with CSD.
- h) Central Suppliers Database (CSD) - service providers to ensure that information on CSD are always up to date.
- i) Completeness of the Bid Document – bidders to ensure that the bid document is correctly completed in all respect and accompanied by all the relevant documents/information.
- j) Submission of bids - the bid would be closing on the 29 November 2024 at 11:00 am and be deposited in the bid box situated at the reception area.
- k) Termination of services – It was emphasised that this would be dealt with in terms of the Master Agreement
- l) Unsatisfactory Performance - It was emphasised that this would be dealt with in terms of the Master Agreement.
- m) Validity Period and Extension Thereof – the validity period for the bid would be 180 days from closing date of the tender.
- n) Notification of Award of Bid – The award of the bid will be published on the same media as the invitation to bid.
- o) Bid Appeal Tribunal (BAT) – service providers were notified that if they not happy with the process conducted, they could lodge an appeal to the address indicated on the bid document.

**1.4** The presenter indicated that Mr F Pretorius would take the bidders through Phase 2 and Phase 3 which was the technical part of the bid. Phase 4, as discussed in Section H – SBD 6.1 - 80/20 Preference Point System, again it was discussed that the tender would be an 80/20 preference point system where 80 points would be allocated for price and 20 points would be allocated for specific goals. The targeted group indicated was Historical Disadvantage Person (HDP) - Black Owned



Enterprise in line with legislation that applicable for the tender and bidders were required to submit evidence to claim points for specific goals. In addition, the formula that would be applied was then shared with the bidders.

#### 1.5 Questions and Answers on Standard Bidding Documents:

- a) Can we submit the Master agreement with the bid?
- *No, the Master agreement must not be submitted with the bid since the bid committees might be interpreted as if the bidder was introducing new terms and conditions. The issue of fairness must be considered when Master agreements are made, special conditions would be incorporated.*
- b) Annexure A page would not be enough, can we add additional pages?
- *Yes, you can make copies of the Annexure A page as many as you may require.*
- c) Would the Additional costs charged be incorporated on the consolidated price?
- *No, additional cost outlined must not form part of grand total indicated on SBD 3.1 and prices in services pricing schedule. The purpose of the Annexure A form is to add all addition costs that the bidder offer that are not included on the service pricing schedule (page 14-17). The costs are not on the services pricing schedule since those services might be required occasionally and if the bidder have not included any cost for the service the Department, it will be deemed as a zero as per pricing instructions (page 13) and the over price instruction to be utilized as a guide when pricing for this bid.*
- d) How will services on Annexure A be paid for?
- *Invoicing will be used for additional costs as per General Conditions of Contract, under Payment and Invoicing. Awarded bidder would be expected to submit a detailed invoice which cover the services that were required by the Department and it shall wait for acknowledgement of the project leader prior debit / payment of invoice.*
- e) How long will it take to pay the invoice?
- *If detailed invoice (must include all services that were required for that month) has been confirmed, payment will be made after three working days. No separate invoices would be accepted and only one appointed bank representative shall communicate with the Department with regards to invoices.*
- f) Does the Department have Debit orders?
- *No, the Department has no existing debit orders*
- g) Under Queries from the Bidders, date for correspondence was note stipulated.
- *Apologies for an error made, the date is made 5 days before the bid closes. Therefore, the cutoff date for receiving queries is 22 November 2024 at 11:00 am and all queries must be in writing.*

## 2. Terms of Reference

2.1 The Chairperson gave Mr F. Pretorius an opportunity to present the terms of reference of the bid and the presentation covered the following:

2.1.1 Pre-requisites of Financial Institutions – the project leader indicated what would be expected on the topic and mentioned;

- a) Financial stability and positive financial position and performance
- b) Strong Shareholder Support (main shareholder)
- c) Sufficient branch network infrastructure throughout KwaZulu-Natal
- It was added that the branches required must be in fully functional, operational and be on a high standard.



d) Should meet the minimum requirements outlined in the bid document.

2.1.2 Minimum Requirements- the bidders were requested to demonstrate the requirements in their proposal and the following were mentioned;

a) Should be registered as a Financial Institution with a Banking license

b) Should be a member of a Clearing House

c) Provision should be made for the Financial Institution to programmatically upload payments over R 1 million as per National Treasury Instruction.

d) Should meet the Minimum Operational Requirements

e) Should provide an approved overdraft facility and guarantee for magnetic tape facilities

- Mr F Pretorius indicated that an approved overdraft facility would be required, and no letter of intent will be accepted.

