



# HESSEQUA

Munisipaliteit/Municipality/U Masipala

## RIVERSDALE

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### INFORMATION STATEMENT

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**FROM** : Hessequa Municipality

**TO** : General Public

**DATE** : 28 April 2020

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### PROCUREMENT OF GOODS AND SERVICES CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS: SECTION 33 OF THE MFMA

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Background and discussion;

Hessequa municipality obtained a contract through an official procurement process for **PROVISION OF COMMERCIAL BANK SERVICES FOR A PERIOD OF FIVE (5) YEARS TO HESSEQUA MUNICIPALITY** under tender **HES-FIN 04/1920** and of which the financial obligation for Hessequa municipality will be longer than three (3) years and thus, Section 33 of the MFMA Act 56 of 2003, applies.

Herewith a synopsis of the procurement process followed;

Procurement process followed	Competitive bid.
Evaluation method	Method 2: Functionality, Price and Preference
Tender Functionality Evaluation	Minimum of 75/100
Preference Point System	80/20
Bid Specification Committee date	31/10/2019
Advertisement date	08/11/2019
Media used	Suid-Kaap Forum, Die Burger, Cape Times, Municipal Website, Municipal Notice Board, E-tender
Clarification Meeting	No site meeting scheduled for this tender
Closing Date	17/01/2020
Tender Validity Period	120 days
Tender Validity extended	No
Bid Evaluation Committee date	08/02/2020
Bid Adjudication	04/03/2020

Committee date	
Public Participation Process (Date published)	23/04/2020
Media Used	Suid-Kaap Forum, Municipal Website, Municipal Notice Board
Closing date of Public Participation process	15/05/2020
Estimate contract value over the five (5) year term	R 600 000.00 (VAT Exclusive)
Funding source	Municipal Budget
Term of contract	01/07/2020 – 30/06/2025

Proposed Financial Obligations over the contract term;

We wish to inform you that FIRST RAND BANK LIMITED have been recommended as the preferred bidder for *TENDER: HES-FIN 04/1920: THE PROVISION OF COMMERCIAL BANK SERVICES FOR A PERIOD OF FIVE (5) YEARS TO HESSEQUA MUNICIPALITY*. That the tender be awarded to FIRST RAND BANK LIMITED from 01 July 2020 until 30 June 2025.

In terms of the Municipal Financial Management Act, 2003 (Act 56 of 2003) – [MFMA], Supply Chain Management Regulations, the Municipality must procure banking services through a competitive bidding process. Therefore, all commercial banks registered in terms of the Banks Act, 1990 (Act No 94 of 1990) are invited to tender for the provision of banking services to the Hessequa Municipality for a period of 5 years commencing on 1 July 2020.

It must be noted that should there be any other requirements or niche services which fall outside of the scope of this tender, the Municipality reserves the right to procure those services by means of a separate process or, if found to be more effective, at the sole discretion of the Municipality, as part of this tender.

Find attached herewith the following supporting documentation;

- a) BAC Minutes
- b) Award Letter
- c) Proposed Contract between First National Bank Limited and Hessequa municipality.
- d) Tender document submitted by First National Bank Limited under tender HES-FIN 04/1920.
- e) Public Participation Notice

**Recommendation:**

1. That in accordance to Section 33 (1)(a)(ii) of the MFMA Act 56 of 2003, Hessequa municipality herewith is formally soliciting the views and recommendations of
  - aa. The National Treasury and relevant Provincial Treasury;
  - bb. The national department responsible for local government; and

- cc. If the contract involves the provisioning of water, sanitation, electricity, or any other services as may be prescribed, the responsible national department.
2. That feedback be provided within 21 calendar days from date of this correspondence, if none is received within given time will Hessequa municipality presume that there are no recommendation or views to this matter.

Sincerely

**Office of the Chief Financial Officer**

**Hessequa Municipality**