



Tender Ref #:	COGTA (T) 25/2023	Tender Description:	<b>APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR PROVISION OF DATA MANAGEMENT (REVENUE) IN SELECTED MUNICIPALITIES FOR PERIOD OF 24 (TWENTY-FOUR) MONTHS.</b>
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#### PART A – BID DETAILS

1. The Department of Cooperative Governance (hereunder referred to as the Department or DCOG) invites qualifying service providers, for provision of Data Management (revenue) in selected municipalities for period of 24 (twenty-four) months.
2. **Closing Date:** The bid closing date and time are indicated in the tender advertisement and bid documents (SBD-1). **Bids received after the closing date and time will not be accepted.**
3. **Briefing Session:** The briefing session date and time (if applicable) are indicated in the tender advertisement and bid documents. The Department cannot physically accommodate the expected number of bidders and the briefing will therefore be conducted online. Interested bidders must contact the SCM officials indicated below for the MS Teams link.
4. **Contact information:** Prospective bidders **may not under any circumstances** make contact with or engage any DCOG officials other than the officials indicated below on any matter related to this tender. Enquiries must be directed to all the officials below. Enquiries sent to the DCOG officials below will be routed to the relevant employees and responses will be coordinated and provided by the officials indicated below.

ENQUIRIES	
Name:	Kgaugelo Tselana, Siviwe Ndalizo,
Tel:	012 334 0912
e-mail:	<a href="mailto:T25/2023@cogta.gov.za">T25/2023@cogta.gov.za</a>

**The Department reserves the right to disqualify any bidder that makes contact with or directly engages any other DCOG employee on matters / enquiries / questions related to this tender.**

5. **Project duration:** Successful bidders will be appointed for a period of 24 (twenty-four) months.
6. **Bid / Proposal format**

**Package 1:** The following must be submitted – :

- A detailed **proposal and project execution** plan addressing the scope and requirements indicated in Part F of this ToR. The proposal and project execution plan must contain all the information required to evaluate the bid against the requirements stipulated in these terms of reference.
- **Summary of Bidder Experience (Annexure A).** Must complete attached summary sheet and provide reference letters with contact details of referees,
- **Proposed project team (Annexure B).** Must complete attached summary sheet and provide detailed CVs that clearly indicate experience and qualifications as well as written confirmation of availability for this project.

**Package 2: Detailed Pricing Information (Cost Breakdown).** Price proposals must include 15% VAT and must be fully inclusive to deliver all goods, services and outputs indicated in the terms of reference.

**Package 3:**

- SBDs 1, 3.2, 4 and 6.1 and all other required SCM documents.
- National Treasury Central Suppliers Database (CSD) report, not older than 30 days (www.csd.gov.za).
- Valid B-BBEE certificate issued by a SANAS accredited verification agency or sworn affidavit.

**PART B –ADMINISTRATIVE REQUIREMENTS AND SPECIFIC GOALS**

**General principle:** In cases where bidders submitted insufficient evidence or where evidence is ambiguous, bidders may be requested to provide additional evidence and may be re-scored based on this information. Additional information submitted may only be used as evidence to substantiate what is already contained in the proposal. **The costing and content of proposals may not be amended under any circumstances.**

**1. BID DOCUMENTS – To be verified by SCM**

Only bids that comply with all mandatory administrative requirements and that submitted all required bid documents (**acceptable bids**) will be considered during the functional evaluation phase. Only acceptable bids will therefore be scored by the Bid Evaluation Committee against the functional criteria indicated in Part C

SCM ADMINISTRATIVE COMPLIANCE		
#	Criteria	Yes / No
1.1	Supplier is registered on the National Treasury Central Suppliers Database (CSD) on or before bid closing date.	
1.2	Supplier is Tax Compliant (as indicated on CSD) <sup>1</sup> or verified through SARS <sup>1</sup>	
1.3	Supplier has a valid B-BBEE certificate issued by a SANAS accredited verification agency or a sworn affidavit <sup>2</sup> .	
1.4	SBD 1 completed and submitted.	
1.5	SBD 4 completed and submitted.	
1.6	SBD 6.1 completed and submitted.	
1.7	SBD 3.2 completed and submitted	

*Note 1: Bidders that are not tax compliant on the closing date for bids or at any time subsequent to the closing date, must rectify their tax compliance status within 7 working days of being requested to do so. Bidders that remain tax non-compliant after 7 working days of being requested to rectify their tax status, will be disqualified.*

*Note 2: Failure to submit a valid B-BBEE certificate issued by a SANAS accredited verification agency or a sworn affidavit will not disqualify the bidder. Consortia or joint ventures must take note of the relevant sections of SBD 6.1 regarding requirements for B-BBEE certificates.*

*Note 3: Bidders must submit a detailed pricing breakdown.*

**2. VERIFICATION OF INFORMATION PROVIDED – To be verified by SCM**

**No bids will be considered from:**

1. Individuals in the service of the State.
2. Organisations with directors (whether remunerated or not) in the service of the State.

