



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

**TC/LP 19/2021**

**TERMS OF REFERENCE (TOR)  
PROVISION OF COMMERCIAL BANKING SERVICES  
TO LIMPOPO PROVINCIAL GOVERNMENT**

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## LIST OF ABBREVIATIONS

ACB	Automated Clearing Bureau
ATM	Automated Teller Machine
B-BBEE	Broad Based Black Economic Empowerment
CSD	Central Supplier Database
CSI	Corporate Social Investment
CPD	Corporation for Public Deposit
EBT	Electronic Bank Transfer
PMG	Pay Master General
SBD	Standard Bidding Document
LPG	Limpopo Provincial Government
SMME	Small Medium & Macro Enterprise
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
PRF	Provincial Revenue Fund
VET	Vetting Electronic Transactions

## 1. DEFINITIONS AND TERMS

**“Bidder(s)”** means person(s), partnership, company or firm who herewith submits a bona fide tender for the provision of Commercial Banking Services involving amongst others Accounts for the Provincial Revenue Fund and the Paymaster-General.

**“Client Departments”** means a Limpopo department as defined in the schedule 1 and schedule 2 of the Public Service Act and participating Public Entities.

**“Commercial Bank”** means a bank registered in the Republic of South Africa (RSA), providing commercial banking services, that is connected to the Automated Clearing Bureau (ACB) and with an extensive branch network.

**“Contract”** means an agreement entered into between the commercial bank and the Limpopo Provincial Government where the commercial bank has agreed to render commercial banking services as specified in the agreement including all appendices.

**“Employee”** means any person in the employ of the Client Department.

**“Exchequer Account”** means the main account of the Limpopo Provincial Government where deposit, withdrawal and investments of appropriated funds are managed according to Section 22 and 24 of the PFMA.

**“Financial Year”** means a twelve months period commencing from 1 April and ending 31 March.

**“Net Benefit”** means annual daily compounded interests on the favourable bank balances less the total annual banking costs offered by bidders.

**“Pay Master General (PMG) account”** means the main bank account of each Client Department.

**“Penalty”** means any amount that may be charged or set-off for non-compliance or failure to perform any obligation in breach of this contract save for cancelation of the contract.

**“Principal”** means the Limpopo Provincial Treasury acting on behalf of all the Client Departments.

**“Set-off arrangement”** means an arrangement where balances of all bank accounts (with the exception of the Non-PRF category accounts) within the LPG profile are aggregated on daily basis to determine the net group balance wherein interest is calculated.

## **2. INTRODUCTION AND BACKGROUND**

- 2.1. Provincial Government requires commercial banking services to enable the flow of its budget and spending in delivering public services. The province receives its annual budget on weekly basis from the National Revenue Fund in the form of equitable share and conditional grants while on the other hand receiving donations and generating revenue through its various Client Departments in the course of delivering services. Its spending includes the payment of salaries for employees and payment for services rendered by service providers on monthly basis.
- 2.2. The current commercial banking services agreement is set to expire on 30 June 2021. The Principal therefore, has to arrange the contract for commercial banking services on behalf of the Limpopo Provincial Government.
- 2.3. It is against the above background that the Principal invites potential bidders to bid for the provision of commercial banking services to Limpopo Provincial Government.

## **3. DURATION OF THE CONTRACT**

The successful bidder will be appointed for a period of forty-five (45) months commencing from 01 July 2021 to 31 March 2025 with an option of extension for a period of not exceeding twelve (12) months.

## **4. LEGISLATIVE FRAMEWORK**

- 4.1. Section 226(1) of the Constitution of the Republic of South Africa, 1996 requires each province to have a Provincial Revenue Fund into which all money received by the Provincial Government must be paid, except money reasonably excluded by an Act of Parliament.

- 4.2. In terms of Section 7 and section 21(2) and (3) of the Public Finance Management Act, 1999 as amended (PFMA), read with Treasury Regulations, 15.2.2 of 2005 requires money that must be paid into the Provincial Revenue Fund to be deposited into a bank account as prescribed and that the Provincial Revenue Fund to have a bank account configured that consists of at least an Exchequer Bank Account and PayMaster General Account opened with a Commercial Bank. The Principal is required to open the bank account with a bank registered in South Africa and approved in writing by National Treasury after any prescribed tendering procedure have been complied.
- 4.3. In terms of the Treasury Regulation 15.2.4, the Principal may approve one sub-account within the PMG Account of the relevant revenue fund if accounting for a Client Department necessitates a separate bank account. Furthermore, the Principal must establish appropriate and effective cash management and banking arrangements for its Provincial Revenue Fund in accordance with the framework that is prescribed by National Treasury.

## 5. TIMELINE OF THE BID PROCESS

The validity period of the bid and the withdrawal of offers after the closing date and time is 120 days.

## 6. CONTACT AND COMMUNICATION

- 6.1. A nominated official of the bidder(s) can make enquiries in writing, to the Principal's specified person(s) who is Zitha H.E and Bafedile G.L.M via email [zithahe@treasury.limpopo.gov.za](mailto:zithahe@treasury.limpopo.gov.za) and [bafedileglm@treasury.limpopo.gov.za](mailto:bafedileglm@treasury.limpopo.gov.za).



