INFORMATION STATEMENT IN TERMS OF SECTION 33(1)(a)(i)(aa) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003 RELATING TO THE CONTRACTS THAT DRAKENSTEIN MUNICIPALITY ("THE MUNICIPALITY") INTENDS ENTERING INTO A CONTRACT FOR THE PROVISION OF CAPITAL PROJECT PRIORITISATION AND MONITORING SOFTWARE FOR A 5 YEAR PERIOD

TENDER NO: CES 04/2019

TENDER DESCRIPTION: PROCUREMENT OF CAPITAL PROJECT PRIORITISATION AND MONITORING SOFTWARE FOR A 5 YEAR PERIOD

In terms of section 33 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 that Drakenstein Municipality ("the Municipality") intends to enter into a contract for the provision and implementation of a capital project prioritisation and monitoring software for a period of five (5) years. The contract will impose financial obligations on the Municipality for a period longer than the three years covered in the annual budget for the 2019/2020 financial year.

1. PURPOSE

The Municipality intends on entering into a contract with a supplier for the provision and implementation of a capital project prioritisation and monitoring software system.

2. TERM OF THE CONTRACT

The contract will be over a period of five (5) years.

3. OBLIGATIONS

The supplier shall provide and implement a Capital Project Prioritisation and Monitoring Software tool which adheres to the Terms of Reference of tender CES 04/2019, which is included as an annexure to this information statement.

The Municipality shall pay the supplier an annual and monthly fee in accordance with the schedule of quantities which is also included in this information statement.

4. INVITATION FOR PUBLIC COMMENT

The local community and other interested parties are invited to submit comments or representations to the Municipality in respect of the proposed contract. Such comments or representations must reach the Municipality by 21 October 2019 via electronic email or via postal mail at the addresses provided hereunder.

PHYSICAL ADDRESS	MAILING ADDRESS
Drakenstein Municipality	Drakenstein Municipality
Directorate: Infrastructure Services	PO Box 1
3rd floor	PAARL
Corner of Main Street and Market Street	7622
PAARL	
SUBMISSIONS MUST BE MARKED AS: **TENDER CES 04/2019: PROCUREMENT OF CAPITAL PROJECT PRIORITISATION AND MONITORING SOFTWARE FOR A 5 YEAR PERIOD**	

Further details may be requested via email to Mr L Pienaar on Louis.Pienaar@drakenstein.gov.za or on telephone number 021-807 4707.

Persons who are physically disabled or unable to write but need to participate in the process, may present themselves during office hours at the offices of the Municipality listed above where a staff member will assist them to transcribe the relevant comments or representations.

DR JOHAN LEIBBRANDT
CITY MANAGER

TERMS OF REFERENCE

1. EMPLOYER'S OBJECTIVES

Drakenstein Municipality (DM) requires an integrated, spatially enabled software tool in order to assist with the management of their capital projects. This tool have to be utilised with the annual revision of the IDP and budget.

The software should be able to assist with the following project life cycle phases of the capital projects which is compliant to National Treasury's Standard for Infrastructure Procurement and Delivery Management:

   a. Project Initiation: Centralised capturing of project information;
   b. Project Planning: Capital budget investment prioritisation and budget fitting; and
   c. Project Implementation: Project tracking, monitoring and reporting.

It is envisaged that the software will assist DM to improve the impact of service delivery from the planning, budgeting and implementation of their capital investments.

In addition to the above, the service provider is required to develop and provide a yearly update of a Capital Expenditure Framework (CEF) for 10 years in line with DM's Long Term Financial Sustainability Policy and Prioritisation Model for Capital Asset Investment Policy.

2. PURPOSE

The purpose of the system is to improve DM's capital investment processes, by ensuring that:

   a. The facilitation of project planning, prioritisation, implementation is aligned to the strategic focus areas of DM and that all data is centralised within one spatially enabled database;
   b. The impact of capital projects can be displayed spatially in an integrated GIS environment, ensuring budget allocation is in line with DM's strategic vision.
   c. Prioritisation of projects are done by using multi-criteria analysis ensuring that the budget allocation process is clear, transparent, collaborative and inclusive;
   d. Each project is tracked, monitored and evaluated with supporting evidence;
   e. Various reporting requirements are met (i.e. CoGTA, National Treasury, PT, DLG); and
   f. It is integrated and synchronised with DM's Financial and GIS systems and data.

