

OVERSTRAND MUNICIPALITY

SC 814/2010

**TENDER:
PROVISION OF COMPREHENSIVE
BANKING SERVICES**

CLOSING DATE: 2 JULY 2010	CLOSING TIME: 12:00
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SCOPE OF TENDER

PROVISION OF COMPREHENSIVE BANKING SERVICES FOR A PERIOD OF 5 YEARS WITH EFFECT FROM 1 OCTOBER 2010 OR THE NEAREST PRACTICAL DATE THEREAFTER, AS DETERMINED BY THE CHIEF FINANCIAL OFFICER

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SECTION 1: PROPOSAL CONDITIONS AND INFORMATION

SCOPE OF TENDER

PROVISION OF COMPREHENSIVE BANKING SERVICES FOR A PERIOD OF 5 YEARS WITH EFFECT FROM 1 OCTOBER 2010 OR THE NEAREST PRACTICAL DATE THEREAFTER, AS DETERMINED BY THE CHIEF FINANCIAL OFFICER

1.1 PROPOSAL CONDITIONS

1.1.1 Completion of Proposal Documents

(a) The original proposal document must be completed fully in black ink and signed by the authorised signatory to validate the proposal. All the pages must be initialled by the authorised signatory. Failure to do so may result in the invalidation of the proposal.

(b) Proposal documents may not be retyped or altered in any way. Additional schedules and documentation may be included by the bidder.

(d) Tender proposals must be in English.

(c) Any ambiguity has to be cleared with the contact person for the proposal before the closure date.

1.1.2 Authorised Signatory

(a) A copy of the recorded Resolution taken by the Board of Directors, members, partners or trustees authorising the representative to submit this bid on the bidder's behalf must be attached to the Bid Document on submission of same.

(b) A bid shall be eligible for consideration only if it bears the signature of the bidder or of some person duly and lawfully authorised to sign it for and on behalf of the bidder.

1.1.3 Evaluation of Proposals

Proposals will be evaluated in terms of their responsiveness to the proposal specifications and requirements and criteria as set out in the proposal documents.

1.1.4 Acceptance or Rejection of a Proposal

The Municipality reserves the right to withdraw any invitation to submit a proposal and/or to readvertise or to reject any proposal or to accept a part of it. The Municipality does not bind itself to accepting the lowest proposal.

1.1.5 Registration on Accredited Supplier Database

It is expected of all prospective service providers who are not yet registered on the Municipality's Accredited Supplier Database to register without delay on the prescribed form.

1.1.6 Site / Information Meetings

No site or information meetings are scheduled for this tender proposal. However, during the evaluation process, site visits may be undertaken or presentations requested, to evaluate information contained in the tender proposals submitted.

1.1.7 Stamp and Other Duties

The successful bidder will be liable for all duties and costs on legal documents resulting in the establishment of a contract and for the surety and retentions.

1.1.8 Language of Contract

The contract documents will be compiled in English and the English versions of all referred documents will be taken as applicable.

1.1.9 Expenses Incurred in Preparation of Proposal

The Municipality shall not be liable for any expenses incurred in the preparation and submission of the proposal.

1.1.10 Wrong Information Furnished

Where a contract has been awarded on the strength of the information furnished by the bidder which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may have, recover from the successful bidder all costs, losses or damages incurred or sustained by the Municipality as a result of the award of the contract.

1.1.11 Validity Period

Bids shall remain valid for one hundred and twenty (120) days after the proposal closure date.

1.1.12 General and Special Conditions of Contract

The General Conditions of Contract as well as any Special Conditions of Contract that may form part of this set of proposal documents will be applicable to this proposal in addition to the conditions of this proposal.

1.1.13 Municipal Rates, Taxes and Charges

No bid will be considered from enterprises (included directors and members) which in terms of the Debt Control and Credit Collection policy of Overstrand, are in arrears or without an acceptable arrangement.

1.1.14 Contact with Municipality after Proposal Closure Date

Any unsolicited effort by the firm to influence the Overstrand Municipality in the bid evaluation, bid comparison or contract award decisions may result in the rejection of the bid.

1.1.15 Enquiries

Enquiries regarding this proposal, prior to the proposal closure date, may be addressed to Mr B A King at telephone (028) 313-8154 or by e-mail to bking@overstrand.gov.za.

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SECTION 1.2: GENERAL INFORMATION TO BANKS

1.2.1 DESCRIPTION OF MUNICIPALITY

The Municipality of Overstrand was established in December 2000, following the amalgamation of the former municipal structures of Greater Hermanus, Hangkip/Kleinmond, Stanford and Gansbaai. It covers an area of 2007 sq km along the coast from Rooi Els in the west to 'Die Damme' in the east.

