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TERMS OF REFERENCE

THE APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF BOARD OF DIRECTORS & OFFICERS INDEMNITY INSURANCE

1. NTINGA O.R TAMBO DEVELOPMENT AGENCY BACKGROUND

Ntinga O.R Tambo Development Agency SOC Ltd is a wholly owned municipal entity of the O.R. Tambo District Municipality (ORTDM), registered as a State-Owned Company. The mandate of the Agency is the promotion and facilitation of the socio-economic development of our region.

The mandate bestowed upon Ntinga by the parent municipality, O.R. Tambo District Municipality is to perform activities which falls within the functions and powers of district municipalities as contemplated in Section 84(1) of the Municipal Structures Act, 1998 (Act 117 of 1998), which are:

- Integrated Development Planning;
- Potable Water Supply Systems;
- Domestic and Industrial Waste-water and Sewage Disposal Systems;
- Fresh Produce Markets and Abattoirs;
- Local Tourism Promotion;
- Municipal Public Works;
- Taxes, Levies and Duties; and
- Discretionary Activities.

This new Ntinga mandate is derived from various relevant pieces of legislation and is meant to make Ntinga more effective and able to add value to the Parent Municipality.

Ntinga O.R. Tambo Development Agency SOC Ltd: A Municipal Entity of the O.R. Tambo District Municipality (Reg. 2016/272582/30)

*Directors: Ms. U.N. Mkhize; Dr. L.L. Ndabeni; Ms. N.S.N. Bam; Dr. N.T. Ndudane;
Ms. N.D.A. Ngweni; Mr. M.M. Pupuma; Mr L. Mbiko (CEO)*

Our vision:

“Vibrant and Sustainable Communities”

Our mission:

Ntinga Shall Attain its Vision Through:

“Being a catalyst for innovation in promoting socio-economic development and sustainable services to communities, through strategic partnerships and new investments”.

2. PROJECT BACKGROUND

Section 78(7) of the Companies Act provides for the allowed provisions in terms of which a company may purchase directors and officers indemnity insurance, against any liability or expenses permissible within the Act.

3. SCOPE OF WORK

Ntinga O.R. Tambo Development Agency SOC Ltd therefore requires a service provider to provide Directors & Officer Liability Insurance. The service provider must meet the following specifications/ requirements:

- Provide short term insurance cover for the Ntinga O.R Tambo Development Agency SOC Ltd Board of Directors & Officers Liability
- Policy Period – with effect from 1 March 2022
- Limit of Liability : R10 000 000.00 (Ten Million Rand)
- Management Liability
- Company Securities
- Investigation
- Non-Executive Directors Protection
- Extradition Costs

- Outside Directorship
- Bodily Injury and Property Damage Defence Costs
- Assets and Liberty
- Public Relations Expenses

4. EVALUATION CRITERIA

Responses will be evaluated on two stages. The first stage being the functionality and the second stage being the price and preference.

4.1 TECHNICAL EVALUATION CRITERIA STAGE 1A:

4.1.1 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 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.	SARS Registration and Tax Clearance Certificate or pin must be valid at the time of the submitting this Bid Document;	
8.	VAT Registration Certificate;	
9.	CV, ID Copies and Profile of Directors, Team Members and Supporting Staff Members;	
10.	Company Organogram with Positions;	
11.	Proof that the broker and/or insurer is authorized by the Financial Services Board to provide insurance- FSB Number;	
12.	Certified copy of Certificate of Registration in terms of the FAIS Act;	
13.	Draft Service Level Agreement;	
14.	Joint Venture Agreement/ Consortium/ Sub Contracting Agreement , Signed (where applicable);	
15.	Current and completed contracts with contactable references and values of the contracts;	
16.	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);	
17.	Proposal/Methodology/ Approach;	
18.	Project Plan with clear time lines (This must address all the phases of the project);	
19.	19.1. MBD 1 - Invitation to Bids 19.2. MBD 2 - Tax Clearance Certificate Requirement 19.3. MBD 3.2 - Price Schedule (Firm prices) 19.4. MBD 4 - Declaration of Interest	

	<p>19.5. MBD 5 - National Development Planning Programme</p> <p>19.6. MBD 6.1 - Preference points claim form in terms of the Preferential Procurement Regulations</p> <p>19.7. MBD 8 - Declaration of Bidders Supply Chain Practices</p> <p>19.8. MBD 9 - Certificate of Independence</p>	
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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 SWORN AFFIDAVIT B-BBEE certificates shall be accepted.**
- **Non-submission of the above documents will render this tender invalid.**

4.2 TECHNICAL/FUNCTIONALITY - STAGE 1B

In order to qualify for the next stage of evaluation, the Bidder must score a minimum of 70 points.