The purpose of the CEF process is to develop a long-term infrastructure investment and implementation strategy together with a financial management strategy that actively steers DM towards long-term financial sustainability, ensuring the incorporation of integrated development planning and the prioritisation of infrastructure projects (capex) in line with:

   a. Governance;
   b. Financial Management;
   c. Infrastructure and Service Delivery;
   d. Effective and efficient allocation of limited resources;
   e. Strategic, financial, economic and technical objectives;
   f. The development of sustainable and defendable budget alignment with MFMA requirements; and
   g. The enhancement of implementation and performance monitoring.

3. **OVERVIEW OF SYSTEM REQUIREMENTS AND SERVICES TO BE RENDERED**

3.1. CENTRALISED CAPTURING OF PROJECT INFORMATION

All capital project proposals must stem from the key development priorities identified during the IDP process.

An analysis was undertaken on the number of capital projects that was approved for funding in Drakenstein. The average of these figures amounts to at least 1200 projects that are in various phases of planning and execution.

For each of these projects, a set of fundamental data needs to be captured, which the system will need to evaluate and determine the readiness of the project for further prioritisation and implementation. Therefore, the service provider will have to develop appropriate project data templates in collaboration with the municipal project management team (MPMT). The system will need all project data in order to prioritise the project or to report certain of the project's properties.

For each project, the system should contain all project fields and geographic locations and should therefore be GIS enabled and include Web Map and Web Feature service integration with the municipal corporate GIS system (ESRI). The software should also allow users to upload supporting documents (EIA approvals, project reports, drawings, tender documents, etc.) to a specific project.

3.2. CAPITAL BUDGET INVESTMENT PRIORITISATION

The software should carry out the prioritisation of the capital budget and must make use of multi-criteria analyses (MCA) as determined in collaboration with the MPMT.

The MCA technique also relies heavily on weightings assigned to the respective criteria. The service provider will therefore have to arrange workshops with the MPMT in order to determine the most suitable criteria weightings.

The selection of appropriate weightings for the indicators is one of the most important steps in MCA. Often, people can agree on the scoring ratings but disagree on the relative weighting of the different criteria (i.e. the importance of social vs economic vs environmental indicators). It is therefore important that the assigned weighting are arrived at through consultation and agreement by the MPMT and are clearly visible in the final presentation of the results.

Once each of the rating criteria are allocated with weights, the system will need to calculate the project criteria points earned by multiplying weight and rating criteria in order to determine the percentage points earned per project. The total percentage points earned will then determine the listing priority of each capital project.

It is foreseen that some calibration of these initial ratings may be required to optimally achieve the objectives of DM. This will be done in collaboration with the MPMT appointed by the City Manager in consultation with the Executive Mayor.

3.3. CAPITAL BUDGET FITTING

The system should be able to carry the process of budget fitting which entails the allocation of prioritised projects into the budget available to those projects until the available budget is depleted.

The fitment process can often encounter a situation that a single project has such a big budget, that it cannot fit into the remainder of the budget and therefore gets left out. The next ranking, smaller project will then have to be sought out by the system and fitted into the remainder of the budget.

Once the projects have been fitted, the system should allow master users to "force in" certain projects and to "force out" others and automatically update the budget with the revised projects list.

The system should therefore allow DM to ask "What if?" in order to test different budget iterations and prioritisation scenarios.

3.4. PROJECT TRACKING, MONITORING AND REPORTING

The system should be able to track the actual implementation of the projects that were allocated funding within the approved budget and against each project's plan, its implementation schedule, milestones and cash-flow plan.

It is envisaged that this functionality will ensure that there is accountability for the budgets that were allocated to the various departments for the specific projects for which this funding was requested.

The system should be able to update the data on the actual expenditure (financial progress) on each project from DM's financial system SOLAR.