2.1.3 Minimum Operational Requirements - the bidders were requested to demonstrate the requirements in their proposal and the following were mentioned;

a) Ability to process all electronic files for the payment of suppliers as and when required

b) Comprehensive on-line cash management system that will accommodate cash balance consolidation

c) On-line real time notification of significant cash movement out of the main PMG Accounts

d) Direct on-line stop payment facilities and the reversal thereof if necessary

e) Direct on-line, real time account enquiries

f) Supply bank statements in a prescribed format (including point of cash deposit) and supporting documents on a daily/ monthly basis (max of 3 days in arrears)

g) Printing, supply and safekeeping of deposit slips (algorithm verification)

h) Supply of Tally rolls for Merchant Devices

i) Payment reference numbers may not be changed

j) Favorable interest rates on credit balances

k) The 13 PMG accounts and the Exchequer account balances should work as a group balance to enable payments / transfers out any of the 14 accounts in the group, provided the overall group account balance should be positive. (A payment can be processed even though individual department account balance is a negative)

l) Cost effective Banking service - Comprehensive Service Fee Schedule. Any additional charges should be provided in a separate schedule and any not included here will be deemed to be zero

m) Development and supply of a compatible interface of all banking transactions with the financial system utilized by the Provincial Government. Provide all banking transactions electronically (Includes download / upload of files to National Treasury mainframe.)

n) Upfront validations of magnetic tape transactions not permitted (Run as is)

o) On-line, real time management browsing facilities

p) Merchant Services - Point of sale Devices and Routers / modem

q) Cash in Transit - Collection of deposits on a daily basis as and when required

- Supply of Cash Acceptance Devices as and when required





- Provide cash for cash services over the counter / CIT services

- r) Provide Foreign Payment Services
- s) Direct sweeping facilities from account to account
- t) Online Travel Card statement enquiry
- u) Training should be supplied to officials on the cash management system that would be utilized to effect electronic transfers

#### 2.1.4 General Financial Information

- a) The Exchequer Account and currently thirteen (13) Paymaster-General Accounts as well as the Tribal Levies and Trust Account must be operated from Pietermaritzburg.
- b) The expected annual income and expenditure for the Provincial Government of KwaZulu-Natal is in excess of R 160 billion and R 30 million for the Tribal Levies and Trust Account.
- c) All Petty Cash and Imprest Accounts are operating throughout the Province of KwaZulu-Natal. Approximately 270 petty cash facilities are currently active.
- d) Additional 13 cheque account are being maintained

#### 2.1.5 Online Transactions - Transactions via electronic connection to the financial institution will be transacted daily/weekly/monthly

- a) Transfers from the Exchequer Account to the Paymaster General Accounts amounting to approximately R 13 billion per month
- b) Transfer to creditors amount to approximately R 2.5 billion per month.

#### 2.1.6 Magnetic Tape Transactions – Mr F Pretorius indicated that this is divided into three parts; Main salary payment and months -end, Electronic funds transfer/creditors payments and supplementary salary payments.

- He further presented the three separately in detail.

#### 2.1.7 Main Salary Payments

- a) 5 Days Service. (Time period for ACB to process the tapes)
- b) Approximately 320 000 transactions per month split over 2 pay dates.
- c) Pay dates: 15th of the month and last working day of the month.
- d) Month-end pay over date: Last working day of month.
- e) Approximately 1500 deduction pay over transactions amounting to R 2.2 billion per month
- f) Monthly main salary expenditure: Presently approximately R 5, 8 billion per month.

#### 2.1.8 Supplementary Salary Payments

- a) 2 Days Service. (Time period for ACB to process the tapes)
- b) Approximately 40,000 transactions per month.
- c) Currently once a week: Monday evening.
- d) Monthly supplementary salary expenditure: Approximately R 250 million per month.

#### 2.1.9 Travel Card System

- a) Travel Lodge Card. (Plastic card)



- b) Virtual Travel Lodge Card.
- c) The card should make provision for payment of travel, accommodation and vehicle hire only and have a facility to block any other types of payments.
- d) Notification of transaction value over R 50 000 on Travel Card system to be reported to Provincial Treasury.

2.1.10 General Information - The monthly expected average value of cash deposited will be as follows:

- a) Exchequer Account: Nil
- b) Thirteen Paymaster General Bank Accounts: R 70 million
- c) Tribal Levies and Trust Account: R 500 000

2.1.11 Cash In Transit

- a) Collection of deposits on a daily basis as and when required.
- b) Supply of Cash Acceptance Devices as and when required.

2.1.12 Contractual Arrangements

- a) Service Level Agreement – must incorporate all areas of service agreement that require agreement and signature of parties (only 1 agreement for signature of all products). It was emphasized that no other agreement will be accepted.
- b) Set-off Agreement - Off-setting of Debit Balances and Credit Balances on all bank accounts before interest must be calculated.
- c) Facility letter; ACB facilities & Overdraft facilities.

2.1.13 Social Commitments

- a) Demonstrate social commitment over the contract period.
- b) Demonstrate current and future commitments to BEE transaction(s) in KZN.

2.1.14 The Chairperson requested Mr. F Pretorius to highlight Phase 2, Mandatory Technical Requirements and it was presented outlining the criteria with the evidence required and scores would be allocated as per evidence provided. It was emphasized that failure to comply with the Mandatory Technical Requirements would result in the offer considered non-responsive and would be rejected.

