
 <p>GAUTENG PROVINCE PROVINCIAL TREASURY REPUBLIC OF SOUTH AFRICA</p>	PROVINCIAL SUPPLY CHAIN MANAGEMENT	
	TERMS OF REFERENCE FOR TRAINING ON INFRASTRUCTURE ASSET MANAGEMENT FOR GAUTENG PROVINCIAL MUNICIPALITIES FOR A PERIOD OF 2019/20: RFQ-FY20-0362	Page: 1 of 13

COVER PAGE

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Municipal Financial Governance

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1. PROJECT BACKGROUND AND OBJECTIVES

a). Background

Municipalities are custodians of community infrastructure such as roads, waste disposal sites, water and sanitation systems, and public facilities. Infrastructure is the cornerstone of social uplifting, public health and safety. Infrastructure is essential to achieve the increased levels of economic growth through job creation and establishment of well serviced areas conducive to economic investment.

The Gauteng Provincial Treasury: Municipal Asset Management (MAM) provides assistance and guidance to Provincial Municipalities on the regulatory framework which governs among other things Infrastructure Asset Management. Therefore, MAM has identified the need for Infrastructure Asset Management training for municipalities within the province, which will enhance the management of municipal assets, accountability and reporting. The aim is to bring in together the technical operations managers and finance practitioners through an integrated and holistic approach to asset management. This will ensure that operational asset managers understand the financial implications of their responsibilities and the accounting rules that must be applied, and in turn ensures that finance practitioners, who manage the asset registers, fully understand operational needs and enable them to provide information system that supports all aspects of asset management.


Additionally, other crucial responsibilities of the Gauteng Provincial Treasury (GPT) are to assist our delegated municipalities to achieve unqualified audit outcomes on municipal Infrastructure assets including moveable assets. Currently, amongst other challenges faced by municipalities are credible, reliable Fixed Asset Registers (FAR) and sound internal control environment i.e. existence and completeness which have been raised on numerous occasions by Auditor General in most recent audit reports and management reports.

b). Objectives

The Gauteng Provincial Treasury seeks to appoint a credible and suitable service provider to provide theoretical and practical Infrastructure Asset Management training.

The training will further elevate the municipal officials both Infrastructure and Finance personnel to gather more insight on the following key areas:

- Gain Infrastructure Asset Management in terms of the legislation and implementation thereof;

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- Analyse an organisation’s strategic planning framework; comprising strategy, objectives and policy, and design the formal framework for implementing the organisation’s Asset Management (AM) Framework and System. Apply strategic planning tools and methodologies to develop a corporate AM strategy, objectives and policy framework.
- Design the corporate approach, methodologies, processes and practices to support AM implementation, develop maintenance and capital plans and quality management.
- Secure a clear understanding on how various policies , Standard Operation Procedure manuals are drafted in terms of the IAM processes;
- Conceptualize the Infrastructure Asset Management requirements that will aid the Asset Management officials in improving the quality of work and level of understanding in terms of IAM;
- Gain strategic assessment techniques and analytical skills that will impact on the quality on each Municipality’s IAM policies and strategies in the future.
- Clarify the roles and responsibilities of the various stakeholders within the management of Infrastructure Assets; and
- Gain clear insight on the practical application of the IAM life-cycle and the development of IAM plan, strategies and policies that will aid both current and new officials joining the Municipality (asset management unit).
- Re-valuation of Infrastructure assets (principles, conditional grading and useful lives).

The training is also aimed to improve the synergy between Infrastructure/technical and finance officials in terms of understanding the value chain of Asset Management within the municipality.

NOTE: Bidder/s shall ensure that services proposed are in line with the requirements of terms of reference.

2. THE CUSTOMER AND STAKEHOLDERS

2A. CUSTOMER

Gauteng Provincial Treasury (GPT)

2B. STAKEHOLDERS

The below are the municipalities that require Infrastructure Asset Management training:

1. Lesedi Local Municipality
2. Emfuleni Local Municipality
3. Midvaal Local Municipality
4. Merafong Local Municipality
5. RandWest Local Municipality
6. Mogale City Local Municipality
7. Sedibeng District Municipality
8. West Rand District Municipality

3. SERVICE REQUIREMENTS

The appointment of suitable Bidder is required to provide training in order for municipalities to be competent in managing municipal infrastructure assets and ensuring that sound financial asset management practices are learned.