Project tracking and monitoring should be displayed within a dashboard environment (per project, per department or other filters) and by generating customised reports. The reporting functionality should be able to export tabular and graph-based reports into PDF or Excel formats.

The system should be able to generate the following regular local government reports:

a. Standardised National Treasury Reports and Schedules A1-A10,SA1-SA38 (Excel-based);
b. MFMA Sec 19 Report;
c. Budget Fit Report;
d. Budget Template (DORA) Report;
e. Budget Dimension (new vs renewal infrastructure) Report; and
f. mSCOA IDP reports with applicable mSCOA GUIDs (current 6.3).

The following GIS-based web feature services reports maps must also be generated:

a. Administrative Region and Ward based reports;
b. Spatial (GIS) Reporting against spatial layers such as:
    i. Spatial Development Framework (SDF) layers;
    ii. Capital Expenditure by Spatial Priority Areas;
    iii. Electoral wards or MSCOA Regional Segment layers; and
    iv. Other user defined shapefiles.
c. A5, A5A, SA 6 and SA36 reports.

3.5. CAPITAL INVESTMENT FRAMEWORK (CIF)

The CIF forms part of the Implementation Framework of the SDF as defined in Chapter 2 of the Local Government: Municipal Planning and Performance Management Regulation, 2001 to the Municipal Systems Act, and is the scope of the SDF review team.

In essence, the CIF needs to include all investments planned to implement the SDF proposals (land development), by both the municipality and other spheres of government, SOE and Agencies. It excludes municipal capital projects that does not relate to land development proposals such as your IT, security systems, municipal offices etc.

The system should be able to accommodate the projects and all related information as required by the CIF.

3.6. CAPITAL EXPENDITURE FRAMEWORK (CEF)

DM has been classified as an Intermediate City Municipality eligible for the Integrated Urban Development Grant (IUDG). In order to qualify for the IUDG funding, the Municipality has to submit a CEF.

The CEF is a business plan that:
   a. Ensures that priorities identified in the spatial development framework are translated into capital programmes;
   b. Promotes long-term infrastructure planning;
   c. Promotes infrastructure planning that is better integrated across sectors and spheres and within space; and
   d. Promotes a more integrated approach to planning within municipalities that brings together technical, financial and planning expertise

The 10 year CEF includes only capital projects for which DM is mandated, and include those required for administration. The 3-yr MTREF to be part of the IDP, will be drawn from the 10-yr CEF.

A CEF is a requirement of SPLUMA, but no further detail is provided on what a CEF should include. Subsequently, COGTA commenced to develop the CEF Guidelines and is piloting the application of the guidelines with the 6 intermediate cities, before it will be accepted and rolled out nationally.

The CEF should be linked to DM's Long Term Financial Sustainability Policy and Prioritisation Model for Capital Asset Investment Policy system support should be provided to the municipality to enhance integrated development planning, project and programme prioritisation, capital expenditure budgeting and implementation monitoring.

The service provider will be required to update the CEF on an annual basis and ensure that the document is submitted on a timeous basis to DM in order for Council to approve the final submission. The CEF must be amended to be in line with the latest COGTA guidelines.

3.7. GENERAL

The tool must provide simulation of the economic and fiscal impact of the capital budget deliverables and should include:

   a. Financial modelling for prioritisation, affordability determination and budget fit;
   b. Impact analysed Benefit to Cost comparison;
   c. Full budget impact: Revenue; Expenditure, Borrowing;
   d. Social impact analysis of the capital budget e.g. Livability Index; and
   e. Value creation evaluation.

The tool and its functionalities should be in compliance with mSCOA and IDMS.

4. DATA FORMAT, CLEAN-UP AND EDITING

The service provider shall be responsible for all data formatting, clean-up, editing and importing of existing data into the system.

5. TRAINING

The Service provider will be required to provide training to DM staff once the system is configured.

Although DM employs several people skilled in project management, GIS and other systems, the training should be tailored to someone being introduced to the system for the first time. Training should start at base level functions and seek to bring the user to a foundational level of proficiency. All users should understand the core functionality of the software.

Training should also be provided to potential administrators of the system. Administrators should be able to perform all functions of the software as well as make schema changes/additions as necessary.