- a) Financial Institutions with a Banking License - A valid copy of Banking License issued by the South African Reserve Bank (SARB) should be submitted with the bid.
- b) Member of a Clearing House - A valid certificate issued by the Clearing House should be submitted with the bid.
- c) Provision must be made for the Financial Institution to programmatically upload payments over R 1 million as per national Treasury Instruction - A Letter of intention to develop this programme or evidence of demonstration of this programme should be submitted with the bid.
- d) Meeting Minimum Requirements and Minimum Operational Requirements as listed in paragraphs 6 and 7 - A company profile with an undertaking to meet all the operational requirement should be submitted with bid.
- e) Overdraft facility (Approved letter of facility must be attached) - A letter with an undertaking to provide overdraft facility. It was emphasized that a letter of intent would not be accept.





- f) Virtual Travel Lodge Card Facility - A letter of undertaking confirming that Virtual Travel Lodge Card Facility should be made available on the commencement of the contract should be submitted with the bid.

2.1.15 Phase 3, Functionality criteria was discussed, indicating the descriptions together with the points allocated. This include 2 presentations and presentation should be based on the information submitted with the bid since no new information would be accepted. It was elaborated that bidders should score the minimum of 103 to pass the functionality and failing which would result in the offer considered non-responsive and would be rejected.

## 2.2 Questions and Answers on Terms of Reference:

- a) Is the Department currently investing any funds? And when last it was used?  
- *No, it was last used about 4-6 years ago.*
- b) What is meant by sufficient branch network infrastructure throughout KwaZulu-Natal?  
- *The bidder must have enough branch networks including branches available, for example in a small town the bidder must have a physical branch for when the Department require services, they must be able to walk in a branch and get assistance.*
- c) Currently how many sites are being serviced by CIT?  
- *Currently the Department require 7.*
- d) Currently does the Department require foreign payment services.  
- *Currently the Department rarely received the foreign payment services, approximately 2 request a month are received. The service can be made online; however, discussions will be made with the awarded prior the service.*
- e) How much is the estimated amount a month for petty cash?  
- *Currently R5 000.00 is allocated to each Department for petty cash which is used for small items they require.*
- f) Please clarify on what is expected for social commitment and current & future commitment to BEE transactions in KZN?  
- *This is where the Department want to see the social commitments of the bidder within KZN Province and what those commitments entail outlined in the bidder's proposal. It is indicated in the bid document that B-BBEE Certificate must be submitted, and the bidder BEE scorecard will determine the national contribution the bidder has made, however the Department seek to proposals to outline the current and future. The current and future impact the bidder must empower KZN. The bidder must demonstrate how they are / will address socio-economic issues such as Poverty, Unemployment etc. The awarded bidder must invest back to KZN since the tender is for KZN.*
- g) How the social current and future commitments will be evaluated? And How will rand value and project commitments be distinguished?  
- *The Department want to see the social commitments of the bidder within KZN Province and what those commitments entail outlined in the bidder's proposal.*



	<p>h) Can the closing date be extended further?</p> <ul style="list-style-type: none"><li>- <i>No, all bidders were bidding before and were aware that the current contract will expire soon, therefore the closing date will not be extended.</i></li></ul> <p>i) During the presentation stage, may I request for at least 3 - 4 days to prepare for the presentation?</p> <ul style="list-style-type: none"><li>- <i>All qualified bidders will be given 5 days to prepare prior presentations.</i></li></ul> <p>j) Under General questionnaire, question 1; "Will there be a fully operational office in Pietermaritzburg to provide a service to Provincial Government? Including the Relationship Manager" please clarify.</p> <ul style="list-style-type: none"><li>- <i>A fully operational office in Pietermaritzburg is required since no back to back phone communication would be made in relation with any assistance or query the Department require. Pietermaritzburg is the Capital City of KwaZulu-Natal; Therefore, the bidders must empower and uplift Pietermaritzburg. The office must have a relation manager that must attend to all the queries required.</i></li></ul> <p>k) Under General questionnaire, question 5; "Can the referencing appearing on the Bank Statement be modified to accommodate certain requirements?" Please clarify</p> <ul style="list-style-type: none"><li>- <i>The bidder is required to be able to change the referencing to accommodate a certain requirement. Furthermore, the department cannot pay funds into an account that has been set up as a CDI account. The Bas System does not cater for a CDI reference number: Such as in the case with Municipalities; therefore, bidders must cater for requests that the Department would make.</i></li></ul> <p>l) Under General questionnaire, question 6; "Can charges be Zero rated on all the various banking systems that are being used by the bank.i.e. Merchants services, Proposed Petty Cash Systems, Travel Card Facility etc.?" Please clarify</p> <ul style="list-style-type: none"><li>- <i>If the bidder quotes a Zero rate on any charges, the system must be able to effect that Zero Rate. Must not charge and then reverse that charge.</i></li></ul> <p>2.3 General Clarification</p> <ul style="list-style-type: none"><li>- On Merchant Services, the amount/transaction per month may increase, since Department of Health currently facing challenges and on other services amount/ transaction per month will decrease due to cost cutting measures that are in place.</li></ul>
3.	<p><b>Meeting Closure:</b></p> <p>The Chairperson thanked all present for their robust participation throughout the meeting.</p>