Where exceptions are allowed in terms of the applicable legislation, the bidder must attach an approved and valid Remunerative Work Outside of the Public Service (RWOPS). This clause does not apply to bidders that are government departments/entities.

The Department reserves the right to use the information provided by bidders to engage banks, credit rating agencies and the relevant government institutions to obtain information on credit records, criminal records, pending court cases, etc. Suppliers that show a history of poor financial/credit management and/or criminal behaviour will not be considered. The same will apply to the key team members as well as all directors / owners.

The Department reserves the right to apply the following criteria only to shortlisted / recommended bidders. Bidders must meet all four criteria below:

<b>SCM ADMINISTRATIVE COMPLIANCE CHECKLIST</b>		
#	Criteria	Yes / No
2.1	Team members, Director(s)/Owner(s) have not been convicted on charges related to fraud, corruption or violent/abusive behaviour.	
2.2	Bidder and team members, Director(s)/Owner(s) do not have a history of poor financial / credit management.	
2.3	No team members, Director(s)/Owner(s) in the service of the state, or approved RWOPS attached where in the service of the state. This clause does not apply to bidders that are government departments/entities.	
2.4	SBD forms or subsequent enquiries did not reveal any information or past practices that prohibits the supplier from conducting business with the state.	

### 3. MANDATORY REQUIREMENTS

Failure to submit the below listed documents will render your bid null and void and will not be considered or will be disqualified.

<b>Mandatory Requirement</b>		
#	Criteria	Yes / No
3.1	Summary of Bidder Experience (Annexure A) attached.	
3.2	Proposed project team (Annexure B) attached.	
3.3	Detailed proposal and project execution plan submitted	
3.4	Detailed pricing information (Cost Breakdown) <sup>3</sup> in terms of DPSA hourly fee rates for consultants	

*Note 3: Bidders must submit a detailed pricing breakdown, in accordance with DPSA Hourly Fee Rates For Consultants.*

### 4. SPECIFIC GOALS

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
BEE Compliance Based on Section 10 of the BBBEE Act (Act 53 of 2003 as amended by Act 46 of 2013)	8 Level 1= 8 pts Level 2 = 7 pts Level 3=6 pts Level 4= 5 pts Level 5= 4 pts Level 6= 3 pts Level 7= 2 pts Level 8= 1 pt Non-compliant contributor= 0	
Black ownership (51% or more)	4	
Women ownership (51% or more)	4	
Youth	3	
Disability	1	

**PART C – FUNCTIONAL EVALUATION – To be evaluated by the BEC**

**General principle:** In cases where bidders submitted insufficient evidence or where evidence is ambiguous, bidders may be requested to provide additional evidence and may be re-scored based on this information. Additional information submitted may only be used as evidence to substantiate what is already contained in the proposal. **The costing and content of proposals may not be amended under any circumstances.**

Each Bid Evaluation Committee (BEC) member will evaluate acceptable bids based on the proposals and bid documents submitted. The following scoring system will be applied to the evaluation of all functional criteria:

Scoring system
0 – Does not meet any of the minimum requirements
1 – Meet one of the minimum requirements
2 – Meet two of the minimum requirements
3 – Meet three requirements
4 – Exceeds three minimum requirements

The **Score obtained for each criterium** will be calculated by multiplying the score awarded by a BEC member by the weight for that criterium. The **overall score for a BEC member** will be expressed as a percentage (Total weighted score divided by the maximum possible score, then multiplied by 100). The **overall score obtained by a bidder** will be the average of overall scores awarded by BEC Members (rounded to the nearest whole number). Only Bidders that received **the indicated minimum overall scores** will proceed to Part D – Price Evaluation and Award.