- 6.2. Any communication by the bidder(s) to an official or a person acting in an advisory capacity for the Principal in respect of the bid between the closing date and the award of the bid is discouraged.
- 6.3. The Principal and its employees and advisors will not be liable with respect to any information communicated which may not be accurate, current or complete.
- 6.4. If Bidder(s) finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Principal (other than minor clerical matters), the Bidder(s) must promptly (within twenty-four (24) hours) notify the Principal in writing of such discrepancy, ambiguity, error or inconsistency to allow the Principal to consider what corrective action is necessary (if any) but it must be before the closing date. Any actual discrepancy, ambiguity, error or inconsistency in the bid Terms of Reference or any other information provided by the Principal will, if possible, be corrected and provided to all Bidder(s) without attribution to the Bidder(s) who provided the written notice.
- 6.5. All persons (including Bidder(s)) obtaining or receiving the bid and any other information in connection with the bid or the bidding process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for developing a proposal in response to this bid.

## 7. LATE BIDS

Bids received after the stipulated closing date and time, at the address indicated in the Standard Bidding Document (SBD1 form), will not be accepted for consideration and where practicable, will be returned unopened to the Bidder(s).

**8. COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the bid Conditions or setting of counter conditions by Bidders or qualifying any bid Conditions may result in the invalidation of such bids.

**9. SUPPLIER DUE DILIGENCE**

The Principal reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and requests for additional information.

**10. SUBMISSION OF BID OFFERS**

Bid documents may be placed in the bid box OR couriered to the addresses on or before the stipulated closing date and time as indicated in the SBD1 form.

**10.1.** Bid documents will only be considered if received by the Principal on or before the closing date and time, regardless of the method used to send or deliver such documents to the Principal.

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**10.2. Bidders are required to submit their bids in two clearly marked envelopes as follows: -**

<b>ENVELOPE 1</b>  (PRE-QUALIFICATION, ADMINISTRATIVE REQUIREMENTS AND TECHNICAL EVALUATION )	<b>ENVELOPE 2</b>  (PRICING AND INTEREST SCHEDULE)
<b>Exhibit 1:</b> <ul style="list-style-type: none"> <li>• Administrative and Mandatory requirement documents. <i>Refer to Section 12.1 - Gate 1.</i></li> <li>• Supporting documents for technical responses. <i>(Refer to Section 12.2 - Gate 2: Technical Evaluation Criteria and Annexure B)</i></li> </ul>	<b>Exhibit 1:</b>  Pricing Model <i>(Refer to Section 15 – Bid Pricing and Pricing and Interest Schedule Annexure “A” (Pricing and Interest Submission)).</i>
<b>Exhibit 2:</b>  General Conditions of Contract (GCC)	
<b>Exhibit 3:</b> <ul style="list-style-type: none"> <li>• Company Profile</li> </ul> Any other supplementary information	

**11. SCOPE OF THE SERVICE AND SERVICE REQUIREMENT**

Bidder(s) will be expected to provide the following: -

**11.1. Opening and Handling of provincial bank accounts**

**11.1.1.** The successful bidder must open the following bank accounts for the Principal and Client Departments consisting of the following banking profile: -

- (a) PRF category accounts
  - i. One Exchequer account;
  - ii. Two control accounts for interests and bank charges;
  - iii. Eleven (11) PMG Accounts; and



- iv. PMG sub-accounts (13 resorts, minimum of 7 and maximum of thirty-seven (37) hospitals and 2 agricultural colleges).
- (b) Non-PRF category accounts
  - i. One Provincial Legislature and its sub-accounts;
  - ii. Participating Public Entities accounts and their respective sub accounts;  
and
  - iii. One Traditional Council account.

**11.1.2.** The successful bidder must be able to accommodate any additional accounts that may be required by the Principal. Same terms and conditions of this bid shall apply to all participants and new accounts.

## **11.2. Configuration of provincial bank accounts**

The successful bidder must configure the provincial bank accounts as follows: -

### **11.2.1. PRF Category Accounts**

#### **11.2.1.1. Exchequer account**

- (a) The account must only receive and transfer funds from/to the Limpopo PMG accounts, National Treasury, National Departments and Corporation for Public Deposit (CPD) account in the South African Reserve Bank unless directed otherwise in writing by the Principal.
- (b) The account number must not be revealed to the public.
- (c) The bank account must electronically interface with government financial systems on daily basis.
- (d) Cash withdrawals, as well as debit and stop orders, are not allowed to go through this bank account.

11.2.1.2. Two control accounts for interests and bank charges

- (a) Interest account – the provincial bank accounts must operate in a set-off arrangement where interest is calculated and compounded daily on the Net Provincial Group Balance. Interest account must be credited with total compounded interest in the first week of each subsequent month and immediately sweep to the Treasury PMG Account.
- (b) Bank charges account – bank charges must reflect against each transaction daily in the Exchequer Account, each PMG Account, and relevant sub-accounts without physically debiting the account. Such charges must sweep monthly to the bank charges account on the date to be specified by Principal. Bank charges account must sweep monthly to the Treasury PMG account for the payment. The bank must be able to provide a reconciliation of bank charges per bank account on monthly basis.