Table 1: Training content to cover the following:

Description:	Expectations:
<ul style="list-style-type: none"> Legislative drivers for the Asset Management Framework 	<ul style="list-style-type: none"> MFMA Sec 14 & 90 – Disposal of Capital Assets Sec 63 & 96 – Asset and Liability Management Asset Management Framework The purpose of this document is to introduce the concept of asset management. It is designed to highlight the principles of, and need for, asset management and give broad guidelines in this regard GRAP 17 The objective of this Standard is to prescribe the accounting treatment for property, plant and equipment. Local Government Capital Asset Management Guideline The purpose of this guideline is to assist municipalities in their financial management improvement processes by implementing sound asset management practices as required by the MFMA and GRAP. Municipal Systems Act
<ul style="list-style-type: none"> International Infrastructure Management Manual for good practices 	<ul style="list-style-type: none"> Developing a business case for asset management and key success factors The Strategic Asset Management Plan (SAMP) and Policy Setting of asset management objectives Risk management Asset management leadership and communication Operational strategies and planning Establishing and maintaining the Asset Management System Information management Asset Management Maturity Asset management performance measurement and auditing Assessing and managing infrastructure resilience
<ul style="list-style-type: none"> Infrastructure Asset Management Policy 	<ul style="list-style-type: none"> Organizational context and importance of asset management Organization's vision and goals for asset management asset management responsibilities and relationships broad time frames and deadlines integration of asset management into the organization's business



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Description:	Expectations:
	<p>processes</p> <ul style="list-style-type: none"> Audit and review procedures.
<ul style="list-style-type: none"> Asset Management Strategy: 	<ul style="list-style-type: none"> Links and integrates council's plans and resources, indicating which services are to be delivered through which assets. Forecasts future service delivery needs and the capacity of assets to meet those, on a short, medium and long-term basis. Includes one scenario that balances the available funds from the Long Term Financial Plan with affordable service level targets and sets out a strategy to communicate the corresponding service levels and risks and how these will be managed to Council and the community. Identifies assets that are critical to the council's operations and outline risk management strategies for these assets. Includes specific actions required to improve the council's asset management capability and projected resource requirements and timeframes. establishes systems for asset performance measurement.
<p>Comprehensive Infrastructure Asset Management Plans</p>	<ul style="list-style-type: none"> Encompasses all the assets under council's control. Connects the investment of community wealth in assets with service outcomes. Plans a scenario that manages assets to provide affordable levels of service within financial/resource/risk constraints. Identifies and communicates risks associated with affordable service levels and how these risks will be managed. Plans additional scenarios that manage assets to provide optimal life cycle costs to inform the asset management strategy and Long Term Financial Plan. For each scenario, presents cash flow forecasts for acquisition, operating, maintenance, renewal/upgrade and where relevant, disposal. Include a sensitivity analysis highlighting key factors or assumptions most likely to impact on achievement of a plan's financial targets.
<ul style="list-style-type: none"> GRAP asset accounting: 	<p>GRAP16 – Investment Property GRAP17 – PPE GRAP31 – Intangible Assets GRAP103 – Heritage Assets Scope; Definitions; Recognition; Measurement;</p>

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Description:	Expectations:
	Transfers; Disposals/Derecognition; Disclosure. GRAP21 – Impairment of Non-Cash Generating Assets GRAP26 – Impairment of Cash Generating Assets Scope; Definitions; Identifying an asset that may be impaired; Measurement recoverable service or recoverable amount; Recognition of impairment; Reversing impairment; Re-designation of assets; Disclosure.
<ul style="list-style-type: none"> Minimum requirements of Fixed Asset Register(s) 	<u>Minimum Requirements of Fixed Asset Register (Classification)</u> Land and buildings Infrastructure Community Heritage Other <ul style="list-style-type: none"> (a) Office equipment (b) Furniture & fittings (c) Bins & containers (d) Emergency equipment (e) Motor vehicles (f) Aircraft (g) Plant and equipment
<ul style="list-style-type: none"> mSCOA 	Municipal Standard Chart of Accounts <ul style="list-style-type: none"> Consist out of 7 segments – (project, function, item, fund, regional indicator, costing, municipal standard classification) Relevant segment for infrastructure asset management is the project segment which consist out of the following classifications: <ul style="list-style-type: none"> Capital Operational Default (non project) The Capital classification is further broken into the following sub classifications <ul style="list-style-type: none"> New infrastructure Existing infrastructure Non infrastructure

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- The training will be for a period of 4 days to for all Delegated Gauteng municipalities i.e. :-
 - ❖ Lesedi Local Municipality
 - ❖ Emfuleni Local Municipality
 - ❖ Midvaal Local Municipality
 - ❖ Merafong Local Municipality
 - ❖ RandWest Local Municipality
 - ❖ Mogale City Local Municipality
 - ❖ Sedibeng District Municipality
 - ❖ West Rand District Municipality
- There will be fifty (50) officials to be trained within 4 days, thus the number of officials (50) will further be divided into focus groups, and the number of officials per group will be discussed during training sessions.
- Certificate of attendance to the delegates by the Bidder will also be required.