1.2.2 BANK ACCOUNTS

1.2.2.1 In terms of the Local Government: Management Act, No 56 of 2003 a municipality must have at least a Primary Bank Account and other accounts necessary for financial administration.

Five (5) current (cheque) accounts are currently operated by the municipality.

Namely:

- Overstrand Municipality Primary Bank Account (Certain revenue and all payments)
- Overstrand Municipality Account Payments (Debtors account payments with verifier)
- Onrus Caravan Park (Reservations and deposits)
- Overstrand Traffic Department (Mainly traffic fines)
- Gansbaai Sport Centre (Dedicated account)

1.2.2.2 Bidders may make representations on effective account consolidation and administration.

1.2.3 FINANCIAL ACTIVITIES AND INFORMATION

1.2.3.1 All payments to creditors are effected by electronic transfer payments and a limited amount of issued cheques. The Municipality is striving to move away from issuing cheques.

1.2.3.2 Cash is collected from the municipal offices at Hermanus, Kleinmond, Gansbaai, Stanford, Betty's Bay, the traffic department in Hermanus and the Onrus Caravan park by a security company and transported to the relevant branches of the bank.

1.2.3.3 The Municipality at present employs ±1000 people. Salaries and wages are paid through a 24-hour electronic transfer service as well as the preparation and processing of weekly cash and electronic payments for wages.

1.2.3.4 Revenue can be received by the cashiers or via direct deposits, internet transfers and ACB credit transactions. No on site facilities for speed points and ATM's are available.

1.2.3.5 Payments to the Municipality are also made via EASYPAY, SAPO, PAY@ and "Pay-a-bill" points country wide.

1.2.3.6 Average volume per month:

- One hundred cheques are issued.

- One thousand electronic creditor payments are made
- One thousand five hundred salary and wages transactions
- Approximately R10 000 000 cash deposits are made.
- 50 000 consumer accounts are sent out.
- Credit amount on the primary account is maintained at around R5 million.
- Approximately R8 000 000 ACB credit transactions (7 600 transactions).
- Approximately fourteen thousand internet and direct deposits to the accounts are made.

The above statistics will also be used to evaluate price

1.2.3.7 The Municipality currently has a standing overdraft facility of R4,6 million.

1.2.3.8 The Municipality's total operating & capital budget for 2010/2011 is estimated at R850 million, extending to R900 million by 2012/2013 .

1.2.4 SOCIAL RESPONSIBILITY

The upliftment of underprivileged communities as well as customer care is a top priority of the Council.

Within the geographical area of the Overstrand Municipality there is a growing number of indigent households of which about 3000 are at present registered for indigent rebates.

1.2.5 PROPOSAL REQUEST

1.2.5.1 In terms of the Municipal Financial Management Act, the Municipality is required to advertise for competitive bids from commercial bank registered in terms of the Banks Act, No 94 of 1990, to provide commercial banking services to the Municipality.

1.2.5.2 Proposals will be evaluated using the criteria as set out in MBD 1 – Invitation to Bid.

1.2.5.3 The following documents, besides this document, shall be deemed to form part and be read and construed as part of the Tender Proposal:

- 1.2.5.3.1 Tender advertisement
- 1.2.5.3.2 General Conditions of Contract
- 1.2.5.3.3 General Conditions of Tender
- 1.2.5.3.4 Information Requested from Bidders as per Section 1.3
- 1.2.5.3.5 MBD 1 - Invitation to Bid
- 1.2.5.3.6 MBD 2 - Original Tax Clearance Certificate.
- 1.2.5.3.7 MBD 4 - Declaration of Interest

- 1.2.5.3.8 MBD 6.1 - Preference Points Claim in Terms of the Preferential Procurement Regulations, 2001
- 1.2.5.3.9 MBD 8 - Declaration of Bidder's Past Supply Chain Management Practices

1.2.6 PREPARATION OF PROPOSAL

- **Technical/Specification Proposal**

In preparing the technical proposal of the document Bidders are expected to examine the documents comprising the tender proposal in detail. Material deficiencies in providing the information requested may result in the rejection of a proposal as non-responsive.

- **Pricing Proposal**

In preparing the cost/pricing proposals Bidders are expected to examine the documents comprising this tender proposal in detail. Please ensure that all pricing is captured clearly in the pricing schedule provided.

1.2.7 PROPOSAL EVALUATION

The evaluation of the functionality and price proposal will be on the basis of its responsiveness to Section 2. The points system indicated below will be applied.