11.2.1.3. PMG Accounts

- (a) There shall be one PMG account for each of the eleven (11) Client Departments and the bank accounts must: -
  - i. electronically interface with government financial systems on daily basis;
  - ii. not allow cash withdrawals as well as debit and stop orders to go through;
  - iii. not allow cash refunds;
  - iv. have deposit identification reference (for both manual and electronic deposits) to identify all the depositors for reconciliation purpose;
  - v. not allow bank charges to be physically debited against each PMG account; and
  - vi. not allow any cheque payments and/or cheque deposits.

- (b) The successful bidder must provide deposit slips for use by Client departments and members of the public for depositing money into all the PMG Accounts.
- (c) Images of deposits to be immediately transmitted automatically (either online or e-mailed) to designated Client Department officials without sending formal requests. The bidder to demonstrate different options of providing images if deposited at multiple banks.

11.2.1.4. PMG Sub-Accounts

- (a) The sub-accounts must: -
  - i. be linked to the respective nominated PMG accounts;
  - ii. have deposit identification reference to identify all the depositors for reconciliation purpose;
  - iii. not accept cheque deposits; and
  - iv. not allow cash withdrawals as well as debit and stop orders to go through.
- (b) Images of deposits to be immediately transmitted automatically (either online or e-mailed) to designated Client Department officials without sending formal queries. The bidder to demonstrate different options of providing images if deposited at multiple banks.
- (c) The Resort accounts are not allowed to make any payments except on written instruction for refund on reservation cancellations and transfer of total monthly collections into the PMG: Economic Development, Environment and Tourism.
- (d) Hospital accounts must sweep monthly to the Department of Health's PMG account.
- (e) Prevent any reversals on the account without the written approval of the Client Department.
- (f) Not allow any direct cash refund.



### **11.2.2. Non-PRF Category Accounts**

These accounts are independent of the PRF Category accounts and are not part of the set-off arrangement.

- (a) The accounts must: -
  - i. have deposit identification reference to identify all the depositors for reconciliation purpose; and
  - ii. have a transaction identification reference to identify payments
- (b) The sweeping arrangement does not apply to these accounts, and interest and bank charges are to be debited against these accounts.
- (c) Any further operational arrangements for these accounts to be agreed to by the Principal.

### **11.2.3. Additional bank accounts**

Should the need arise, the Principal will advise on the configuration of any additional bank account.

### **11.3. Technological Capabilities**

The bidder must give assurance on the reliability of network infrastructure to mitigate downtime, and demonstrate the responsiveness of their technological capabilities. Bidder(s) must confine themselves to, amongst others but not limited to the following: -

#### **11.3.1. Electronic banking system**

The successful bidder must provide an electronic banking system that is compatible with the Province's financial systems to enable the following:

- (a) The daily interface of transactions for reconciliation purposes.

- (b) Electronic Bank Transfer (EBT) for payment of goods and services, and compensation of employees
- (c) Referencing of all deposits including proposals on the mechanism to positively identify such deposits.
- (d) On-line, real-time transaction and notification (bank statement) of the movement of cash, in and out of the Provincial Revenue Fund and all Paymaster General Accounts.
- (e) Interbank transactions.
- (f) Direct on-line recalls, stop payment and reversal facilities.
- (g) Direct on-line, real-time account enquires.

### **11.3.2. On-Line Banking System**

The successful bidder must provide an online banking system that gives LPG access to its bank accounts for the following purpose: -

- (a) View and print transactions, daily balances and bank statements for a period of one hundred and eighty (180) days after transacting.
- (b) Processing of payments (inter-departmental exchequer transfers only).
- (c) Bank accounts verification.
- (d) Real-time automated submission of bank credit transfers.
- (e) Allow real-time processing of bank credit transfers within and across banks.
- (f) Be secured against unauthorized users and fraudulent transactions.
- (g) On-line consolidated cash management systems that will provide access to view real-time interest rates for the group balance.

### **11.3.3. Bank Statements**

The successful bidder must: -

- (a) Provide bank statements for all bank accounts on daily basis in a format prescribed by the Principal for reconciliation purposes.



- (b) Provide monthly detailed bank statements for bank charges account reflecting different categories of charges.
- (c) Provide daily set-off bank statement, listing all PRF Category accounts' balances, net group balances, as well as daily applicable interest rates.
- (d) Archive bank statements for the duration of the contract and have a retention period of at least six months after the expiry of the contract.
- (e) Clear referencing of transactions for reconciliation purposes.

#### **11.3.4. Unique pre-numbered deposit books**

The successful bidder must: -

- (a) Provide unique pre-numbered deposit books in triplicate to all Client Departments in a format to be prescribed by the Principal as and when required.
- (b) For the duration of the contract supply and deliver deposit books to the Principal within fourteen (14) calendar days from the day of receiving an official purchase order.