3.1 OUTLINE OF THE TRAINING


- Training session will be for four (4) days
- Attendees will be notified by the instructor/Facilitator about the content and what will be covered per day (session)
- Manual training materials per delegate

3.2 LOGISTICAL ARRANGEMENTS

GPT would handle all logistical arrangements for the training i.e. venue, sending invites, communicating via emails to the municipalities, inviting relevant stakeholders

4. PRICING STRUCTURE

The bidders should provide a detailed breakdown in which the cost will be allocated, according to the table provided below. All costs must be VAT inclusive.

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DELEGATED MUNICIPALITIES (4 DAY TRAINING)	
Description	Amount/Rand value
Facilitation/training cost (inclusive of training manual and certificate of attendance)	
GRAND TOTAL	

6. .GPG ELECTRONIC INVOICE SUBMISSION SYSTEM

Payment to suppliers within 30 days of invoice receipt is a national priority. In support of this and towards compliance to Section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3 an executive decision was taken to make Electronic Invoice Submission (EIS) registration compulsory for all GPG suppliers whose tenders are successful.

Assistance will be provided to the successful supplier(s) in this regard once the tender adjudication and awarding processes have been concluded and a supplier or supplier(s) appointed.

7. TRAINING PROGRAMME

Delegates target to attend all training sessions

Delegates to attend the training sessions will be Infrastructure/Technical official(s) and Asset Management unit (Finance) in the municipalities.

8. EVALUATION METHODOLOGY

STAGED APPROACH WHICH WILL BE APPLIED IN THE EVALUATION OF BIDS

The evaluation of the bids will be conducted in two stages as per Preferential Procurement Regulations, 2017 issued in terms of section 5 of the Preferential Procurement Policy Framework Act, Act number 5 of 2000 (PPPFA) as follows:

STAGE ONE will be the evaluation of bids on **Administration Compliance** and **Desktop Evaluations**.


During this stage the bid that does not meet the pre-requisite threshold shall be disqualified and will not be considered for further evaluation.

STAGE TWO evaluation will be based on Price and Preference points only.

- Price = 80 points
- Preference = 20 points

STAGE 1A: ADMINISTRATIVE COMPLIANCE

- Submission of Proposal and Price.

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- Submission of completed and signed Standard Bidding Documents (SBD):
 - ❖ SBD 4 - Bid Commitment and Declaration of Interest
 - ❖ SBD 8 - Declaration of bidder's past supply chain management practices
 - ❖ SBD 9 - Certificate of Independent Bid Determination

NOTE:

Bid that does not comply with the above requirements shall be eliminated and be regarded as non-responsive.

Other required documents:

1. Valid tax clearance certificate /TCS Pin code
2. Original and valid B-BBEE Certificate or certified copies thereof, tenderers who qualify as Exempted Micro Enterprises (EME) must submit a sworn affidavit signed by the EME representative and attested by a commissioner of oaths.
 - In the case of Qualifying Small Enterprises (QSE), if the bidding entity is more than 51% black owned, then no B-BBEE certificate is required as an affidavit signed by the QSE representative and attested by a commissioner of oaths will be sufficient. If the QSE is less than 51% black owned, then the bidding entity will be required to provide an original and valid B-BBEE Certificate or certified copies thereof.
 - For all B-BBEE certificates issued after 01 January 2017, only B-BBEE Status Level verification certificates from B-BBEE verification agencies accredited by SANAS will be accepted for entities.
3. SBD 6.1 – Preference Points Claim Form

STAGE 1B: DESKTOP EVALUATION

- A total of 100 points is allocated for stage 1B.
- This information will be used for evaluation prior to the pricing and preference point's evaluation.

The threshold for this part of the evaluation is 70 points; any bidder who fails to meet this minimum requirement shall be deemed non-responsive and be eliminated from any further evaluations.