A training schedule and manual to be compiled to introduce staff to the new system. Manuals must be kept current with all software upgrades.

6. OWNERSHIP OF DATA

All data residing in the system and any proposals, reports, studies, conclusions and summaries prepared by the service provider for this project shall become the property of DM.

7. SYSTEM ARCHITECTURE

The software should be scalable, flexible, adaptable and its architecture should enable access by all users through an internet browser.

The system must be ready to go live within the 1st month of the contract. Systems may not be developed from scratch over the contract period.

The service provider must include the required licenses to DM to enable an unlimited number of council officials to the software for the duration of the contract. The license fees should cover all maintenance to ensure that the software remains current, and also include daily backups of the data. At the end of the contract all data needs to be transferred to DM in a usable format such as CSV or Excel, shape or Geodatabase format.

8. LOCATION OF THE SERVICE

The service provider will be required to deliver, install and host workshops at Drakenstein Municipality's main buildings and Paarl and Wellington.

9. PRE-QUALIFICATION CRITERIA

In order for to qualify for the evaluation of functionality criteria, service providers has to meet the following pre-qualification criteria. Failure to provide the evidence and supporting documents illustrating these functionalities, will result in the bid submission being deemed as non-responsive.

Requirement	Service provider to complete	
	Requirement met (yes/no)	Evidence submitted and attached? (yes/no)
The Service Provider has an existing system which has successfully been implemented at other municipalities;		
Reference contact details of municipalities where such a tool is or has been successfully implemented;		
Two reference letters from municipalities currently using the bidder's tool, detailing the municipalities overall satisfaction with such tool		
A detailed proposal on the system to be offered to DM, listing the systems functions and how it complies with the municipality's specifications and requirements		

Failure provide the above-mentioned evidence and supporting documents will result in the bid submission being deemed as non-responsive.

10. FUNCTIONALITY

Once the service provider complies with the Pre-qualification criteria, they will proceed to be evaluated for Functionality. Bidders are required to attain a minimum of **70 functionality points** in order to be further evaluated in terms of price and preferences. These bidders will be invited to make a visual presentation to the MPMT.

Visual presentations must be done using Microsoft PowerPoint and live within the system. Each bidder will be afforded an opportunity to visually demonstrate their software capability based on the specifications outlined in this document.

The following functionality criteria will be scored. Service providers must indicate whether their system meet each of the requirements.

#	Functionality requirements	Requirement met? Yes (1) or No (0)
Centralised Capturing of Project Information		**10 Functionality Points**
1	The system has customisable project data templates	
2	The system can accommodate an unlimited amount of projects	
3	The system is GIS enabled and include Web Map and Web Feature service integration with the municipal corporate GIS system	
4	The system allows the uploading of supported documents per project (photos, reports, drawings etc)	

#	Functionality requirements	Requirement met? Yes (1) or No (0)
5	The system allows projects to be dependent on each other (i.e construction of houses cannot proceed before various other projects such as installation of water, wastewater, roads and electricity)	
Capital budget investment prioritisation		**15 Functionality Points**
6	The software makes use of multi-criteria analysis MCA to prioritise projects	
7	The MCA fields area customisable to suit DM needs	
8	The MCA are reflected in the project prioritisation results	
9	Each criteria can be assigned a specific weight that is customisable	
10	The system automatically calculates the project criteria points and the project's listing priorities	
11	The system allows that the MCA fields can be calibrated	
Capital budget fitting		**15 Functionality Points**
12	The system allows for different budget scenarios to be evaluated	
13	The system automatically allocates the prioritised projects into each budget scenario	
14	The system allows that in case the budget is almost depleted and the following projects' budget is more than the remaining amount, next ranking projects are fitted into the available budget	
15	The system allows master users to force in certain projects and force out others and automatically update the budget	
Project Tracking, Monitoring and Reporting		**20 Functionality Points**
16	The system allows for the tracking of successful approved projects against the budget, project plan, milestones and cash-flow plan	
17	The system allows actual expenditure on projects to be updated from SOLAR	
18	The system has a customisable dashboard environment where project progress can be monitored	
19	Reports can be exported into PDF or Excel format	
20	The system can generate the following Local Government Reports	
20.1	Standardised National Treasury Reports and Schedules A1-A10,SA1-SA38 (Excel-based);	
20.2	MFMA Sec 19 Report;	
20.3	Budget Fit Report;	
20.4	Budget Template (DORA) Report;	
20.5	Budget Dimension (new vs renewal infrastructure) Report; and	
20.6	mSCOA IDP reports with applicable mSCOA GUIDs (current 6.3).	
21	The system can generate the following GIS based reports spatially	
21.1	Administrative Region and Ward based reports;	
	Spatial (GIS) Reporting against spatial layers such as:	
21.2	Spatial Development Framework (SDF) layers;	
21.3	Capital Expenditure by Spatial Priority Areas;	
21.4	Electoral wards or MSCOA Regional Segment layers; and	
21.5	Other user defined shapefiles.	

