

NORTH WEST DEVELOPMENT CORPORATION (SOC) LTD



REQUEST FOR PROPOSALS (RFP)

NWDC/SBD001/2021

TERMS OF REFERENCE (TOR)

THE NORTH WEST DEVELOPMENT CORPORATION (SOC) LTD HEREBY INVITES SERVICE PROVIDERS FOR DEBT COLLECTION ON A NON-TRACER NON COLLECTION FEE BASIS

CLOSING DATE: 17 February 2022

TIME: 11:00

**SUBMISSION OF PROPOSALS:
MMABATHO BRANCH OFFICE
30 JAMES WATT CRESCENT
MAFIKENG**

CONTACT NUMBERS:

Mr Welane Wanzi 0762263920

Mr Bobby Legotlo 0761761099

BIDDER: _____

1. PREAMBLE

The NWDC's **strategic thrust** is to drive an inclusive strategy towards economic growth and transformation in the Province in line with the Provincial priorities. The entity is appropriately positioned as the implementing vehicle of the Provincial Government to roll-out.

The NWDC's **purpose** is therefore to contribute towards the growth and transformation of the economy by positioning the North West Province as a competitor in the SADC Region, Africa and the globe in investment attraction.

The NWDC **aims** to demonstrate its leadership by implementing key programmes and providing support for the development of key sectors of the economy in line with the conventional economic and industrial policies of the Province. Key to this aim is the growth of the cooperatives economy, trade and investment facilitation and increased strategic economic infrastructure. The NWDC undertakes to support key Provincial strategies in a manner that ensures successful implementation of those strategies.

2. BACKGROUND

The North West Development Corporation (NWDC) (Soc) Ltd is an established 3D entity in terms of Public Financial Management (PFMA) Act No.1 of 1999 updated and revised in October 2012, and a Private Company by proclamation published in an extraordinary Provincial Government Gazette no.5350 dated 03 February 1999. The North West Provincial Government (NWPG) holds 100% shares of the ordinary shares of NWDC.

In terms of its mandate, the NWDC performs the following functions: Planning, Financing, Coordinating, Promoting and carrying out of the Economic Development of the Province and its people in the field of Industry, Commerce, Finance, Mining and other business, resulting in wealth and job creation.

NWDC SOC (LTD) has a debt book of approximately R301 million long outstanding loans while rental debtor book is R219,430,294.60 and the loan book is R81,923,108.85. Most of these debts are above 120 days. These debts are spread throughout the North West Province including parts of Gauteng, the Northern Cape and Mpumalanga Provinces. The following illustrates the debtors' book as follows:

2.1 Loan Debtors Book as at 31 March 2021

REGION	NUMBER OF ACCOUNTS	AMOUNT (Rand)
Mmabatho	157	50,827,170.79
Mogwase	8	1,395,958.80
Garankuwa	4	360,337.88
Babelegi	5	1,562,035.90
Lehurutshe	1	118,763.66
Taung	23	8,353,278.17
Ganyesa	4	93,837.62

REGION	NUMBER OF ACCOUNTS	AMOUNT (Rand)
Mothibistad	-	-
Klerksdorp	24	6,653,115.42
Rustenburg	28	12,558,610.61
Total	254	81,923,108.85

2.2 Rental Debtors Book as at 31 March 2021

REGION	NUMBER OF DEBTORS	AMOUNT (Rand)
Tlokwe	11	R892,009.90
Mmabatho	204	R42,672,958.69
Lehurutshe	96	R6,953,724.14
Taung	11	R2,826,343.69
Mothibistad	66	R8,478,435.62
Ganyesa	11	R3,409,675.70
Mogwase	400	R35,555,998.64
Rustenburg	177	R21,417,207.67
Garankuwa	138	R54,550,981.88
Babelegi	193	R 42,672,958.69
Total	1307	R219,430,294.60

In terms of NWDC debt collection Policy, all process of following outstanding debts has been done through telephonic, issuing of remind and demand letters and other means of collection has been applied.

3. PURPOSE

The purpose of this document is to Request for Proposals from a fully licenced and reputable Debt Collection Agency/law firm/service provider to perform debt collection on a non-tracer/non-collection no fee.

4. DURATION OF A CONTRACT

The total duration of the contract will be for period of 2 (two) years with the renewal option of one (1) year based on the quality service provided.

The Successful Service Provider will also be required to:

- Commence with the preparation of the work within a period two (2) weeks maximum after notification and appointment letter/contract.
- Provide a detailed project plan explaining how the project will be conducted with specific time lines, personnel, the supporting systems and means that will be utilized to execute the project.

5. SCOPE OF WORK

The NWDC is requesting from prospective fully licenced and reputable Debt Collection Agency/law firm/service provide to submit a proposal for debt collection on a non-tracer/collection no fee.