Where functional evaluation is conducted in stages, bidders must meet the minimum overall score for a particular stage to proceed to the next stage and only bidders that met the minimum overall scores for all stages will proceed to Part D – Price Evaluation

The Bid Evaluation Committee may:

- Evaluate and score bids based on the bid documents and proposals submitted; or
- Provisionally evaluate and score bidders based on proposals submitted and then invite bidders that met all mandatory administrative requirements to present their bids.

**1. FUNCTIONAL EVALUATION STAGE 1**

**STAGE 1 CRITERIA**

1.1	<p><b><u>PROJECT DIRECTOR</u></b> The required Project Director should meet the following criteria:</p> <ul style="list-style-type: none"> <li>• The project director must have NQF 7 qualification in Financial Management/ Accounting/ Auditing/ Business Management/ Economics and/ related field.</li> <li>• Minimum of 5 years' experience in Local Government Financial Management or a component thereof</li> <li>• Minimum of 5 years' experience in Senior Managerial Position</li> </ul>	Weight	5
	<p><b>Evaluation</b></p> <p>More than five-year experience in both local government and senior managerial, and NQF level 8</p> <p>Meet three of the requirements listed above</p> <p>Meet two of the requirements listed above</p> <p>Meet one of the requirements listed above.</p> <p>Does not meet any of the requirement listed above</p>		
			4
			3
			2
			1
			0

1.2	<p><b><u>TEAM LEADER</u></b> The required Team Leader should meet the following criteria:</p> <ul style="list-style-type: none"> <li>• The team leader must have NQF 7 qualification in Financial Management/ Accounting/ Auditing/ Business Management/ Economics and/ related field.</li> <li>• Minimum of 4 years' experience in Local Government Financial Management or a component thereof</li> <li>• Minimum of 4 years' experience in Managerial Position and at least 2 years in Senior Managerial Position.</li> </ul>	Weight	5
	<p><b>Evaluation</b></p> <p>More than four-years' experience in local government, more four years in managerial position and more than 2 years in senior managerial position, and NQF level 8</p> <p>Meet three of the requirements listed above</p> <p>Meet two of the requirements listed above</p> <p>Meet one of the requirements listed above.</p> <p>Does not meet any of the requirement listed above</p>		

1.3	<p><b><u>PROJECT MANAGER</u></b> The required Project Manager should meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Minimum Qualification (NQF 7) in Financial Management/ Accounting/ Auditing/ Business Management/ Economics and/ related field.</li> <li>• Minimum of 3 years' experience in Local Government Financial Management or a component thereof</li> <li>• Minimum of 3 years' experience in Managerial Position.</li> </ul>	Weight	5
	<p><b>Evaluation</b></p> <p>Meet or exceeds all the requirements listed above</p> <p>Meet three of the requirements listed above</p> <p>Meet two of the requirements listed above</p> <p>Meet one of the requirements listed above.</p> <p>Does not meet any of the requirement listed above</p>		

1.4	<p><b><u>CONSULTANT (DATA ANALYST)</u></b> The required Data Analyst should meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Minimum Qualification (NQF 7) in Financial Management/ Accounting/ Information Technology/ Computer Science/ Statistics/ Economics and/or related field.</li> <li>• Minimum of 3 years' experience in Data Analysis.</li> <li>• Minimum of 2 years' experience in Supervisory / Advisory Position.</li> </ul>	Weight	5
	<p><b>Evaluation</b></p> <p>Meet or exceeds all the requirements listed above</p> <p>Meet three of the requirements listed above</p> <p>Meet two of the requirements listed above</p> <p>Meet one of the requirements listed above.</p> <p>Does not meet any of the requirement listed above</p>		

1.5	<p><b><u>CONSULTANT</u></b> The required Consultant should meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Minimum Qualification (NQF 7) in Financial Management/ Accounting/ Auditing/ Business Management/ Economics and/or related field.</li> <li>• Minimum of 3 years' experience in Local Government Financial Management or a component thereof</li> <li>• Minimum of 2 years' experience in Supervisory / Advisory Position.</li> </ul>	Weight	5
	<p><b>Evaluation</b></p> <p>Meet or exceeds all the requirements listed above</p> <p>Meet three of the requirements listed above</p> <p>Meet two of the requirements listed above</p> <p>Meet one of the requirements listed above.</p> <p>Does not meet any on the requirement listed above</p>		

