**DIRECTORATE:**

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|   Private Bag 3613, Pietermaritzburg, 3200   145 Chief Albert Luthuli Road, Pietermaritzburg, 3200  **Tel**: 033 341 4200 **Fax:** 033 341 0986  |

**BRIEFING SESSION MEETING MINUTES**

**BID 1235/2021-F: APPOINTMENT OF A PANEL OF PROFESSIONAL SERVICE PROVIDERS TO ASSIST THE KZN PROVINCIAL TREASURY: FINANCIAL GOVERNANCE UNIT TO FULFIL ITS OBLIGATIONS IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA) BY PROVIDING SUPPORT ON AN “AS AND WHEN REQUIRED” BASIS FOR PERIOD OF THREE (03) YEARS**

**HELD VIRTUALLY ON FRIDAY, 19 OCTOBER 2021 AT 10:00 am**

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| **Present:**  |
| Ms. A. Singh |  |
| Ms. A. Singh |  |
| Mr. L. Khawula |  |
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| **In Attendance:** |  |
| Ms. T. Makhathini |  |
| Ms. N. Khuzwayo |  |
| Ms. T. Selepe |  |
| Ms. C. Ngcobo |  |
|  |  |
| Prospective bidders |  |

| **ITEM** |  |
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| **1** | **WELCOME:**The meeting was declared open at 10H00. The Facilitator, Ms. N. Khuzwayo welcomed all the bidders and thanked them for attending. Ms Khuzwayo explained that this briefing was for Bid 1235/2021-F: Appointment of a panel of profession service providers to assist the KZN Provincial Treasury: Financial Governance unit to fulfil its obligations in terms of the Public Finance Management Act (PFMA) by providing support on an “as and when required” basis for period of three (03) years. |
| **2** | **ITEM FOR DISCUSSION:**2.1 Completion of tender documents2.2 Terms of Reference2.3 Questions2.4 Closure |
| **2.1****2.2****2.3** | **Completion of tender documents** Ms. Khuzwayo presented how the tender document should be completed. She highlighted Sections that need to be completed in order for the bidder to be not disqualified, emphasizing that the bid was to be valid for 180 days. She thereafter went through the following sections:* Section A: Ms. Khuzwayo went through the document emphasizing on the closing date, 01 November 2021 and time, 11H00 of the bid; drawing the attention of bidders to that the Department will not under any circumstances accept faxed or emailed bids. Bids were to be delivered or deposited in the bid box available in the ground floor of the address provided in Section A and should bidders intend to post their bids, the onus is on them to ensure that their proposals arrived on time and at the correct place.

Adding on, Ms. Khuzwayo stated that late bids would not be accepted and will be returned unopened to the bidders return address. Bidders are requested to submit their proposals in sealed envelopes with the bid number indicated clearly on the envelope.* Section B: Ms. Khuzwayo emphasized that the bids were to be submitted on the official and approved forms, adding on; she stated that bids were not to be retyped or amended in any manner. She further emphasized on the use of correcting fluid being prohibited throughout the document and any alterations requiring they be initialled by the bidder.
* Section C: List of all returnable & compulsory documents. Ms Khuzwayo Highlighted the list of all returnable and compulsory documents, explained the importance of returning all the required documents.
* Section D: Registration on the Central Supplier Database (CSD) is imperative because the department does not conduct business with suppliers who are not registered on the database.
* Section E: Declaration of interest. A bidder must declare his/her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, all pages must be completed in full. Ms Khuzwayo brought to the attention of the bidders clause 2.11 of the declaration, she explained that most bidders submit information that is contrary to other systems that the Department checks when verifying this information. Failure to complete this information in full will nullify the bid submitted.
* Section F: Preference points claim (SBD 6.1): Ms. Khuzwayo emphasized that bidders must complete this document in full in order to be eligible to claim their preference points. Bidders must clearly indicate the B-BBEE level that they are claiming as well as the financial year annual revenue on which the B-BBEE level claimed is based on.
* Section G: Special conditions of contract: Ms. Khuzwayo indicated that bidders need to familiarize themselves with the conditions of the contract and that they are generic conditions that are issued with each and every bid, some of the conditions that are there might not be applicable to the bid that we are discussing. Service provider were advised to go through the conditions and advice the Department of any questions relating to this special conditions. It was highlighted that if bidder were going to submit as joint ventures, consortiums or trusts; bidders must submit a consolidated B-BBEE Certificate based on the joint ventures’, consortiums’ or trusts’ consolidated financial statements for which the B-BBEE Certificate was based on. Bidders must also attach the copy of Tax Compliance Status Pin together with the bid. Failure to submit the copy of a valid tax compliance pin at the time of submission may result in the invalidation of the bid.
* Section H: A completed Briefing Certificate will not be signed as the briefing session is not compulsory due to Covd-19 restrictions. The section was therefore not applicable
* Section I: Local Content is not applicable for this bid.
* Section J: Ms. Khuzwayo emphasized on the importance of properly completing the Authority to sign a bid. It was indicated that if a bidder is a company, a certified copy of the resolution by board of directors which is signed by the chairperson of the board authorizing the person who signs the bid to do so must be attached with this bid. It was further highlighted that the rest of the sub-sections of section H are to be completed accordingly in terms of the composition of entities. Sole proprietors were advised to submit a certified copy of the ID documents, accompanied with their municipal rates and Partnerships were advised to attach a copy of their partnership agreements with the bid document.