These should include and address the following:

- a) Trace debtors as per age analysis;
- b) Use of all collection techniques that are legally acceptable (telephonic collection, letter of demand etc.);
- c) Submit monthly collection report by the 7th of each month;
- d) Submit monthly collection reconciliation account by the 7th of each month;
- e) Submit monthly collection forecast (budget) by the 7th of each month;
- f) Once all collection techniques/ efforts have been exhausted, advise alternative action; and
- g) Attend bi- monthly meetings which will be conducted with NWDC.

The proposal from the service provider should stipulate the percentage of commission for any debt collected. The successful service providers are required to have reasonable sound knowledge of the whole process of debt collection. Service provider must have capacity and means to trace persons.

Adequate practical experience in the planning and collection of debt; processes followed, the recording and analysis of the number of persons contacted, payments received and amounts collected per time frame in particular, will be a strong recommendation.

6. MINIMUM PROPOSAL SPECIFICATION

The proposal should include and relate to the debt collection on a non-tracer/collection no fee in terms of:

- a) Methodology and approach of debt collection.
- b) Capacity, resources and equipment's to be utilized
- c) Innovation and Technology
- d) The process of collections should cover collection and administrative fees from debtors
- e) Indicate collection payable to the service provider (inclusive of vat) and any other related charges
- f) A detailed project plan with stipulated time lines to collect the debt book.
- g) Profile of the company detailing the experience
- h) Current Commitments
- i) Detailed budget and the fee structure.
- j) A list of similar projects handled with contact details including the success stories.

7. PROJECT TEAM AND EXPERIENCE

The respondent should identify all proposed team members and their role in the project. For each proposed member the following should be indicated:

- a) Member name, professional affiliations and company affiliated with (where applicable);
- b) Each member’s role in the project;
- c) Brief description of the individual’s qualifications and experience; and
- d) List of relevant achievements and brief description of their roles including testimonials on official letterheads of issuing companies/parties.

8. COLLECTION ACCOUNT

The debt collected will be **paid directly** to the NWDC bank account by individual debtors and the debt collector will submit reports and invoices as per the work done to the NWDC. No debt will be collected through the service providers Trust account/bank account.

9. TECHNICAL EVALUATION CRITERIA

STAGE 1: SUBMISSION OF FICA DOCUMENTS

The following compulsory documentation must be submitted with the proposal:

FICA REQUIREMENTS AND ADDITIONAL INFORMATION REQUIRED

Authenticated copies are permissible		
No	Document	Checked (√/X)
1.	Company profile	
2.	B-BBEE certificate: Only SANAS or CIPC SWORN Affidavits shall be accepted.	
3.	Company registration (CIPC) and Company Documents	
4.	Power of Attorney/ Letter of Authority / and/or Resolution Authorizing the Director to sign all the document	
5.	Proof of Audited Financial Statements of 3 latest consecutive years;	
6.	6.1 Confirmation of Residential Address or Business Address	
	6.2 Proof of residence of directors	
7.	Valid Tax Certificate must be valid at the time of the submitting this Bid Document	
8.	CV, ID Copies and Profile of Directors, Team Members and Supporting Staff Members	
9.	Company Organogram with Positions	
10.	Certified copy of Certificate of Debt Collection	
11.	Draft Service Level Agreement	
12.	Proof of compliance with the POPIA Act	

Authenticated copies are permissible		
No	Document	Checked (√/X)
13.	Joint Venture Agreement/ Consortium/ Sub Contracting Agreement, Signed (where applicable). 13.1 the signatories for the Joint Venture should be authorised signatories, i.e. submit the Board Resolution giving them the authority to sign the documents. 13.2 In terms of Joint Venture agreement, all parties must submit all their separate documents in the proposal	
14.	Current and completed contracts with contactable references and values of the contracts	
15.	A letter from the bank which stipulates your company's financial risk in terms of low, medium or high in terms of financial standing at the bank i.e. bank rating letter,(not more than 3 months old)	
16.	Proposal/Methodology/ Approach	
17.	Project Plan with clear time lines (This must address all the phases of the project)	
18.	SBD 1 - Invitation to Bids	
19.	SBD 3.1 - Price Schedule (Firm prices)	
20.	SBD 4 - Declaration of Interest	
21.	SBD 5 - National Development Planning Programme	
22.	SBD 6.1 - Preference points claim form in terms of the Preferential Procurement Regulations	
23.	SBD 8 - Declaration of Bidders Supply Chain Practices	
24.	SBD 9 - Certificate of Independence	

NOTE:

- Please Tick (√) if available and (X) if not available.
- Tax Clearance Certificate must be valid at time of submitting this bid document.
- In case of a Consortium, Joint Venture or Subcontractor, the documents listed above must be submitted for each Consortium/JV member or subcontractor as well as certified copy of a relevant agreement.
- It must be noted that the evaluation of the proposal will be conducted in line with the scope of work indicated in this document.
- Only SANAS or CIPC SWORN AFFIDAVIT or B-BBEE certificates shall be accepted.
- Non-submission of the above documents will render this tender invalid.