## STAGE 1 SCORING SUMMARY

Criterion	Weight	Score	Weighted score	Maximum possible score
1.1	5			20
1.2	5			20
1.3	5			20
1.4	5			20
1.5	5			20
<b>TOTAL</b>	<b>25</b>			<b>100</b>
<b>Overall Score (Total Weighted Score / 100)</b>			<b>%</b>	<b>--</b>
<b>Minimum qualifying overall score</b>			<b>70%</b>	

## 2. FUNCTIONAL EVALUATION STAGE 2

### STAGE 2 CRITERIA

2.1	<b>Understanding of the ToR – Demonstrating an understanding of the scope of work and desired outcomes.</b>	<b>Weight</b>	<b>5</b>
<b>Evaluation</b>			<b>Score</b>
Demonstrating an understanding of the scope of work based on experience, with added value & innovation.			4
Demonstrating an understanding of the scope of work based on experience, with added value			3
Demonstrating an understanding of the scope of work based on experience.			2
Re-stating the scope of work as outlined in the TOR's			1
No understanding of the TOR			0

2.2	<b>Approach and methodology – Developing a detailed project plan on how the scope of work will be achieved.</b>	<b>Weight</b>	<b>5</b>
<b>Evaluation</b>			<b>Score</b>
Developing a detailed project plan based on the scope of work, including deliverables with added value & innovation.			4
Developing a detailed project plan based on the scope of work, including deliverables with added value.			3
Re-organising the scope of work into clear project plan including deliverables.			2
Re-stating the scope of work as outlined in the TOR's			1
No Approach and methodology provided			0

2.3	<b>Knowledge, skills and evident understanding of municipal business processes and revenue value chain – Expertise and proven track record in understanding of the municipal business processes, implementing financial management reforms including revenue management.</b>	<b>Weight</b>	<b>5</b>
<b>Evaluation</b>			<b>Score</b>
More than 7 years' experience in municipal business processes, implementing financial management reforms including revenue value chain.			4
More than 4 years and less than 7 years' experience in municipal business processes, implementing financial management reforms including revenue value chain.			3
More than 2 years and less than 4 years' experience in municipal business processes, implementing financial management reforms including revenue value chain.			2
Less than 2 years' experience in municipal business processes, implementing financial management reforms including revenue value chain.			1
No experience in municipal business processes, implementing financial management reforms including revenue value chain.			0

2.4	<b>Experience in municipal revenue data management and analysis – Demonstrate track record in municipal revenue data management and analysis projects.</b>	<b>Weight</b>	<b>5</b>
<b>Evaluation</b>			<b>Score</b>
7 or more similar projects in municipal revenue data management and analysis.			4
5 to 6 similar projects in municipal revenue data management and analysis.			3
3 to 4 similar projects in municipal revenue data management and analysis.			2
1 to 2 similar projects in municipal revenue data management and analysis.			1
No similar projects in municipal revenue data management and analysis			0

2.5	<b>Transfer of skills and capacity building – Detailed skills transfer, and capacity building plan and implementation must be attached.</b> <ul style="list-style-type: none"> <li>- The plan should demonstrate an approach on how the skills will be transferred to officials and building capacity.</li> <li>- The plan should be aligned with the scope of the project.</li> <li>- Plan to include the resources/ staffing, training methods, milestones and detailed tasks required to accomplish the skill transfer.</li> <li>- Development of training presentations and/or manuals for users, with evidence to confirm the transfer of skills.</li> </ul>	<b>Weight</b>	<b>5</b>
<b>Evaluation</b>			<b>Score</b>
Skills transfer and capacity building plan meet all the outlined 4 criterion.			4
Skills transfer and capacity building plan meet 3 of the outlined 4 criterion.			3
Skills transfer and capacity building plan meet 2 of the outlined 4 criterion.			2
Skills transfer and capacity building plan meet 1 of the outlined 4 criterion.			1
Does not meet any on the requirement listed above			0

**STAGE 2 SCORING SUMMARY**

Criterion	Weight	Score	Weighted score	Maximum possible score
2.1	5			20
2.2	5			20
2.3	5			20
2.4	5			20
2.5	5			20
<b>TOTAL</b>	<b>25</b>			<b>100</b>
<b>Overall Score (Total Weighted Score / 100)</b>			<b>%</b>	<b>--</b>
<b>Minimum qualifying score</b>			<b>70%</b>	

**PART D – PRICE EVALUATION AND AWARD– To be evaluated by the BEC**

Only bids that met all administrative requirements and the minimum functional requirements will be evaluated in terms of the provisions of the Preferential Procurement Framework Act and related regulations – see attached bid documents. The evaluation method (80/20) and preference points allocation applicable to this bid are indicated in the attached SBD 6.1.

