



045 932 8218

1, Seller Street, Maclear, 5480

086 216 8784

[thulin@elundini.gov.za](mailto:thulin@elundini.gov.za)

Dear Sir / Madam

### REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS

Kindly furnish me with a written proposal for rendering of professional engineering service as outlined in the enclosed scope of work. The quotation must be submitted on the letterhead of your business **must** be deposited in the tender box situated in 1 Seller Street Maclear, Finance Department, Cashier Reception area before 12h00 on the 24 October 2017. For **queries** please email to Ms. N. Thuli at [thulin@elundini.gov.za](mailto:thulin@elundini.gov.za) or faxed to 086 216 8784

|                             |              |              |              |
|-----------------------------|--------------|--------------|--------------|
| <b>Technical Queries:</b>   | Mr. M Zibi   | 045 932 8194 | 086 589 7751 |
| <b>Supply Chain Queries</b> | Ms. N. Thuli | 045 932 8218 | 086 216 8784 |

### **RE-ADVERT FOR REQUEST FOR PROPOSAL : ELECTRICAL TARIFF RESTRUCTURING - ELM-3/010/2017-2018**

The following mandatory documents must be submitted with the quotation and failure to submit will lead to the bids being declared non-responsive:

- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- Tax compliance status documents with PIN from SARS
- Copies of Company Registration certificate and IDs
- An original or certified BBBEE certificate copy
- 80/20 preferential procurement point system will be applied
- Proof that materials will be sourced from a reputable Eskom approved supply/manufacture where applicable
- Proof that all street light materials will be sourced from a reputable approved supply/manufacture
- Proof of registration with National Treasury Central Supplier Database (CSD)
- Completed MBD 4, MBD 6.1, MBD 8 and MBD 9 (downloadable from website and collectable at Supply Chain Offices)
- A recent Municipal account statement, lease agreement or affidavit stating you aren't liable to pay rates at your business premises
- Joint Venture must attach the JV agreement, original or certified copy of consolidated BBBEE certificate and a letter of signatory

### **NB: No quotations will be considered from persons in the service of the state<sup>1</sup>**

The minimum threshold for functionality is 70%

### **BIDDERS SHOULD TAKE NOTE OF THE FOLLOWING BID CONDITIONS:**


- The Elundini Local Municipality Supply Chain Management Policy will apply;
- The Elundini Local Municipality does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole part of the bid;
- Bids which are late, incomplete, unsigned, will not be accepted;
- Bids submitted are to hold good for a period of 30 days;
- Bidders will be required to register as a supplier/service provider on the ELM's Supplier/Service Provider Database, if not already registered
- If correct delivery is not received by the indicated agreed date the contract will immediately be terminated
- The latest General Conditions of Contract and any Special Conditions of Contract will apply.
- Upon submission of a bid/quote the bidder automatically grants confirmation that SARS may, on an ongoing basis during the contract term disclose the bidders Tax Compliance status to the municipality

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- Bidder must indicate the bid number and postal address on the sealed envelope in the event that the municipality decides to re-advertise the bid .

Failure to comply with these conditions may invalidate your offer.

Yours faithfully

SIGNATURE  \_\_\_\_\_ DATE 17-10-2017

## 1. Background

Elundini Local Municipality (ELM) is currently accepting proposals for experienced Electrical Engineers to, taking into consideration the full cost to supply electricity price and restructure its electricity tariffs within its area of electricity supply.

The purpose of this Request for Proposal (RFP) is to solicit proposals from various experienced Electrical Engineers, conduct a fair and extensive evaluation based on criteria listed herein, and select the service provider who best represents the service delivery objectives of ELM.

ELM is a rural local municipality of the four situated in the Joe Gqabi district of the Eastern Cape Province. The municipality is comprised of three towns Mt Fletcher, Ugie and Maclear. ELM holds a National Energy Regulator of South Africa (NERSA) electricity distribution license for two of the three towns namely Maclear and Ugie. ELM operates electrical network infrastructure in the two towns supplying estimated 6000 customers. Its medium voltage network is comprised of approximately 35 kilometers of overhead line and 3 kilometers of underground cable feeding 85 Medium voltage mini-substations and transformers.

The Electricity Section under the Infrastructure Planning and Development department is responsible for the electrical network and is situated in the municipal main offices in Maclear.

## 2. Project Objective and Description

- Derive revenue from tariffs that reflect the full cost (including reasonable risk adjusted margin or return) to supply electricity and ensure that the ELM Electricity section is economically viable, stable and fundable in the short, medium and long term.
- Tariffs that promote overall demand and supply side economic efficiency and are structured to encourage sustainable, efficient usage of electricity.
- Derive a link between the price a user must pay to the cost of serving that user
- Electricity price levels that assume an efficient and prudent electricity section, in other words prices that are based on least cost options and exclude inefficiencies
- Analyse existing Eskom contracts and account items in relation to contract
- Identify Location of all Eskom accounts point of supply

### 3. Network Size (estimates)

#### Ugie Town

| Equipment Description | Unit | Quantity |
|-----------------------|------|----------|
| Minisubs 11KV         | ea   | 3        |
| Minisubs 22KV         | ea   | 2        |
| RMU 22KV              | ea   | 2        |
| Transformers 22KV     | ea   | 37       |
| MV Underground Cable  | Km   | 1,64     |
| MV Overhead Line      | km   | 13,4     |

#### Maclear Town

| Equipment Description       | Unit | Quantity |
|-----------------------------|------|----------|
| Minisubs 11KV               | ea   | 4        |
| Transformers 11KV           | ea   | 41       |
| MV Underground Cable        | Km   | 1,150    |
| MV Overhead Line            | km   | 18       |
| Substaion 22kv – 11kv       | ea   | 1        |
| Substation Transformer 5mva | ea   | 2        |
| Substation Feeders 11kv     | ea   | 4        |

NB: ELM operates electrical network infrastructure in the two towns supplying estimated 6000 customers. Its medium voltage network is comprised of approximately 35 kilometers of overhead line and 3 kilometers of underground cable feeding 85 low voltage mini-substations and transformers.