The following functionality criteria will be applicable.

A	B	C	D
CRITERIA	DESCRIPTION	WEIGHT	Portfolio of Evidence (POE)
Company Experience in Short Term Insurance Broking	The service provider must be a registered financial services provider and have at least five (5) years' experience in the provision of D&O Insurance with specific emphasis on Boards of Directors of State-Owned Companies in the Public Sector. FSP Number must be provided for verification purposes	30	Proof of years in Short Term Insurance Broking services (FSB Certificate)
Proposal, Methodology, Approach and Project Plan	<p>A clearly defined Proposal including: Detailed Project plan with clear time lines</p> <p>Detailed process Plan on how the account will be managed i.e. processing of claims, queries, etc.</p> <p>The quality of the criteria to provide cover to be used i.e. What will be regarded as a valid claim to maximum risk?</p> <p>Provide a detailed methodology including how the Service Provider will conduct services between the Client, Broker and Insured Party</p>	25	Detailed Project Plan, Process Plan, Risk Management Advice Methodology and Approach
Proposed Team Members relevant	The relevant team members and other team assistants should have a minimum of five (5) years'	15	Team Members Cv's, certified copy of

A	B	C	D
CRITERIA	DESCRIPTION	WEIGHT	Portfolio of Evidence (POE)
experience and Qualifications	<p>experience and relevant qualifications in the Short Term Insurance Brokerage.</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>		qualifications and Organogram
Testimonials or references	<p>Testimonials or references (confirmed by client other than Ntinga O.R.Tambo Development Agency SOC LTD) of handling big accounts for a minimum of three (3) years</p>	10	Testimonials of the references on the respective company letterheads including the contact person with their contact details
Company Profile indicating Short Term Brokerage insurance	<p>Company Profile indicating Short Term Brokerage in State Owned Entities, Constitutional Institutions, Government Department and Municipalities</p>	20	Proof of Contracts, claims handling and claims ratio executed or to be attached

4.3 STAGE 2- Price and Preference

Quotations will be evaluated according to the 80/20-point system in compliance with Preferential Procurement Policy Framework Act and that prevailing of 2017.

CRITERIA	DESCRIPTION	PRICE (Points)	BBEE (Points)
Fee to be charged (Price) and BBBEE Level	80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million	80	20

5. PROFILE OF TENDERING COMPANY

Bidders are required to attach to their quotation a short summary of their operations including:

5.1 A background of the company, policies and actual achievements. Breakdown of shareholding percentages in respect of Black Economic Empowerment and previously disadvantaged persons within the company.

5.2 A brief outline of the length of time operating in the Short-term Insurance industry, the extent, nature and area of current operations and approximate numbers of support staff employed within the company that will interact with the Entity;

5.3 A list of current contracts held by the company, corporation, division or branch that will be supplying the service as well as telephone and fax numbers of senior persons of such clients who could be contacted for references;

6. CONFIDENTIALITY

6.1 A contractual pre-requisite is to comply with the Entity's Confidentiality Agreements. It must be noted that all company information is confidential. Once appointed, the successful bidder will be expected to enter into a Confidentiality Agreement with the Entity.

7. COMPULSORY BRIEFING SESSION

7.1 Please note that there will be no briefing session. This is to comply with COVID-19 regulations of avoiding public gathering to reduce the risk of contracting the virus, and assist in flattening the curve.

8. SUPPLIER PERFORMANCE MANAGEMENT

8.1 Supplier Performance Management is viewed by the Ntinga O.R. Tambo Development Agency as critical component in ensuring value for money acquisition and good supplier relations between Ntinga O.R. Tambo Development Agency Terms of Reference and the Insurance Broker.

8.2 The successful bidder shall upon receipt of written notification of an award, be required to conclude a Service Level Agreement with Ntinga O.R. Tambo Development Agency, 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 Ntinga O.R. Tambo Development Agency business.

8.3 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.

9. REASONS FOR DISQUALIFICATION

9.1 Ntinga O.R. Tambo Development Agency 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:

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

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


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

9.1.4 Bidders who received information not available to other vendors through fraudulent means; and/or

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

NOTE: Please visit the Ntinga O.R. Tambo Development Agency SOC Ltd website on <http://www.ntinga.org.za>

APPROVED BY:

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L Mbiko

CEO

Ntinga O.R Tambo Development Agency SOC Ltd