1. Bidders must express prices for their services in South African currency (Rand). All prices must be inclusive of Value Added Tax and costs to be incurred that are necessary for the execution and completion of the contract in accordance with the bid document. Prices will remain firm for the duration of the contract.
2. The Department will allocate Municipalities to the successful bidders, who will form part of the panel of service providers. Due to the differentiated nature of the project, the billable professional fees must only be quoted in hourly rates per resource.
3. The actual number of hours and the number of staff per category will be determined and agreed to with the project team. These will then be contracted with the specific bidder for a specific municipality during phase two of the project after having taken into account the specific circumstances of the respective municipalities.
4. The rates per hour must be quoted and will be evaluated according to the following five categories aligned to DPSA hourly rate for consultants:



- Project Director – DPSA level 14 R .... (Rate per hour)
- Team Leader – DPSA level 13 R .... (Rate per hour)
- Project Manager – DPSA level 11/12 R .... (Rate per hour)
- Consultants – DPSA level 9/10 R .... (Rate per hour)

5. The billable fees / rates for this will be assessed in relation to the DPSA guide on hourly fee rate for consultants. It is expected of the bidders to quote their fees within these prescribed parameters. Price for all bids will be evaluated based on rate per hour per resource in terms of part 2 of Bid Evaluation Criteria (paragraph 11).
6. Disbursements- recoverable costs will be reimbursed at the rate determined by the contract rates, and the agreed process plan. Disbursement will be curbed at 10 percent per invoice (professional fees) aligned to deliverable(s). The allocated municipalities in excess of 800km return trip, the disbursement will be curbed at 15 percent.

## **PART E –SPECIAL CONDITIONS AND CONTRACT MANAGEMENT**

### **1. SPECIAL CONDITIONS APPLICABLE TO THIS BID**

- 1.1. The Department may, at its sole discretion, cancel this bid.
- 1.2. The period of thirty days (30 days) referred to in the General Conditions of Contract paragraph 27.2 applies. If the service provider is found to have engaged in fraudulent activities or caused the Department to incur irregular expenditure, the Department reserves the right to cancel the bid and any subsequent SLA with immediate effect. Repercussions for the conduct of the Service Provider referred to above may include blacklisting of the Service Provider thus preventing them from doing business with government for a period of 10 years.
- 1.3. The Department may, at its own discretion, require that each employee of appointed services providers as well as each contractor or other participant, sign a code of conduct to promote ethical behaviour. The Department may, at its sole discretion, prohibit any person found to be in breach of such code of conduct from further participation or involvement in the project.
- 1.4. Additional conditions for an applicant who would like to apply as a Consortium / Joint Venture. It is recognized that applicants may wish to form consortia or joint ventures to respond to this bid. The following guidelines apply:
  - Bidders are prohibited from being part of more than one consortium / joint venture and to submit an individual bid and a bid as part of a consortium / joint venture
  - One of the members shall be nominated by the others as authorised to be the lead applicant and this authorisation shall be included in the agreement entered between the consortium members.
  - The lead applicant in the Consortium or Joint Venture must satisfy all the administrative requirements contained in the ToR and submit all the relevant documents necessary to meet the minimum requirements of the applications.
  - Other members of a consortium or a joint venture must comply with the requirements in line with Service Provider Funding Policy prescripts for the respective Service Provider categories.
  - The consortium/joint venture submission must be signed-off by each institution/organisation to be legally binding on all consortium members.
  - The lead applicant shall be the only authorised party to make legal statements, communicate with the department, and receive instructions for and on behalf of all the members of the consortium.
  - The lead applicant shall be held responsible for the delivery of services and for meeting conditions outlined in this bid.
  - A copy of the agreement entered and signed by all members of the consortium or joint venture shall be submitted with the consortium proposal indicating the respective responsibilities of each party.
  - Indicate how the joint venture/ consortium will be managed in the event of a dispute arising during the implementation period of the programme (Provide a contingency plan of managing any possible conflicts).