All proposals received will be evaluated on a basis of functionality (50 Points), price (40 Points) and preferential procurement points (10 points).

1.2.4.1 FUNCTIONALITY

With regard to functionality, the following criteria, with the weight of each between brackets, will be applicable:

- Level of services available from tenderer, relating to Branches and Facilities in the Overstrand municipal area - paragraph 2.1 (8)
- Compliance with the requirements as set out in paragraph 2.2 (30)
- Account Administration and Escalation set out in paragraph 2.3 (6)
- Revenue collection enhancement as set out in paragraph 2.4 (4)
- Social upliftment as set out in paragraph 2.5 (2)

For purposes of comparison and in order to ensure a meaningful evaluation bidders are requested to furnish detailed information in substantiation of compliance to the evaluation criteria mentioned in Section 2 below.

1.2.4.2 PRICE

With regards to price, 40 points will be allocated, based on total pricing with regard to volumes at unit prices. A tariff of double the highest price quoted will be allocated in instances of no quote for an item by a bidder, to compare prices equitably. No tariff allocation to unit price for items, in instances where all bidders decline to quote for an item.

Should prices not be quoted for critical services, the tender could be declared to be non-responsive.

The pricing schedule is provided in section 2.6.

1.2.8 AWARDING OF THE CONTRACT

The contract will be awarded following successful negotiations with the successful bank, after the awarding of the tender.

1.2.9 ADDITIONAL CONDITIONS OF TENDER:

1.2.9.1. All prices and details must be legible to ensure the bid will be considered for adjudication.

1.2.9.4 If items are not bid for, a line must be drawn by pen through the space provided.

1.2.9.5 Bids must include provision for the training of staff of the Municipality relating to the implementation and management of the bank's services.

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SECTION 1.3 ADDITIONAL INFORMATION REQUIRED FROM BIDDER

- a) The latest set of audited annual financial statements.
- b) Certificate of registration as Bank in terms of the Banks Act, No 94 of 1990 and current grading must be attached. Bank registration in terms of the Bank Act.
- c) The most recently published credit rating report by a local independent Credit Rating Agency and by an International Credit Rating Agency.
- d) The branch(s) and services points within the Overstrand Municipality area.
- e) Details of the designated main branch where the municipality's bank account will be located:
 - Name and Physical location
 - Banking relationship structure, names and positions
 - Staffing numbers and structures
 - After hours services
- f) The administrative and information technology systems and support services.
- g) System security services.
- h) Membership certificate of a clearing house
- i) List all banking requirements for resolutions and approvals e.g. Signatories
- j) The bidders current involvement in providing a banking service to National, Provincial, Local government, public entities and other organs of state.
- k) The bidders current contribution towards social responsibility initiative to the previously disadvantage communities in Overstrand Municipality.

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SECTION 2: TERMS OF REFERENCE

2.1 LEVEL OF SERVICES

Proposals are invited for the appointment of a commercial banker for the Overstrand Municipality. Only local Institutions registered as a Bank in terms of the Banks Act, No 94 of 1990, may submit a proposal.

The tenderer must provide a comprehensive list of branches and facilities available in the Overstrand municipal area.

2.2 THE BIDDER MUST PROVIDE THE FOLLOWING BANKING PRODUCTS AND SERVICES (To be priced on the pricing schedule in section 2.6)

2.2.1 SERVICES REQUIRED: HANDLING OF CASH AND CHEQUES

- a) Cash deposit facility
- b) Cash withdrawals
- c) Cheque payments
- d) On-line photographic images of cashed cheques
- e) Supply of pre-printed numbered deposit books
- f) Controls to ensure that the physical cash deposited is reconciled to the amount recorded on the deposit slip
- g) Tracing of RD Cheques
- h) Tracing cheques lost in transit
- i) Providing of copies of deposit slips / depositor details / statements.
- j) Verification of the authenticity of all cheques issued by the Municipality.
- k) Special clearance of cheques
- l) Direct on-line function to enquire on the status of cheques presented.
- m) Timeous intervention and rectification of cheques that have been tampered with or fraudulently negotiated
- n) A dedicated support team to maintain and service all banking enquiries and queries.
- o) A facility whereby consumers can make payments on their account directly to the bank on submission of their accounts.
- p) A facility whereby consumers can make payments on their accounts directly to the municipality by way of debit order
- q) Separate business cash deposit facilities

2.2.2 SERVICES REQUIRED: OTHER SERVICES

- a) Audit confirmations letters / certificates
- b) Delivery of statements (daily —paid cheques to be in numerical sequence)
- c) Delivery of provisional statements

- d) Returned/disputed debit order. (Full details of debit order to be provided on request)
- e) Favourable interest rate on credit balances in the bank accounts of the municipality.
- f) The bidder's tellers must capture the municipal account number from the printed account of the municipality's bill for all deposits taken in over the counter at any of the bidders branches. The account number must be reflected on the bank statement.
- g) A download of deposits with the 12-digit account numbers in a file format for electronic receipting purposes.
- h) Training of municipal officials on the electronic banking system.