AREA	GUIDELINE FOR CRITERIA APPLICATION	POINTS
1. COMPANY REPUTATION AND PERSONNEL COMPETENCE (QUALIFICATION, EXPERIENCE)	Relevant Company Experience on Asset Management in Local Government Sector: <ul style="list-style-type: none"> – Companies with more than 10 years [20 points] – Companies between 8 – 9 years [15 points] – Companies between 6 – 7 years [10 points] – Companies with 5 years [5 points] 	20



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AREA	GUIDELINE FOR CRITERIA APPLICATION	POINTS
	<p>– Companies with less than 5 years' [0 points]</p>	
	<p>References of similar projects on Asset Management training with comparable size accompanied by letters of awards. Treasury to confirm the company references.</p> <p>FOUR (4) APPLICABLE REFERENCES WITH CONTACT NUMBERS:</p> <ul style="list-style-type: none"> – Four (4) references [15 points] – Three (3) references [10 points] – Two (2) references [7 points] – One (1) reference [5 points] – No reference [0 point] – 	10
	<p>A LIST OF PRESENTERS OR FACILITATORS WITH RELEVANT QUALIFICATIONS AND TRAINING EXPERIENCES:</p> <p>Supply the resume's (abridged CV's) of individuals who will be facilitating the sessions.</p> <p>1. PRESENTER'S QUALIFICATIONS :-</p> <ul style="list-style-type: none"> • Engineering and • Accounting and Auditing <p>2. PRESENTERS MUST BE REGISTERED MEMBERS OF ONE OF THE FOLLOWING BODIES :-</p> <ul style="list-style-type: none"> • Engineering Institute, • South African Certified Asset Management Assessor (CAMA), • Accounting bodies like SAICA-The South African Institute of Chartered Accountants, ACCA - The Association of Chartered Certified Accountants, ICSA - The Southern African Institute of Chartered Secretaries and Administrators, SAIPA - South African Institute of Professional Accountants. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Two facilitators</p> <ul style="list-style-type: none"> • Engineering, 10 years and above experience in the field and • Accounting and Auditing; 10 years and above experience and • Both Members of the Above Institutes relevant to their fields </div> <p>All the above will be 30 points</p>	30



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AREA	GUIDELINE FOR CRITERIA APPLICATION	POINTS
	<p>Two facilitators</p> <ul style="list-style-type: none"> • Engineering, 5years and above experience in the field and • Accounting and Auditing; 5 years and above experience and • Both Members of the Above Institute relevant to their fields <p>All the above will be 20 points</p> <hr/> <p>Two facilitators</p> <ul style="list-style-type: none"> • Engineering, 3years and above experience in the field and • Accounting and Auditing; 3years and above experience and • Both Members of the Above Institute and • mSCOA knowledge <p>All the above will be 10 points</p> <hr/> <p>Bidder failing to provide required information [0 point]</p>	
	<p>ASSET MANAGEMENT IN RELATION TO mSCOA REFORMS</p> <ul style="list-style-type: none"> – Proven Experience in Asset Management in relation to mSCOA two years' experience [10] – Understanding of Asset Management in relation to Asset Management [5] – No Understanding of Asset Management in relations to Asset Management [0] 	10
<p>2. APABILITY, EXPERTISE AND WORK APPROACH</p>	<p>DEMONSTRATION OF CAPABILITY TO DELIVER THE REQUIRED TRAINING. SAMPLE OF PREVIOUSLY USED MATERIAL MUST BE PROVIDED:</p> <ul style="list-style-type: none"> – Sample of relevant training material previously used on Infrastructure training [10 points] – Bidder failing to submit sample [0 point] 	10
	<p>BIDDER MUST SUBMIT A REPONSIVE PROPOSAL OUTLINING TRAINING FOCUS AREAS AS FOLLOWS :</p> <ol style="list-style-type: none"> 1. Time frames, 2. Start and end dates 3. Activities 4. Expected outcomes <ul style="list-style-type: none"> – The bidder who has all three (3) of the criteria listed above would obtain [20 points] – The bidder who has only two (2) of the criteria listed above would obtain [10 points] – The bidder who has only one (1) of the criteria listed above would obtain [5 	20

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AREA	GUIDELINE FOR CRITERIA APPLICATION	POINTS
	points] – The bidder who has none or zero (0) of the criteria listed above would obtain [0 points]	
TOTAL		100

STAGE 2: PRICE AND PREFERENCE POINTS

The contract will be awarded in terms of Regulation 6: Preferential Procurement Regulations, 2017) pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000). Bids will be adjudicated in terms of 80/20 preference point system in terms of which points are awarded to bidders on the basis of.

Price = 80 points

Preference = 20 points