#### **11.3.5. Point of Sale Devices**

The successful bidder must: -

- (a) Provide point of sale devices as and when required by Client Departments and such devices must accept credit, debit and other cards and be linked to the respective Client Departments bank accounts.
- (b) Advise Client Departments on the risks associated with the use of the point of sale devices and the mitigations thereof.
- (c) Ensure that any existing point of sale devices are replaced or reconfigured to be functional and linked to the relevant Client Department bank accounts to avoid interruption of the services at the start of the contract.

- (d) Ensure that any new point of sale devices are made functional and linked to the relevant Client Department bank accounts within seven (7) calendar days upon receipt of the devices.
- (e) Ensure that transactions performed through the device reflect in the relevant bank account on the same day of processing.
- (f) Ensure that no reversal or refund is effected through the device.
- (g) Provide a report on the utilization of the point of sales device daily, monthly and any other period that may be required by the Principal and Client Departments.
- (h) Ensure that the monthly rental includes maintenance and provision of till rolls.
- (i) Ensure that all the charges concerning the point of sale devices should be billed against the bank charges account.

#### **11.3.6. Bank note counter and fake bank note detector**

The successful bidder must provide the note counter and fake detector devices as and when they are required by Client Departments. The Principal will make a determination whether to buy outright or rent the devices: -

- (a) On outright purchase option the bidder must provide a twelve (12) months warranty.
- (b) On the rental option the bidder must ensure that the monthly rental includes maintenance and upgrade of the device.
  - (i) the devices shall remain the property of the bank for the duration of the contract; and
  - (ii) all charges relating to the devices shall be billed against the bank charges account.



### **11.3.7. Cash in Transit (CiT) Service**

The successful bidder must: -

- (a) Provide Cash in Transit services (inclusive of manual or automated services) as and when required by Client Departments.
- (b) Ensure that the monthly rental includes maintenance and upgrade of the device.
- (c) Ensure that they have end-to-end insurance for the service.
- (d) Ensure all charges relating to the Cash in Transit shall be billed against the bank charges account.
- (e) Ensure the automated devices shall remain the property of the bank for the duration of the contract.
- (f) Collect cash on a daily basis in line with the schedules agreed upon by the Client Departments.
- (g) Ensure that where the bidder does not have a local branch, it provides Cash in Transit services or alternative facilities to the Client Department.

### **11.3.8. Petty Cash Facility**

The successful bidder will be required to provide a petty cash facility for use by the Client Departments as and when required. The facility must be in a card form linked to respective PMG accounts with a limit prescribed by the Principal, and must have but not limited to the following capabilities: -

- a) Usability at ATM (for only statement viewing) and Point of Sale Device.
- b) Setting daily and monthly limits.
- c) Client Department identification.
- d) Petty cash statement.
- e) Reconciliation per card and Client Department.
- f) Secured administrative function.
- g) Usability within the borders of the Republic of South Africa.



- h) Recover charges from bank charges account.
- i) Neither internet nor cellphone banking transactions are allowed through the petty cash facility.
- j) Blocking cash withdrawals.

#### **11.3.9. Handling of banking queries**

The successful bidder must ensure that: -

- (a) All banking related queries are resolved within twenty-four (24) hours and feedback is promptly provided in accordance with the Service Level Agreement.
- (b) Query management system is provided to manage turnaround times.

#### **11.3.10. Training and supporting government officials**

The successful bidder must provide training and support to officials of Client Departments on its banking systems, facilities and any operational banking processes of the bidder.

#### **11.3.11. Accountholder verification**

The successful bidder must: -

- (a) Be able to conduct bulk verification of banking details of government employees and service providers as and when required to ensure the validity of bank accounts.
- (b) Transmit accountholder verification reports to the Principal and Client Departments electronically.
- (c) Verify the banking details of beneficiaries in the processing of bank credit transfer instructions to prevent fraud and loss of public funds.

### **11.3.12. Automated Clearing Bureau (ACB) Limits**

The successful bidder must: -

- (a) Provide ACB facility as required by the Principal.
- (b) Ensure that the ACB facility is loaded in a 7 days' cycle.
- (c) Notify the Principal and Client Departments on any ACB limit rejections as per service levels.
- (d) Be able to adjust the ACB limit upon notification by the Principal or Client Departments before the cut-off time for submission of payments files by the National Treasury.
- (e) Provide feedback immediately to the Principal and Client Departments on the adjustment of the ACB limits.
- (f) Ensure that both PERSAL and BAS tapes are submitted through the bank to BankServ.
- (g) Provide VET and unpaid reports to the Principal and Client Departments in line with the payment disbursement schedule.

### **11.3.13. Overdraft facility**

The successful bidder must: -

- (a) Provide a minimum overdraft facility of R500 million and quote relevant interest rates.
- (b) Quote against a proposed benchmark of R500 million for overdraft facility which may be required from time to time.
- (c) Provide details of bank overdraft facility to the Principal with all associated fees.
- (d) All charges related to overdraft fees will be billed against the bank charges account.