2.2.3 REPORTING, AUDIT TRAILS AND QUERIES

- a) Comprehensive daily and monthly cash management reports and statements (Paid cheques to be in numerical sequence)
- b) Hard copies of historic information in respect of all bank related queries and indicate the availability period (minimum 12 months)
- c) A download and hard copy of electronic payments received through internet, saswitch, telephone banking, etc. into file formats for electronic receipting into the Municipality's financial system.
- d) Deposit error corrections must be reported to the Municipality within 48 hours of the deposit inclusive of all supporting documentation.
- e) On-line, real-time browsing facilities
- f) An audit trail to be maintained of cheques deposited at the bidder' bulk cash centre.

2.2.4 ELECTRONIC BANKING SERVICES

- a) Direct on-line balance enquiry
- b) Direct on-line statement enquiry
- c) Direct on-line stop payment facility
- d) Direct on-line reversal of stop payment
- e) Electronic historic information i.r.o all bank statements and indicate the available period (minimum 12 months)
- f) Facility to download information on the bank statement into the Municipality's system to facilitate bank reconciliations.
- g) An audit trail of all electronic fund transfers in / deposits
- h) Direct on-line facility to enable transfer of funds electronically between the municipality's bank accounts

- i) An electronic direct debit facility to collect payments from the municipality's consumers (Bidders bank and agents bank)
- j) An electronic enquiry facility to access direct debit rejections with a reason code explaining the rejection.
- k) EFT Payments to nominated accounts where the bidder's system allows a municipality to specify the maximum amount as well as the number of payments per day to be made to a nominated account with exception reports when these limits are exceeded.
- l) An audit trail of all EFT payments per payee name and should be able to be printed if required.

2.3 BANK ACCOUNT ADMINISTRATION AND ESCALATION

2.3.1 Five current accounts are currently operated by the municipality.

Namely:

- Overstrand Municipality Primary Bank Account
- Overstrand Municipality Account Payments
- Onrus Caravan Park
- Overstrand Traffic Department
- Gansbaai Sport Centre

Payments, electronic and cheques are only issued from the Primary Bank Account

2.3.2 Service Fees and Escalations. All service fees on bank statements must be clearly identified so that the Municipality can verify the charges for the different services.

2.3.3 The Bank must indicate the date of the first escalation in service fees. The fee must be fixed for the first twelve (12) months and increase annually.

2.3.4 The Bank should be committed to a quantifiable escalation. The annual increase will be limited to a maximum of the CPIX rate.

2.3.5 The Bank/branch must be able to handle a large volume of transactions. See item 1.2.3.6.

2.2.6 The identification of all electronic services e.g. electronic transfers/deposits to the account of the Municipality, is of the utmost importance.

2.3.7 The Bank must be able to supply the Municipality with full detailed information pertaining to debits and credits on the accounts and statements.

2.3.8 Deposit identifiers must be installed on these accounts to prevent payments with incorrect references. Available controls to limit unallocated deposits must be explained. Deposit identifiers must be able to read 12 digits.

2.3.9 Controls in respect of electronic services must also be explained. An electronic sweeping facility between accounts must be available.

- 2.3.10 The tenderers Information Technology must be compatible with that of the Municipality.
- 2.3.11 Information systems (interface) with the bidder should be web-based.
- 2.3.11 The Bank must provide the necessary training to municipal personnel to use the electronic systems. The cost of training must be quoted.
- 2.3.12 The Bank's commitment and services to assist the Municipality in identifying irregularities (fraud) must be indicated.
- 2.3.13 Support services must be provided by the successful bidder for the implementation of its services at the Municipality.

2.4 REVENUE COLLECTION ENHANCEMENT – Full details and prices to be supplied per item (all prices must include VAT)

- 2.4.1 The possibility to receive payments directly via the website of the Municipality must be indicated.
- 2.4.2 Provision of ATM's at the premises of the Municipality must be indicated.
- 2.4.3 Detailed specifications of credit / debit card terminals/speed points must be indicated. Costs should be indicated.
- 2.4.4 The Bank must indicate any other relevant service that can be provided.