#	Functionality requirements	Requirement met? Yes (1) or No (0)
21.6	A5, A5A, SA 6 and SA36 reports.	
Capital Investment Framework		**5 Functionality Points**
22	The system can accommodate and host the projects and all related information as required by the CIF.	
Capital Expenditure Framework		**25 Functionality Points**
23	The service provider displays excellent knowledge of CoGTAs requirements in order to submit a CEF	
24	The service provider has experience in compiling at least one CEF.	
General		**10 Functionality Points**
	The tool must provide simulation of the economic and fiscal impact of the capital budget deliverables and should include:	
25	Financial modelling for prioritisation, affordability determination and budget fit	
26	Impact analysed Benefit to Cost comparison	
27	Full budget impact: Revenue; Expenditure, Borrowing	
28	Social impact analysis of the capital budget e.g. Livability Index	
29	Value creation evaluation	
30	The tool is compliant with the latest mSCOA and IDMS requirements	

The MPMT members will score each of the above criteria (Yes = 1 point and No = 0 points). Each criteria will count 1 point which will then be summarised and converted to the functionality points allocated per focus area. The average score derived from the scoring of each MPMT member will then be calculated for the service provider.

11. CONTRACT PERIOD

The intended contract period is for a period of 5 years.

I, the undersigned, for and on behalf of the bidder, hereby confirm that I/we understand the information as stated above and that I/we will comply with all of the above.

…………………………………..   ………………………………….

Name (print)   **Signature**

…………………………………..   ………………………………..

Capacity   **Date**

MBD 3.3   <u>PRICING SCHEDULE – FIRM PRICES</u>
(PROFESSIONAL SERVICES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

Name of bidder……………………………………………………………………**Tender number: CES 04/2019**
Closing Time: 10:00   **Closing Date: 6 June 2019**

OFFER TO BE VALID FOR 180 DAYS FROM THE CLOSING DATE OF BID.

A: TOTAL BID PRICE

ITEM	ITEM DESCRIPTION	ITEM UNIT	ITEM QUANTITY	UNIT PRICE (VAT INCLUDED)	TOTAL PRICE (VAT INCLUDED)
A	**YEAR 1:**				
A1	First year full configuration and setup of the software tool (incl training, project management and prioritisation criteria)	Sum	1		
A2	Annual license fee	Sum	1		
A3	Monthly configuration, 2 days on-site support and maintenance	Month	12		
A4	Initial set-up and finalisation of CEF report as required by IUDG	Sum	1		
B	**YEAR 2:**				
B1	Annual license fee	Sum	1		
B2	Monthly configuration, 2 days on-site support and maintenance	Month	12		
B3	Update of CEF report in line with IUDG requirements	Sum	1		
C	**YEAR 3:**				
C1	Annual license fee	Sum	1		
C2	Monthly configuration, 2 days on-site support and maintenance	Month	12		
C3	Update of CEF report in line with IUDG requirements	Sum	1		
D	**YEAR 4:**				
D1	Annual license fee	Sum	1		
D2	Monthly configuration, 2 days on-site support and maintenance	Month	12		

D3	Update of CEF report in line with IUDG requirements	Sum	1		
E	**YEAR 5:**				
E1	Annual license fee	Sum	1		
E2	Monthly configuration, 2 days on-site support and maintenance	Month	12		
E3	Update of CEF report in line with IUDG requirements	Sum	1		
GRAND TOTAL : Carried to Form of Offer and Acceptance					

Period required for commencement with project after acceptance of bid: …………………………………

VALUE ADDED TAX

Where the value of an intended contract will exceed R1 000 000, 00 (R1 million) it is the bidder's responsibility to be registered with the South African Revenue Service (SARS) for VAT purposes in order to be able to issue tax invoices.