### **11.3.14. Service quality and management expertise**

#### **11.3.14.1. Service quality**

The bidder must demonstrate its capacity to provide quality service and management expertise in handling the accounts and giving support to the Principal and Client Departments. The bidder must confine itself to, amongst others but not limited to the following: -

- (a) Turnaround times.
- (b) Experience of the bank in public sector banking.

#### **11.3.14.2. Management expertise (Relationship Management Team)**

The bidder must have a dedicated relationship management team that have extensive public sector banking experience. The dedicated team must comprise amongst others but not limited to the following: -

- (a) Provincial Business Head.
- (b) Public Sector Manager.
- (c) Relationship Manager.
- (d) Minimum of two Account Analysts.
- (e) Employee Financial Wellness Manager.
- (f) Business on-Line & Cash Solutions.
- (g) Provincial Manager Marketing.
- (h) Specialist – Merchant Solutions.

### **11.4. Geographic Spread**

The bidder must be able to demonstrate its ability and competence to provide commercial banking services through adequate financial systems infrastructure and branch networks to address the needs of the province. To this effect, the bidder must provide the following: -

- (a) Number of branches per district.
- (b) Number of ATMs per district.

- (c) A dedicated public sector teller to give preference to the Revenue Officers in banking state funds.

### **11.5. Future Development**

- 11.5.1. The successful bidder must be able to accommodate any systems, processes and procedures that may be introduced during the term of the contract by the Principal.
- 11.5.2. Should a bidder see a need to develop or change systems, processes and procedures that will affect LPG banking arrangement, such should be done with the prior consent of the Principal.

### **11.6. Value Add Services**

- 11.6.1. The successful bidder must be able to provide the following Value Add Services as and when required by the Principal: -
  - (a) Travel Lodge Card Services.
  - (b) Vehicle Insurance.
- 11.6.2. The Principal will enter into negotiations with the successful bidder for the required services. In the event whereby the successful bidder and the Principal are not in agreement with the terms and conditions including the price for the Value Add Service, the Principal reserves the right to source these services outside this contract.

### **11.7. Social Responsibility**

#### **11.7.1. Corporate Social Investment (CSI)**

The bidder must commit towards poverty alleviation, reducing unemployment and closing inequality gaps in Limpopo Province. To this end, bidders must

indicate their financial commitments towards, amongst others but not limited to the following programmes for the duration of the contract: -

Programme	Commitments per year		
	Year 1	Year 2	Year 3
Bursaries			
Health and Social			
Housing			
Enterprise Development Programme			
Youth development			
Infrastructure			
Donations/sponsorships			
Agriculture/farming			

#### 11.7.2. Provision of Employee Financial Wellness Services

The successful bidder must provide details of its commitment to render financial wellness services to Limpopo Provincial Government employees annually, over the contract period by indicating the committed amount per annum. The programmes include but not limited to the following: -

- (a) Personal Budgeting.
- (b) Debt management / debt restructuring.
- (c) Everyday financial transactions.
- (d) Saving/investment.
- (e) Insurance.
- (f) Wills.



### 11.7.3. Provision of Skills Development and Capacity Building

11.7.3.1. In providing skills development and capacity building to Limpopo government officials, the successful bidder must confine itself to, amongst others but not limited to the list of programmes outlined below.

11.7.3.2. Bidders must indicate their annual committed amount to skills development and capacity building to Limpopo Provincial Government officials over the contract period.

Year	Programme	Committed Amount
Year 1	Expenditure Management	
	Corporate Governance	
	Strategic Planning & Risk Management	
	Budget management	
Year 2	Revenue & Debtors Management	
	Corporate Governance	
	Asset Management	
	Cash Management	
	Infrastructure Management (including Public-Private Partnerships)	
	Policy Development	
Year 3	Supply Chain Management	
	Corporate Governance	
	Financial Systems Management (Information Technology)	
	Financial Accounting (including Financial Statements & Reconciliations)	
	Auditing Processes (Development & Execution)	
	Monitoring and evaluation procedure	

#### 11.7.4. Procurement of goods and services within Limpopo Province

The bidder must provide details of its commitment to spend toward the stimulation of the local economy within Limpopo Province. The bidder must confine itself to, amongst others but not limited to the following: -

Goods and Services	Committed Amount		
	Year 1	Year 2	Year 3
Cleaning Services			
Security services			
Construction/renovations			
Preventative maintenance			
Catering services			
General supply e.g. supply of stationery and other consumables			

#### 12. EVALUATION AND SELECTION CRITERIA

The Principal has set minimum standards (Gates) that a bidder needs to meet to be evaluated and selected as a successful bidder. The minimum standards consist of the following: -