Further emphasis was made with connection to Joint Ventures and Consortiums. It was highlighted as being important for bidders who were going to submit as joint ventures or consortiums; to submit a consolidated B-BBEE Certificate based on the joint ventures’ or consortiums’ consolidated financial statements for which the B-BBEE Certificate was based on. Bidders must clearly indicate the B-BBEE level that they are claiming as well as the financial year which their revenuer total annual B-BBEE level is based on.* Section K: Ms. Khuzwayo emphasized on the importance of fully completing the information in terms of the law, service providers are required to complete the domicilium citandi et executandi failing to do will result to the disqualification of the bidder
* Ms. Khuzwayo requested that bidders thoroughly read and familiarise themselves with the bid document and complete it accordingly.

Ms. Khuzwayo handed over to Mr. L. Khawula to elaborate on the Terms of Reference issued with the bid.**Terms of Reference Presentation**Mr. Khawula proceeded to go through the terms of reference (TOR) and emphasized the following:Background: it is the intention of KwaZulu-Natal Provincial Treasury (KZNPT) to establish a panel of professional service providers to assist the Financial Governance Unit in fulfilling its financial management responsibilities to Provincial Departments and Public Entities in the various fields of financial management.The panel of service providers are expected to provide assistance with the scope of work to Provincial Departments, Public Entities, Municipalities and Municipalities under the following categories: * + AFS and Audit readiness support
	+ Moveable and Immovable Asset Management
	+ Financial Management Training
* Mr Khawula emphasized the following as being the responsibility of the service provider:
	+ Management of travel, accommodation and incidental costs of its resources;
	+ Provision of adequately capacitated resources;
	+ Provide assurance on the quality of services provided;
	+ Adherence to contractual agreements and
	+ Confirm validity of the qualification of resources submitted
* Company Experience: bidders were advised to indicate on their proposal categories that there are bidding for, as well as the name of the resource or specialist cv that there are submitting for that particular category.
* Bidders which did not meet the minimum qualification criteria would not progress to the following stage of the evaluation process.
* The minimum functionality threshold for placement as a participant in the panel is 65%

**Questions and Answers** * How many proposal copies should be submitted with the bid?
	+ *One copy is sufficient for the purposes of this bid.*
* After the date for the closing of bid, 01 November 2021 has been declared as a Public holiday by the President of the Republic; will the closing date then remain the same?
* *Yes, the date for closing of the bid will remain the same; staff will be present at the closing time to open the bid box and follow the processes for a tender closing as per normal practise.*
* Can we submit appointment letters as opposed to reference letters for projects that are currently ongoing and in instances where there are resources that have been deployed by Treasury, will they be able to assist with the letters in question?
	+ *The Terms of Reference state that Reference letters will be used for company experience, therefore; appointment letters will not be sufficient for the purposes of evaluating. Adding on, requests for reference letters can be submitted to the SCM Unit; mainly to, Nosiphiwe and Thandeka who will then escalate requests accordingly within the reporting structures. The bidder must have completed a project. Ongoing project will not be considered.*
* Can we submit individual reference letters for individuals employed within the company but not addressed to the company and can we include reference letters for projects that were concluded in 2016 but prior the commencement of the period beginning on 01 September 2016?
	+ *The objective of the Bid is to form a panel of capacitated service providers with a service record of providing the services we need assistance with as a Department; individual reference letters do not testify to the capabilities of the service provider being capacitated to provide the required services. Individual reference letters will therefore be insufficient for the evaluation of Company Experience.*