It is a requirement of this contract that the amount of value-added tax (VAT) must be shown clearly on each invoice.

The amended Value-Added Tax Act requires that a Tax Invoice for supplies in excess of R3 000 should, in addition to the other required information, also disclose the VAT registration number of the recipient, with effect from 1 March 2005.

The VAT registration number of the Drakenstein Municipality is **4500109717**.

MBD 3.3

PRICING SCHEDULE – FIRM PRICES
(PROFESSIONAL SERVICES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED

Name of bidder..**Aurecon South Africa (Pty) Ltd**.. Tender number: CES 04/2019

Closing Time: 10:00   Closing Date: 6 June 2019

OFFER TO BE VALID FOR 180 DAYS FROM THE CLOSING DATE OF BID.

A: TOTAL BID PRICE

ITEM	ITEM DESCRIPTION	ITEM UNIT	ITEM QUANTITY	UNIT PRICE (VAT INCLUDED)	TOTAL PRICE (VAT INCLUDED)
A			YEAR 1:		
A1	First year full configuration and setup of the software tool (incl training, project management and prioritisation criteria)	Sum	1	R 365,098	R 365,098
A2	Annual license fee	Sum	1	R 287,500	R 287,500
A3	Monthly configuration, 2 days on-site support and maintenance	Month	12	R 29,808	R 357,696
A4	Initial set-up and finalisation of CEF report as required by IUDG	Sum	1	R 325,500	R 325,500
B			YEAR 2:		
B1	Annual license fee	Sum	1	R 207,000	R 207,000
B2	Monthly configuration, 2 days on-site support and maintenance	Month	12	R 29,193	R 350,316
B3	Update of CEF report in line with IUDG requirements	Sum	1	R 289,761	R 289,761
C			YEAR 3:		
C1	Annual license fee	Sum	1	R 207,000	R 207,000
C2	Monthly configuration, 2 days on-site support and maintenance	Month	12	R 24,473	R 293,676
C3	Update of CEF report in line with IUDG requirements	Sum	1	R 273,360	R 273,360
D			YEAR 4:		
D1	Annual license fee	Sum	1	R 207,000	R 207,000
D2	Monthly configuration, 2 days on-site support and maintenance	Month	12	R 20,645	R 247,740

DRAKENSTEIN MUNICIPALITY
SUPPLY CHAIN MANAGEMENT
TENDER . . . BIDS RECEIVED
06-06-2019

NAME: ....

SIGN: ....

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D3	Update of CEF report in line with IUDG requirements	Sum	1	R254,391	R254,391
E				YEAR 5:	
E1	Annual license fee	Sum	1	R207,000	R207,000
E2	Monthly configuration, 2 days on-site support and maintenance	Month	12	R17,707	R212,484
E3	Update of CEF report in line with IUDG requirements	Sum	1	R231,809	R231,809
	GRAND TOTAL : Carried to Form of Offer and Acceptance				R4,317,331

Period required for commencement with project after acceptance of bid: .... *Two WEEKS*

VALUE ADDED TAX

Where the value of an intended contract will exceed R1 000 000, 00 (R1 million) it is the bidder's responsibility to be registered with the South African Revenue Service (SARS) for VAT purposes in order to be able to issue tax invoices.

It is a requirement of this contract that the amount of value-added tax (VAT) must be shown clearly on each invoice.

The amended Value-Added Tax Act requires that a Tax Invoice for supplies in excess of R3 000 should, in addition to the other required information, also disclose the VAT registration number of the recipient, with effect from 1 March 2005.

The VAT registration number of the Drakenstein Municipality is **4500109717**.