2.5 SOCIAL UPLIFTMENT – Full details to be supplied per item:

Quantifiable and measurable details of the proposer's intended contribution to social upliftment within the Overstrand Municipal boundaries should be stated. Reference must include the following:

1. Community Projects.
2. SMME access to finances.
3. Financing initiatives to lower income groups.
4. Enterprise development.
5. Job creation.
6. Community-based HIV/Aids Programmes.

A statement of intent of the bidder to commit towards social responsibility initiatives within the Overstrand area of jurisdiction should also be provided.

SECTION 2.6: PRICING SCHEDULE OF SERVICES

Please complete in detail.

Indicate items that are not subject to VAT with the words (NO VAT) included in the price column.

Attach a list of other charges that could be omitted from the price schedule, which, in your opinion, would be critical to the day-to-day comprehensive banking services.

ITEM	SERVICE REQUIRED	AVAILABLE		Unit of Measurement	Price per Unit (VAT Included)
		YES	NO		
1.	Cash deposit facility				
	• Cash deposit fee - bulk cash centre				
	• Cash handling fee - branch (Basic fee or a % fee on balance)				
	• Fees for foreign deposits				
2.	Cash withdrawal fee (Per RI 000.00 or part thereof).				
3.	Cheque service fee				
	• Cheque payment (Per RI 000.00 or part thereof or minimum and % on value)				
	• Cashing of cheques				
	• Cost of cheque stop payments				
4.	• Re-deposit of post dated cheques				
	• Original deposit of post dated cheques (fee)				
5.	Online photographic images of cashed cheques.				

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6.	Supply of pre-printed numbered deposit books.				
7.	Cash deposit errors				
8.	Cheque collection facility				
9.	Tracing of RID cheques				
	• R/D cheques fee				
10.	Tracing cheques lost in transit				
11.	Providing copies of deposit slips / statements				
12.	Verification of cheques issued				
13.	Special clearance of cheques				
14.	Direct on-line, cheque presented enquiry facility.				
15.	Timeous intervention and rectification of fraudulently negotiated cheques.				
16.	Dedicated support team				
17.	Audit confirmation letters / certificates				
18.	Delivery of statements				
19.	Delivery of provisional statements				
20.	Returned / disputed debit order				
21.	Interest rate on net current account credit balance				
	• Relationship to prime overdraft rate				
22.	Overdraft facility R5m -Interest rate charged				
	• Relationship to prime overdraft rate.				

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23.	Overnight call facility				
	• Relationship to prime overdraft rate				
24.	Interest paid out at month end.				
25.	Capturing of 12-digit municipal bill account number on bank statement.				
26.	Download deposits with 12-digit account numbers into file format.				
27.	Daily and monthly cash management reports and statements.				
28.	Hard copies of historic information requested.				
29.	Downloading of electronic payments into file format.				
30.	Deposit error corrections reported within 48 hours.				
31.	On-line, real-time browsing facility.				
32.	Audit trail maintained of cheques deposited at the bidders bulk cash centre.				
33.	Direct on-line balance enquiry.				
34.	Direct on-line statement enquiry.				
35.	Direct on-line stop payment of cheques.				
36.	Direct on-line reversal of stop payment.				
37.	Historic information supplied electronically.				
38.	Facility to download bank statements into Intellicash/SAMRAS System.				

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39.	Audit trial of electronic transfers in / deposits.				
40.	Direct on-line facility to capture bank transfers.				
41.	Electronic direct debit facility.				
42.	On-line direct debit rejections.				
43.	EFT payments to effect investments with financial institutions.				
	•Transfer to bidder's bank.				
	•Transfer to Agent bank				
44.	EFT facility to effect salary payments				
	•Transfer to bidders bank				
	• Recall of transfer				
	• Late recalls				
	• Return of unpaid items				
	• Copies of payment reports				
	• Transaction tracing				
45.	ACB facility to effect salary payments.				
46.	ACB recall to stop payment of salary				
47.	Direct on-line audit trial of all unpaid cheques.				
48.	Audit trial of all unpaid salaries.				
49.	EFT of direct deposits from agent banks.				

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50.	EFT service to facilitate the creation of bulk payments or collections for importing release.				
51.	Back up computer facilities.				
52.	Issuing of guarantees.				
53.	Letter of credit / forward cover foreign currency.				
54.	Petrol cards facility.				
55.	Customer credit referencing.				
56.	Economic advice / forecast.				
57.	Custodial services.				
58.	Debit card vending machines.				
59.	Rural banking.				
60.	Fleet Management System.				
61.	Credit / Debit Card payment facility at Main Office.				
62.	Debit Order payments				
63.	Account Service Fee				

NAME OF BIDDER:

SIGNATURE:

DATE:

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