*The time frame was set after taking into consideration of the changes in Accounting Standards and Frameworks. The Department is seeking to work with service providers who are updated in the field and who are capacitated with the equipped personnel.** The stipulation of a period for reference letters for company experience negatively impacts on new entrants into the market who have the qualified personnel. How will KZNPT assist in the implementation of bullet number 2 – the promotion of achievement of equity in the government contracts, under Section 2: Introduction and Relevant Information, point 2.2 so that new entrants into the market do not fail under functionality?
	+ *The scoring is based in terms of number of projects and not the number of years a company has been in existence. Where personnel is concerned, bidders can submit a key personnel that is actively employed by a bidder with exposure into the industry and is capacitated with the necessary information as a specialist. The intention with setting up the evaluation criteria like this was that so it could assist win panel participation and to have bidders gain entrance into the panel.*
* Do Tertiary Institutions fall as part of the public sector?
	+ *Yes they do.*
* Is the rate inclusive of disbursements and do we have to indicate our rates in our proposals?
* *There is no need for inclusion of rates in proposals as panel rates are included in the SLA.*

Mr. Khawula handed over to Ms. Khuzwayo to elaborate on the evaluation process of the bid. Ms Khuzwayo explained that this bid has 3 elements of evaluation and they were explained accordingly to the service providers as follow:* Phase 1: The Pre-Qualification Criteria
* Phase 2: Mandatory Requirement
* Phase 3: Functionality Criteria

Phase 1: Compliance with Pre-qualification criteria:In terms of Regulations 3(b) and 4 of the Preferential Procurement Policy Framework Act (PPPFA) Regulations, 2017, the Department intends to apply a pre-qualification criterion for this bid. Only entities who qualify in terms of the criteria outlined below will be evaluated further Phases 2, which is Mandatory Requirements.Only bidders who meet the below pre-qualification criteria may respond to this bid:* B-BBEE status level 1 or
* EME or QSE

The bidder must substantiate that they meet the above pre-qualification criteria by submitting the compulsory relevant evidence to claim the B-BBEE status level. Failure to submit the information listed below shall nullify the bid submitted:* B-BBEE certificate indicating the B-BBEE status level of contributor. The B-BBEE certificate must be issued by a SANAS accredited verification agency. or
* A duly completed sworn affidavit signed by the deponent and commissioned by the authorised commissioner of oaths. The sworn affidavit must indicate the financial year on which the annual total revenue is based on and the level of black ownership that is claimed or
* A sworn affidavit on an accredited template issued by the DTI/CIPC for both EME and QSE.
* Bidders must ensure that the correct sworn affidavit for the Financial Sector are submitted
* A trust, consortium, or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level certificate.

**Bids, which do not comply with the pre-qualification requirement/s, shall not be considered for Phase 2.**Phase 2 * The Mandatory requirements were read to the service providers and they were requested to ensure that all mandatory requirement are submitted with the bid and all information is supplied.

Phase 3 Ms Khuzwayo went through the functionality criteria and highlighted that there are 3 categories in this bid which include :* AFS and Audit Readiness Support
* Movable and Immovable Assets Management
* Financial Management Training

For each category the service provider or bidders will be scored on two criteria’s which include company experience and key personnel. Service providers were referred to the scoring matrix as presented in the terms of reference. Bids that score less than 65% of the points allocated for functionality will be eliminated from further participation in the bid evaluation process. In order to ensure meaningful evaluation, bidders must submit detailed information in substantiation of the evaluation criteria mentioned. |
| **2.4** | **CLOSURE OF MEETING** The Facilitator then thanked all attendees and the meeting was declared closed at 11H30. |