### 4. Pricing

Itemised pricing with description of each activity covering the scope of work and deliverables

## 5. Information Obtainable from Elundini

- a) Existing electrical tariff structure
- b) Existing Property Register
- c) Existing Billing System
- d) Our Vendor information (Syntel)
- e) Electricity Budget

## 6. Deliverables

- a) A comprehensive tariff structure presenting all ELM customer categories
  - Evaluation of the current allocation of customers within demand-side sectors according to load profile. This includes the tariff grouping, like domestic, commercial, farming, etc.
- b) A comprehensive tariff structure offered by ELM to their customers which include the following facets:
  - Actual costs incurred
  - Network costs
  - Expansion costs
  - Maintenance costs
  - Support costs
  - Profit margin
  - Cross subsidization
- c) Report on all Eskom accounts
- d) Projected budget expenditure and revenue derived to determine break even and profit margins

## Functionality

**Circular No. 53 will be applied for functionality**

**Bidders to note that a Pre-qualification Evaluation will be undertaken. A minimum score of 70% points out of 100 must be scored in order to proceed to the Financial Evaluation**

| Category | Description  | Points    |
|----------|--|-----------|
| <b>1</b> | <b>Organisational Experience</b>   | <b>20</b> |
| 1.1      | Organizational Experience: Bidders will be evaluated on their experience as it pertains to the scope of this project. Bidders to submit work-List of projects similar undertaken with contactable references and documented proof of appointment and completion. | 20        |
| 1.1.1    | 1 to 3 projects = 10 points  |           |
| 1.1.2    | 4 to 6 project = 20 points   |           |
| <b>1</b> | <b>Team Expertise and Experience</b>   | <b>30</b> |
|          | 1) Professional profile: professional qualifications, professional experience (total duration of professional activity), level of education and training and positions held which have a bearing on the services which may be required.                          |           |
|          | 2) Experience in relation to the services which may be required in terms of the scope of work  |           |

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|          |   |            |
|----------|---|------------|
|          | <p>A CV of the Principal Consultant of not more than 4 pages must be attached to this schedule. Each CV should be structured under the following headings:</p> <ul style="list-style-type: none"> <li>a) Personal particulars <ul style="list-style-type: none"> <li>i. name</li> <li>ii. date and place of birth</li> <li>iii. place (s) of tertiary education and dates associated therewith</li> </ul> </li> <li>b) Qualifications (degrees, diplomas, grades of membership of professional societies and professional registrations)</li> <li>c) Name of current employer and position in enterprise</li> <li>d) Overview of post graduate experience (year, organization and position / responsibilities)</li> <li>e) Outline of assignments / experience that has a bearing on the required services giving dates, nature and scope of similar services that have been undertaken including the level of responsibility</li> <li>f) Professional activities which have a bearing on the service</li> </ul> <p>Certificates / suitable proof of membership must be attached to this schedule</p> |            |
|          | Proof of registration with ECSA as Electrical Technologist/Engineer   | 15         |
|          | Principal ≥ 3 Years' experience Similar to this project objectives  | 15         |
| <b>2</b> | <b>Delivery Period</b>  | <b>20</b>  |
|          | Realistic detailed Programme indicating clear timeframes and tasks in the implementation of the project scope of work (timeframes are for the date of appointment)  |            |
| 2.1      | > 8 Weeks   | 0          |
| 2.2      | 6 to 8 Weeks  | 10         |
|          | 4 to 5 Weeks  | 20         |
| <b>3</b> | <b>Proposal (compulsory 70% required for this section)</b>  | <b>30</b>  |
|          | <p>Proposed method/s of design in order to achieve the detail and accuracy as stipulated under Item 2 (Project Objectives)</p> <p>Specifically outline the value add with respect to the entity's portfolio of work and past experience in the field of electricity tariffs and pricing agency services with particular reference to municipality.</p> <p>The tenderer must briefly outline the value add offered in not more than six pages and attach this to this page. The tenderer should also state what value add other staff members will provide to the service and refrain from submitting generic company literature.</p>  |            |
| 3.1      | Yes = 30 Points   | 30         |
| 3.2      | No = 0 Points   |            |
|          | <b>Total</b>  | <b>100</b> |

**NB: THE BIDDER MUST MEET CATEGORY NUMBER 3(THREE) OF THE FUNCTIONALITY ASSESSMENT IN ORDER TO BE EVALUATED FURTHER.**

**EVALUATION CRITERIA**

The 80/ 20 preferential procurement point system will be applied as the project is estimated to be more than R30, 000.00

Price - 80 points

B-BEE status level of Contribution - 20 points

**BBBEE Points Breakdown:**

| LEVEL         | POINTS AWARDED |
|---------------|----------------|
| 1             | 20             |
| 2             | 18             |
| 3             | 14             |
| 4             | 12             |
| 5             | 8              |
| 6             | 6              |
| 7             | 4              |
| 8             | 2              |
| Non-compliant | 0              |

**DELIVERY ADDRESS:**

Elundini Local Municipality

No.1 Seller Street,

Maclear

5480

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Published on 17 October 2017

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