Administrative and Mandatory requirement (Gate 1)	Technical Evaluation Criteria (Gate 2)	Net Benefits Evaluation Criteria (Gate 3)
<p>Bidders must submit all documents as outlined in paragraph 12.1. (Table 1) below.</p> <p>Only bidders that comply with ALL these criteria will proceed to Gate 2.</p>	<p>This gate comprises of two parts, viz Desktop Technical Evaluation and Presentation. Bidders must score minimum of 80 points out of 100 in order to proceed for further evaluation in Gate 3 (Net Benefit Offered).</p>	<p>Bidder(s) will be evaluated on net benefit offered as calculated in Annexure "A".</p>

### 12.1. Gate 1: Administrative and Mandatory requirements

Without limiting the generality of the Principal's other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed in black ink by the duly authorised representative of the prospective bidder(s). **Correction fluid is not allowed and any cancellation on the bid document must be initialled by the authorized signatory.** During this phase, Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

**Table 1: Documents that must be submitted for Administrative and Mandatory requirements**

<b>Document that must be submitted</b>	<b>Non-submission may result in disqualification.</b>	
Original Bid Documents	YES	Duly completed and signed.
Invitation to Bid – SBD 1	YES	Complete and sign the supplied pro forma document with a fixed physical address for their business operations for in-loco inspection.
Proof of authority to sign the bid offer.	YES	Letter of authority or signing mandate.
Tax Status	YES	i. Tax compliant status reflected on the CSD report. ii. Tax verification will be done in line with SCM Instruction Note 7 of 2017/18 and/or the latest relevant prescript.
Pricing Schedule (Non-Firm prices) – SBD 3.2	YES	Complete
Declaration of Interest – SBD 4	YES	Complete and sign the supplied pro forma document.
Declaration of Bidder's Past Supply Chain Management Practices – SBD 8	YES	Complete and sign the supplied pro forma document.
Certificate of Independent Bid Determination – SBD 9	YES	Complete and sign the supplied pro forma document.
Proof of registration on Central Supplier Database (CSD).	YES	CSD Registration Number should be indicated on SBD 1 Form
Proof of registration with South African Registrar of Banks.	YES	Registration with South African Registrar of Banks

Document that must be submitted	Non-submission may result in disqualification.	
Approval letter from National Treasury as prescribed by section 7(2)(a) of the PFMA	YES	Letter from National Treasury as prescribed by section 7(2)(a) of the PFMA
Proof of registration with Financial Services Board	YES	Membership of Financial Services Board
Proof of registration with Automated Clearing Bureau (BankServ)	YES	Registration with Automated Clearing Bureau
Pricing and Interest Schedule	YES	Annexure "A" must be completed in full for all service categories and <b><u>be submitted in a separate envelope.</u></b> Where the bidder has omitted to put price calculations for certain price categories and/or interests calculations on favourable bank balances the offer will not be accepted and will be disqualified as it will not be comparable with others who have quoted for all service categories.

**12.2. Gate 2: Technical Evaluation Criteria = 100 points**

12.2.1. All Bidders are required to respond to the technical evaluation criteria. Only Bidders that have met the Administrative and Mandatory requirements in (Gate 1) will be evaluated in Gate 2 for functionality as per the attached annexure "B".

12.2.2. Gate 2 comprises of the following parts as outlined in the below.

### Technical Evaluation Criteria = 100 points

Parts	Functionality	Points Achievable
Part 1	<b>Desktop Technical Evaluation</b>  Details found in Annexure B will be used to evaluate Bidders on Part 1.	80
Part 2	<b>Presentation</b>  Details found in the presentations as per the criteria set in Annexure B will be used to evaluate Bidders in Part 2.	20
<b>Total</b>	Only Bidders who score the minimum of <b>80 points out of 100</b> will proceed for further evaluation in Gate 3.	<b>100</b>

12.2.3. As part of due diligence, the Principal may conduct a site visit at the bidders' place of business (as per the physical address provided by the bidder on SBD1) and/or at a client of the Bidder (reference) for validation of the services previously rendered.

### 12.3. Gate 3: Net Benefit Evaluation Criteria

12.3.1. Limpopo Provincial Treasury regards procurement as a strategic tool through which socio-economic challenges can be addressed. To this end, it has been noted that the benefits that the Limpopo Provincial Government derive out of the contract for commercial banking services outweigh the service costs.

12.3.2. It is against this background that this bid will be awarded to the bidder who gives most net benefits to Limpopo Provincial Government as calculated in Annexure "A".

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12.3.3. Only Bidders that have met the 80 points threshold in Gate 2 will be evaluated in Gate 3 for Net Benefit offered. Only the calculated net benefit for the first twelve months will be used to evaluate and award the bid as follows: -

Item Description	Point of reference
Total Banking Cost	Part A of Annexure "A"
Total Interest on favourable credit balance	Part B of Annexure "A"
Net benefit	Part C = Part B – Part A

### 13. GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder under this bid is conditional, on the bidder entering into a contract with the Principal and the bidder accepting the terms and conditions contained in the General Conditions of Contract.

### 14. CONTRACT PRICE ADJUSTMENT

14.1. Prices must remain firm for the first twelve months of the contract period, thereafter price adjustment applications shall be considered on twelve months intervals in accordance with the provision of SBD3.2 with the maximum price adjustment of the Consumer Price Index (CPI) Headline Inflation.