### **2. CONTRACT MANAGEMENT**



- 2.1. The successful bidder will be required to enter into a service level agreement (SLA) with the Department of Cooperative governance. The National Treasury General Conditions of Contract (GCC) will form part of the SLA to be concluded between DCOG and the successful bidder.
- 2.2. The SLA will include project assignments that will address each of the project deliverables. The SLA may further establish a Project Steering Committee to manage, monitor and oversee the project such as:
  - Ensure that services are rendered timeously;
  - render a quality assurance function; and
  - ensure that the project remains within the allocated budget.
- 2.3. Payments will therefore only be approved and processed on the basis of the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks.
- 2.4. If the parties (the Department and the appointed service provider) are unable to reach agreement on the special conditions of contract (SLA) after a period of 14 calendar days of the date on which the bid award is communicated to the service provider, then the Department reserves the right to cancel the award to the service provider and to appoint another service provider.
- 2.5. Bidders should note that:
  - All information related to this bid, or information provided to the service provider subsequent to the award of this bid, must be treated as confidential and may not be disclosed in any way to third parties without the explicit written consent of DCOG.
  - All rights, title and ownership of any Intellectual Property developed by or for the Service Provider or DCOG independently and outside of execution/production of the Deliverables related to this bid and provided during the course of this project ("Background IP") shall remain the sole property of the party providing the Background IP.
  - To the extent that the Service Provider utilises any of its Background IP in connection with the Deliverables, such Background IP shall remain the property of the Service Provider and DCOG shall acquire no right or interest therein. Service Provider shall grant DCOG a non-exclusive, royalty-free, non-transferable licence to use such Background IP strictly for purposes of making beneficial use of the Deliverables into which such Background IP has been incorporated.
  - All Intellectual Property rights in Bespoke Deliverables are or will be vested in and owned by DCOG unless specifically agreed otherwise in writing. The Service Provider agrees that it shall not, under any circumstances, question or dispute the rights and ownership of DCOG in and to the Bespoke Deliverables. DCOG shall grant the Service Provider a non-exclusive, royalty free, non-transferable licence to use the Bespoke Deliverables for the purpose of performing its obligations under this project.
  - The Service Provider may not publish or sell, in whole or in part, any Bespoke Deliverables emanating from this project without the explicit written consent of DCOG.
  - The Copyright of any Bespoke Deliverables shall vest in DCOG.
- 2.6. No amendments to the SLA or any variation, waiver, relaxation or suspension of any of the provisions thereof shall have any force or effect, unless reduced to writing and signed by both parties.

## **PART F – DETAILED REQUIREMENTS**

### **1. Purpose of assignment**

- 1.1.** The purpose of the Terms of Reference is for the Department of Cooperative Governance (DCoG) to procure the services of a knowledgeable, skilled, and experienced panel of service providers for the provision of data management (revenue) and related services in selected municipalities for a period of 24 months.
- 1.2.** The focus of the data management project is to support the selected municipalities to improve accuracy and completeness of billing, and address revenue leakages. The municipalities largely depend on consumer data for billing; however, quality data and the accuracy thereof can provide substantial revenue growth including bringing efficiency in revenue management and improve internal controls.

### **2. Introduction and background**

- 2.1.** Municipalities are required to raise rates for certain categories of properties and provide services such as water, electricity, refuse removal and other trading services at a tariff approved by the municipal council in the adopted budget and tariff policy. In the execution of these functions, data for billing become the central part of the revenue management. The data integrity can provide substantial revenue growth and bring efficiency in revenue management.
- 2.2.** Inaccurate data and deficiencies within the revenue value chain have a negative impact on the overall revenue collection, financial health, and audit outcomes of the municipality. Accurate, consistent, and complete data for billing are some of the areas that requires attention in municipalities.
- 2.3.** Maximization of the revenue potential and financial viability of municipalities includes adequate planning, effective systems, and implementation of strategies to enable municipalities to meet their financial obligations and provision of sustainable service delivery.
- 2.4.** The appointed service providers will be expected to assist the selected municipalities to improve their data management within the revenue value chain as per the scope of work below.