STAGE 2: TECHNICAL/FUNCTIONALITY STAGE:

In order to qualify for the next stage of evaluation, the bidder must score a minimum of 75 points.

(A)	(B)	(C)	(D)	(E)
CRITERIA	DESCRIPTION	WEIGHT (IN POINTS)	FUNCTIONALITY RATING	Portfolio of Evidence (POE)
Company Experience in Debt Collection	Experience of prospective company in tracing and Debt Collection	25	25 points: 15 years and more. 20 points: 8-14 years 15 points: 4-7 years 10 points :3years	Proof of years in Debt Collection services (professional body Certificate first date of registration.)
Company Profile indicating the company expertise in: <ul style="list-style-type: none"> • Tracing debtors • Obtaining commitment to pay(concluding AODs) • Settlement of outstanding debt 	Company Profile indicating Debt Collection and Tracing	20	20 points : All of the above 5 points : Tracing debtors 5 points : Obtaining commitment to pay (concluding AODs) 10 points: Settlement of outstanding debt	Proof of successful Contracts, in the field of debt collection, including the stages of tracing, concluding AODs and settlement of outstanding debt.
Proposal, Methodology, Approach and Project Plan	A clearly well-defined methodology and approach towards successful collection of long outstanding debts. Duration and time frames to collect clearly defined. This should also include recoupment of collection fees.	25	Well defined methodology & approach: 15 points <ul style="list-style-type: none"> • Well defined: 15 points • Partially defined: 10 points • Not defined: 0 Well defined project plan with clear time lines: 10 points <ul style="list-style-type: none"> • Well defined: 10 points • Partially defined: 5 points • Not defined: 0 	Detailed Project Plan, Methodology and Approach

(A)	(B)	(C)	(D)	(E)
CRITERIA	DESCRIPTION	WEIGHT (IN POINTS)	FUNCTIONALITY RATING	Portfolio of Evidence (POE)
Proposed Team Members relevant experience and Qualifications	<p>The relevant team members and other team assistants should have a minimum of five (5) years' experience and relevant qualifications in debt collection</p> <p>Submit a general Curriculum Vitae/profile for each of the key personnel which highlights experience that is relevant.</p> <p>Company Organogram.</p>	15	<p>15 points- 15 years relevant experience and a relevant qualification in debt collection</p> <p>10 points -10 years relevant experience and a relevant qualification in debt collection.</p> <p>5 points- 5 year's relevant experience and a relevant qualification in debt collection.</p>	Team Members Cv's, certified copy of qualifications and Organogram
Testimonials or references	Testimonials or references (confirmed by client other than NWDC) of handling big accounts for a minimum of three (3) years	15	<p>15 points : 4 and more references;</p> <p>10 points: 2 -3 references;</p> <p>5 points: 1 reference.</p>	Testimonials of the references on the respective company letterheads including the contact person with their contact details
	Total Score	100		

NOTE: The qualifying score for functionality is **75 points**. All the bidders that fail to achieve the minimum qualifying score on functionality shall not be considered for the next step of evaluation.

STAGE 3: PRICE AND B- BBEE - 80/20 Preferential Procurement Point -2017

- Bids will then be evaluated on an 80/20 basis, where 80 points is assigned for price and 20 for B-BBEE points as outlined in Preferential Procurement Regulation of 2017
- Only SANAS or CIPC SWORN AFFIDAVITS B-BBEE certificates shall be accepted for scoring.

10. CONFIDENTIALITY

Once appointed, a contractual pre-requisite is to comply with the NWDC's Confidentiality Agreements. It must be noted that all company information is confidential. The successful service provider will be expected to sign the NWDC Confidentiality Agreement.

The North West Development Corporation (SOC) Ltd (NWDC) considers this Terms of Reference and all related information, either written or verbal, which is provided to the respondent to be confidential. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this specification or related information to any third party without the prior written consent of NWDC.

11. SUBMISSION FORMAT

11.1 The bidder must submit one (1) Original separate proposal (as per below format) and (2) two hard copies (clearly marked **NWDC/SBD001/2021**) to fulfil the project deliverables.