STATS SA P0141 (CPI), Table E	Table E - All Items
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- 14.2. The interest rate formula offered by the bidder in Annexure "A" must remain firm throughout the contract, while the interest rate fluctuates in line with the prime rate.
- 14.3. Bidders must duly complete SBD3.2 including all the factors influencing price adjustments.
- 14.4. Bidders must reflect all prices in Annexure "A", and not anywhere else in their bid proposal.

**15. BID PRICING**

- 15.1. Bidders should quote for all items as per the attached Annexure "A" and must express prices for their services in South African currency (Rand and cents).
- 15.2. All prices must be inclusive of Value Added Tax where applicable and any other costs necessary for the execution and completion of the contract in accordance with the bid document.
- 15.3. Pricing and interest rates for LPG Accounts shall apply to all other accounts opened by the Principal.

**16. COMPULSORY BRIEFING SESSION**

Bidders must attend a compulsory briefing session scheduled as follows: -

Date	Venue	Time
15 March 2021	<b>Physical Venue:</b> HoD's Boardroom, 3 <sup>rd</sup> Floor, Ismini Towers, 46 Hans van Rensburg Street, Polokwane	10:00

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## **17. SERVICE LEVEL AGREEMENT**

- 17.1. Upon award of the bid, the Principal will sign a Service Level Agreement (SLA) with the appointed service provider regulating the specific terms and conditions applicable to the services.
- 17.2. The Principal reserves the right to accept or reject any or all amendments or additions proposed by the successful bidder if such amendments or additions are unacceptable to the Principal or pose a risk to the organisation.
- 17.3. Both parties must ensure adherence to the SLA.
- 17.4. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

## **18. PREPARATION COSTS**

The Bidder will bear all costs in preparing, submitting and presenting any response or bid to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing the Principal, Client Departments, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

## **19. RESERVATION OF RIGHTS**

The Principal reserves the right to: -

- (a) Request further information from any bidder after the closing date of the bid.
- (b) Communicate only with the shortlisted bidders as and when necessary.
- (c) Verify information and documentation of respective bidder.

- (d) Not make an award.
- (e) Enter into price negotiations with any preferred bidder (this includes Value Add Services).
- (f) Appoint a third party to evaluate the service providers' compliance with aspects of this bid.
- (g) Cancel the contract, if it is satisfied that any person (being an employee, partner, director or shareholder of the bidder or a person acting on behalf of or with the knowledge of the bidder), firm or company (The expression "person, firm or company" shall include an authorized employee or agent of such a person, firm or company): -
  - i. is executing a contract with government unsatisfactorily;
  - ii. has offered, promised or given a bribe or remuneration to any officer or employee in the Public Service in connection with obtaining or executing a contract;
  - iii. has acted in a fraudulent manner or in bad faith or in any other unsatisfactory manner in obtaining a contract with any government department, provincial administration, public body, company or person, or that he/she has managed his/her affairs in such a way that he/she has in consequences there-of been found guilty of a criminal offense;
  - iv. has approached an officer or employee in the Public Services before or after tenders have been called for, to influence the award of the contract in his/her favour;
  - v. has withdrawn or amended his tender after the time set for the receipt and opening of tenders;
  - vi. when advised that his/her tender has been conditionally accepted, has given notice of his/her inability to execute or sign the contract or furnish any security required;
  - vii. has entered into any agreement or arrangement, whether legally binding or not, with any other person, firm or company to refrain from tendering for this contract, or as to the amount or the tender to be submitted by either party; and



- viii. has disclosed to any other person, firm or company the exact or approximate amount or his/her proposed tender except where disclosure, in confidence, was necessary to obtain insurance premium quotations for the preparation of the tender; the Limpopo Provincial government may, in addition to any other legal recourse which it may have, cancel the contract between the employer and such person, firm or company and/or resolves that no tender from such a person, firm or company will be favorably considered for a specific period.

## **20. ESTIMATED TRANSACTIONAL VOLUMES**

The estimated transactional volumes and estimated average daily credit bank balance are provided in Annexure "A". The estimated transactional volumes and estimated average daily credit bank balance are only provided to assist bidders to determine their ability to handle the volume and complexity of the business requirement, and should only be used as a guide and relied upon in the context of completing the bid. **These estimates do not guarantee the actual volumes or sales mix.**

### **20.1. PRF Category Accounts**

#### **20.1.1. Exchequer Account**

- (a) The Exchequer account receives the annual provincial budget comprising of equitable share, conditional grants, donations and own revenue collections on weekly basis from National Revenue Fund, Donors and Provincial Departments.
- (b) Equitable share is transferred by National Treasury on weekly basis as per national payment schedule into the provincial Corporation for Public Deposit (CPD) account in the South African Reserve Bank and withdrawn into Exchequer account in line with the payment disbursement schedule of the province.

- (c) Conditional grant is transferred directly from respective national departments into Exchequer Account on weekly basis in line with national payment schedule.
- (d) Own revenue collections by departments are deposited daily into respective PMG accounts of the departments and transferred monthly into Exchequer account.