#### **Legislation governing local government.**

- 2.5.** Section 154 of the Constitution of the Republic of South Africa (1996) places an obligation on both national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs to perform their functions.
- 2.6.** Section 95(e) of the Municipal Systems Act requires municipalities to ensure that people liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due. Furthermore, section 96(a) of the Municipal Systems Act states that a municipality must collect all money that is due and payable to it, subject to this Act and any other applicable legislation.
- 2.7.** Section 74 of the Municipal Systems Act requires a municipal council to adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of the Act, the Municipal Finance Management Act and any other applicable legislation.
- 2.8.** Section 75A of the Municipal Systems Act requires that a municipality may (a) levy and recover fees, charges, or tariffs in respect of any function or service of the municipality; and (b) recover collection charges and interest on any outstanding amount.
- 2.9.** Section 64(1) of the Municipal Finance Management Act (No 56 of 2003) (MFMA) state that the accounting officer of a municipality is responsible for the management of the revenue of the municipality. Section 62(1)(a) of the MFMA further state that the accounting officer must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy.
- 2.10.** In accordance with the above prescripts, the Department intends to support and strengthen municipalities' capacity to have accurate, integrated and regularly purified data that will be used to improve the accuracy and completeness of billing, and customer information. This will enable municipalities to re-establish their business integrity through improved billing and revenue collection including resolution that will contribute towards building good customer relations.

### 3. Problem Statement

**3.1.** Escalating municipal debt is a major threat to the financial sustainability of the municipalities. Inaccurate and incomplete data is a significant contributing factor to deficiencies in billing, which also lead to poor performance in the implementation of credit control, debt collection as well as indigent management. The following are some of the data management deficiencies that municipalities are currently faced with:

- Discrepancies between valuation roll and billing systems.
- Debtors not being billed in accordance with land use and correct tariffs.
- Anomalies e.g., duplicate accounts, missing information, billing of indigents and deceased.
- Low data integrity (customer and billing data).
- Loss of revenue as a result of inaccurate and incomplete billing.
- Inaccurate and outdated data may distort the status of revenue management.
- The human errors, poorly designed recording systems.
- Discrepancies in processing of collected data and inadequate validation of data.
- Weaknesses in the implementation of revenue related policies.
- Lack of synergy between Interdepartmental units.
- Capacity constraints within the revenue management.
- Queries and dissatisfaction by consumers as a result of inaccurate billing/ incorrect customer information, which lead to delay in paying of municipal services.
- Audit findings relating to accuracy and completeness of revenue.

**3.2.** Data management is an important link in the redemptive process and processes of delivering services to residents. It is the function of ensuring that the information on which the municipal billing system is based is accurate and up to date. Accurate and diligent billing is not only basic to sound accounting practices but is also absolutely essential to the financial well-being, and therefore viability, of all municipalities, since it achieves two critical objectives: the maximization of revenue potential and the prevention of losses resulting from incorrect or inadequate information.

### 4. Scope of the assignment

**4.1.** Scope of the assignment is to conduct data management related services in the selected municipalities with the aim of improving revenue management, billing and prevention of losses resulting from incorrect or inadequate data. The service providers are expected to assess the state of data management for billing within each of the municipalities, guided by municipal revenue management related policies and local government legislation, identify key anomalies that require correction, develop implementation plans and assist the municipalities with the implementation of the remedial measures.

The key activities of the data management project will include, but not limited to the following areas:

- Align revenue value chain processes that impact on the credibility of customer information for accurate and complete billing
- Update key customer information with the assistance of municipality's staff
- Update customer information using municipal records and other source of information which includes but not limited to deed search, information from surveyor general and bureau checks
- Investigate and identify, customers' details which appear be incomplete, duplicate accounts, duplicate identity document number and Erf numbers and missing information,
- Investigate and identify incorrect billing i.e. billing of indigents and deceased accounts
- Verify all billing data in relation to ownership data (e.g. accuracy of ID numbers, Erf numbers, physical and postal addresses, etc.).
- Investigate all debtors by type and reclassify debtors that are incorrectly identified on the billing system
- Verify account status (active/inactive)
- Correctly categories each account according to the correct and responsible debtors
- Identification of duplicated customer profile/accounts
- Reconcile organ of state debts for all state facilities
- Perform valuation roll reconciliation against the billing system

- Perform valuation roll reconciliation to link the correct property to the rightful owner
- Investigate incorrect billing codes and ensure that tariff are levied according to correct land use and customer category which includes government, business, residents etc.
- Investigate and reconcile migrated data to eliminate inaccurate records.
- Capacity building - provide training to municipal staff and transfer skills during the implementation of the project on revenue management reforms.
- Determine the accuracy, consistency and completeness of data and debtors' age analysis.
- Review internal controls and make recommendation on key areas that may affect the integrity of data including revenue management related policies.
- Assist with the development of effective internal controls to perform the reconciliations of accounting records for all sources of revenue.