11.2 The sealed envelope must be placed in the tender box marked as **NWDC/SBD001/2021– Debt Collection** at the Main Reception Area NWDC Mmabatho Branch Offices: NWDC Building, 30 James Watt Crescent, Industrial Site, Mahikeng, 2745; **by no later than:**

Date: 17 February 2022

Time: 11h00

11.3 The bidder should provide the full legal corporate name of each Company/Individual identified in this tender document; and the name, title, address, telephone number, facsimile number and e-mail address of the individual to be contacted with respect to the submission. Include the URLs (website address), if applicable.

11.4 Each respondent must complete all the prescribed Standard Bid Document (SBD) as listed in this tender document.

11.5 Each respondent must furnish all the regulatory documents and any other information as required.

11.6 The Bidder will be required to make a formal presentation of their proposal to the relevant Committee as and when they will be requested.

11.7 No late submission shall be accepted.

11.8 Proposals that are not received by the deadline will not be considered and will be returned to the proposer unopened, if the return address has been stated.

11.9 All costs related to this proposal shall be carried by the proposer.

12. TENDER VALIDITY PERIOD

Responses to this bid document received will be valid for a period of 90 days counted from the closing date of the submission.

13. SUPPLIER PERFORMANCE MANAGEMENT

- 13.1 Supplier Performance Management is viewed by the NWDC as critical component in ensuring value for money acquisition and good supplier relations between the NWDC and all its suppliers.
- 13.2 The successful bidder shall upon receipt of written notification of an award, be required to provide a draft Service Level Agreement with the NWDC, which will form an integral part of the supply agreement. The agreement will serve as a tool to measure, monitor and assess the supplier performance level and ensure effective delivery of service, quality and value add to NWDC's business.
- 13.3 Bidders are required to comply with the above condition, and also provide a scorecard on how their performance is being measured to achieve the objectives of this condition.

14. NWDC's RIGHTS

- 14.1 The NWDC is entitled to amend any tender conditions, validity period, specifications, or extend the closing date of tenders before the closing date.
- 14.2 The NWDC reserves the right not to accept the lowest proposal or any proposal in part or in whole. It normally awards the contract to the tenderer who proves to be fully capable of handling the contract and whose tender is technically acceptable and/or financially advantageous to the NWDC.
- 14.3 The NWDC reserves the right to award this tender to a purely empowerment company or may award this tender on condition that a joint venture with an empowerment company is formed. This will be added to the criteria when evaluating the tenders.
- 14.4 The NWDC reserves the right to appoint or not to appoint.

15. UNDERTAKINGS BY BIDDER

- 15.1 The bidder hereby offers to render all or any of the services described in the attached documents to the NWDC on the terms and conditions and in accordance with the specifications stipulated in this Terms of Reference (and which shall be taken as part of, and incorporated into, this Proposal at the prices inserted therein).
- 15.2 Bid documents submitted by Companies must be signed by a person or persons duly authorized thereto by a resolution of a Board of Directors, a copy of which Resolution, duly certified be submitted with the Proposal.
- 15.3 The Bidder shall prepare for a presentation should NWDC require such and the bidders shall be notified thereof no later than 4 (four) days before the actual presentation date.
- 15.4 The Bidder hereby agree that the offer herein shall remain binding upon him/her and

receptive for acceptance by the NWDC during the validity period indicated and calculated from the closing hour and date of the Tender. This proposal and its acceptance shall be subject to the terms and conditions contained in this Terms of Reference.

15.5 The Bidder furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her Tender response and that the price(s) and rate(s) quoted cover all the work/item(s) specified in the Tender response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accept that any mistakes regarding price(s) and calculations will be at his/her risk.

15.6 The Bidder hereby accept full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this agreement as the Principal(s) liable for the due fulfillment of this contract.

16. REASONS FOR DISQUALIFICATION

16.1 The NWDC reserves the right to disqualify any bidder, who does any one or more of the following, and such disqualification may take place without prior notice to the offending bidder, however the bidder will be notified in writing of such disqualification:

16.2 Bidder who do not submit a valid and original Tax Certificate on the closing date and time of the bid;

16.3 Bidders who submitted incomplete information and documentation according to the Requirements of this bid document;

16.4 Bidders who submitted information that is fraudulent, factually untrue or inaccurate;

16.5 Bidders who received information not available to other bidders through fraudulent means; and/or;

16.6 Bidders who do not comply with mandatory requirements as stipulated in this bid document.

17. ENQUIRIES

Enquiries may be directed to the following person:

Scope/Terms of Reference	Tender Document
Welane Wanzi and Bobby Legotlo NWDC Welane: 076-226-3920 and Bobby: 076-176-1099 welanew@nwdc.co.za and bobbyl@nwdc.co.za	Neo Mogashane NWDC 082-926-1841 neom@nwdc.co.za