### **20.1.2. Paymaster-General (PMG) Accounts**

- (a) The province has twelve (12) departments with each operating its own PMG account. Each department receives its annual appropriated budget comprising of Equitable Share and Conditional Grants including Donations from Exchequer accounts on monthly basis in line with provincial payment schedule. Departments also deposit revenue that they collect through cashier point into respective PMG accounts daily, while some of their clients deposit their dues directly into respective PMG accounts using various methods e.g. over the counter or electronic banking.
- (b) In terms of Public Service Regulation, PFMA and Treasury Regulations departments are obliged to pay: -
  - (i) employee salaries and benefits when they fall due;
  - (ii) suppliers' invoices within 30 days from date of receipt;
  - (iii) own revenue collections into Exchequer account on monthly basis;
  - (iv) preceding financial year unspent budget in to Exchequer account immediately after financial year end closure; and
  - (v) any court order within prescribed timeline.
- (c) In receiving all funds, effecting all payments and accounting for each of their transactions as outlined above Client Department need a seamless relationship between government financial systems (BAS and PERSAL) and banking system (electronic banking) that includes efficient and effective regular interface and referencing of transactions for ease of identification and reconciliation.

- (d) The Client Departments process payments as follows: -
- (i) normal salaries either on the 15<sup>th</sup>, 22<sup>nd</sup> or the last working date of the month;
  - (ii) two supplementary payments which includes travel claims and other allowances due to the employees on or about the 15<sup>th</sup> of the months and the last Monday of the month respectively;
  - (iii) suppliers twice a month for goods and services on or about the 15<sup>th</sup> and the last day of the month;
  - (iv) process special payment runs as and when a need arises;
  - (v) process credit transfers on or about the 15<sup>th</sup> and the last date of the month through on-line banking system i.e. for payments above R1 million (BAS payments) and above R5 million (Persal payments);
  - (vi) process manual bank credit transfers for urgent payments; and
  - (vii) process transfer of own revenue to Exchequer account on or about the 15<sup>th</sup> of the month.

### **20.1.3. PMG Sub-accounts**

(a) Wildlife Resorts accounts

13 Wildlife Resorts accounts are sub-accounts under Department of Economic Development, Environment and Tourism. The accounts are meant for deposit and reconciliation of revenue collected from tourists who visit for various purposes including day visits, accommodation, game hunting, fishing, etc. The Resort accounts are not allowed to make any payments except on written instruction for refund on reservation cancellations and transfer of total monthly collections over to PMG: Economic Development, Environment and Tourism.

- i. in absence of online booking system, each Resort currently receives bookings telephonically or through walk-ins on daily basis, and that is usually coupled with deposit or full payment;

- ii. payments are received in cash, direct bank deposit, through point of sale devices and on-line transfer;
- iii. the Resorts experiences foreign inward transactions;
- iv. each Resort is expected to bank its cash collections on daily basis into the Resort Account;
- v. all transactions, cash, direct deposits and online payments must be monitored daily and reconciled monthly; and
- vi. all revenue collected into the Resort account must sweep on the last day of the month into PMG of the nominated bank account.

(b) Hospital Accounts

The hospital sub-accounts are under Department of Health. The department has forty-one (41) hospitals in the province comprising two (2) Tertiary Hospitals, five (5) Regional Hospitals, thirty (30) District Hospitals, and four (4) Special Hospitals. Thirty-seven (37) hospitals comprising Tertiary Hospitals, Regional and District Hospitals receive revenue in patient fees from various stakeholders including directly from patients, medical aids, Road Accident Fund, Correctional Services, etc. Four Special Hospitals usually gets their revenue from intergovernmental transactions such as Department of Justice and staff rentals and parking fees. The department may need to open individual accounts for the thirty-seven (37) hospitals in pilot phases starting with seven (7) hospitals, viz Tertiary and Regional, and followed with thirty (30) District Hospitals. The accounts are not allowed to make any payments, but to sweep the total monthly collections over to the PMG: Health:

- i. payments are received in cash, direct bank deposit, through point of sale devices and on-line transfer;
- ii. each hospital is expected to bank its cash collections on daily basis into the hospital account;
- iii. all transactions, cash, direct deposits, point of sale devices and online payments must be monitored daily and reconciled monthly; and

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- iv. all revenue collected into each hospital account must sweep on the last day of the month into PMG of the nominated bank account.

(c) Agricultural College Accounts

These are two sub-accounts for Agricultural Colleges under Department of Agriculture and Rural Development. The accounts receive revenue in registration and tuition fees from the students and their funders/bursars.

- i. payments are received in cash, direct bank deposit, through point of sale devices and on-line transfer;
- ii. each College is expected to bank its cash collections on daily basis into the College Account;
- iii. all transactions, cash, direct deposits, point of sale devices and online payments must be monitored daily and reconciled monthly; and
- iv. the College accounts are not allowed to make any payments except on written instruction from the Client Department (Department of Agriculture and Rural Development)