#### **4.2. Methodology**

The service is based on the as-is assessment report, which is expected to entail detailed project plans and methodologies clearly specifying output targets and milestones, required specifications, systems development and implementation and maintenance. The credibility of the entire process is paramount and quality assurance is key. The recommended actions must be based on a sound understanding of the legal framework and of organisational review/ design. All risks and implications must be highlighted.

#### **4.3. Selected municipalities**

The Department will allocate the identified municipalities to the appointed panel of service provider across provinces on a need basis/ as and when required. The appointed service provider will be required to perform a scope of work as detailed above.

#### **4.4. Timeframe**

- The contract with the successful service providers will be for the period of 24 months.
- The project will commence in 2023/24 financial year, upon the date of signing of the Service Level Agreement (SLA) between the DCoG and the service providers.

### **5. Deliverables and time frames**

The project deliverables are as follows:

#### **Phase 1: As-Is Assessment**

- 5.1. Development of an As-Is Assessment report**- The service provider will be required to assess the current situation or status regarding the data integrity of the municipality, assess the current process performance levels in terms of service provision, billing, data management, reporting and revenue management processes.

#### **Phase 2: Implementation of Data Management Project**

- 5.2. Development of Municipal Specific Project Plans** - The service provider will develop municipal specific project plans outlining the desired outcomes and timelines for the project based on the as-is assessment report (diagnostic report) for each municipality, considering the differences in municipalities.
- 5.3. Implementation of remedial measures** - The service provider will be required to assist the municipalities to implement data management remedial measures, which intends to address deficiencies identified in the as is assessment reports. The implementation should be read in conjunction with scope of work on paragraph 4.1.
- 5.4. Building Capacity and Resources in User Business Units** – These include but not limited to:

The service provider will be required to work with the relevant officials within the municipality as well as provide short to medium term training on the procedures and methodologies to conduct data

management. The service provider should provide evidence that skills have been transferred and that training has taken place.

- 5.5. Close Out - on completion of the project, the service provider is required to provide a comprehensive close out report on the project as a deliverable and present this to the project steering committee. DCoG will then consolidate the municipal specific close out reports into a final report for the project.

## 6. Skills, Knowledge, and experience requirements:

Service providers must have:

- 6.1. Extensive knowledge, skill and evident understanding of the municipal business process and revenue management,
- 6.2. Understanding and knowledge of legislation and regulations governing local government,
- 6.3. In-depth acknowledge of financial management, able to demonstrate knowledge and understanding of relevant structures processes and protocols applicable to revenue management, data management and billing processes.
- 6.4. Expertise and experience in implementing similar projects within local government. Bidders should demonstrate their experience and achievements in implementing revenue management operations, reforms, and performance improvement initiatives. However, emphasis should be placed on the focus areas outlined in the terms of reference.
- 6.5. Bidders must provide supporting documents for all team members (CV and certified copies of educational qualifications).
- 6.6. Bidders must indicate number years of experience in related field as per stage 1 evaluation criteria and TOR
- 6.7. Analytical, diagnostic, transformation, report writing, presentation, and project management and facilitation skills.

## 7. Form of proposal

Bidders must include a detailed work-plan/methodology and disclosed rate per hour per resource allocation. Failure to submit the detailed work-plan with implementation plan according to the deliverables (as per the proposal) together with the bid will result in the bidder's bid being viewed as invalid and therefore rejected.

The following information must be included in the work plan:

- (a) Project implementation Plan that indicates the following:
  - Clearly defined milestones that are 100% aligned to each of the key objectives as well as each of the expected outputs/ deliverables as outlined in the scope of work.
  - Well defined timelines for each of the activities and deliverables.
  - Allocation of Human Resources & Cost-breakdown of each of the activities and deliverables.
- (b) Proposed Governance Arrangements to support project implementation which may include but not limited to:
  - The establishment of a project steering committee.
  - The establishment of a project management team inclusive of the service provider and the DCoG team.
  - Provision of secretariat support for the governance structures that will be established.
- (c) Skills Transfer Plan developed in line with the Terms of Reference.
- (d) Previous and current similar contracts awarded to the bidder as well as client references.

Failure to include the above information together with the bid document on the closing date and time will invalidate the bid.