ALFRED NZO
DISTRICT MUNICIPALITY

TERMS OF REFERENCE

AUCTIONING SERVICES

2023/24 FINANCIAL YEAR

Issued and Prepared by:
Alfred Nzo District Municipality
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BACKGROUND AND OVERVIEW OF THE PROJECT

Alfred Nzo District Municipality hereby invites prospective suppliers to bid for the auctioneering services. The municipality over the years has been disposing municipal assets that are no longer needed. Council habitually approves disposal of municipal assets that were no longer bringing economic benefit to the municipality, this is in line with the section 14 of the MFMA no 56 of 2003.

1.1 INTRODUCTION

Alfred Nzo District Municipality hereby invites prospective service providers to bid for the auctioneering services. The municipality council has approved the disposal of municipal assets that are no longer bringing economic benefit to the municipality and those that are obsolete and redundant.

Section 14 of the MFMA provides as follows:-

"14. Disposal of capital assets

(1) A municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

(2) A municipality may transfer ownership or otherwise dispose of a capital asset other than one contemplated in subsection (1), but only after the municipal council, in a meeting open to the public—

(a) Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

(b) Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

(3) A decision by a municipal council that a specific capital asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset has been sold, transferred or otherwise disposed of.

(4) A municipal council may delegate to the accounting officer of the municipality its power to make the determinations referred to in subsection (2)(a) and (b) in respect of movable capital assets below a value determined by the council.

(5) Any transfer of ownership of a capital asset in terms of subsection (2) or (4) must be fair, equitable, transparent, competitive and consistent with the supply chain management policy which the municipality must have and maintain in terms of section 111.

(6) This section does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national or provincial organ of state in circumstances and in respect of categories of assets approved by the National Treasury, provided that such transfers are in accordance with a prescribed framework."

1.2 OVERALL AND SPECIFIC OBJECTIVES OF THE PROJECT

1.2.1 Overall objective

The aim and objective of the project is to appoint a professional and experienced service provider that will be conducting and coordinating a public auction on behalf of the municipality and thereafter submit a comprehensive report.

1.2.2 Specific Objectives

Provide auctioneering services to the municipality in as per the council request and submit auction report thereafter.

Scope & extent of work

Quotations are invited from suitably qualified, professional and experienced service providers to prepare and submit proposals to undertake the auctioneering services.

Successful service providers will be appointed only for one year to perform auction.

Alfred Nzo District Municipality requires the services of a capable and experienced auctioneering service provider to conduct auction of:

Municipal Movable assets, which includes, but is not limited to:

- Redundant vehicles and trucks;
- Office equipment, furniture, computers;
- Scrap metals; or
- Other materials;

The marking and arranging of the items to be sold at the site of the auction.

2. PROJECT TIME FRAME

The project time -frame is 1 year from the date of appointment.

3. KEY OUTPUTS/PROJECT MILESTONES/DELIVERABLES

- To conduct and coordinate public auction and there after submit report on the proceedings.
- The auction(s) will take place on a date(s) set by the Municipality and the Auctioneer.
- Submitting the final detailed statement for items sold, to the Municipality within 3 (three) working days after the auction date.

4. PROJECT MANAGEMENT

The appointed service provider will take responsibility of the work. The client will deal with the contracted service provider. The project is to be co-ordinated and managed by an operational team led by Alfred Nzo District Municipality.

5. REPORTING MECHANISM

It is expected that after 3 working days of the auction the appointed auctioneer must submit a full report to the municipality. .

6. SUBMISSION OF QUOTATIONS

Quotations must be emailed to tenders@andm.gov.za referenced with Project Name and Bid Number failure to do so will lead to disqualification.

7. EVALUATION CRITERIA

Capacity to execute the work

Evaluation criteria of the Quotations;

The bids will be evaluated in two stages, namely:

- Stage 1- Capacity to Execute Work
- Stage 2- Price and Specific Goal

Only Bidders who score 70% or more on stage 1 would be evaluated further and therefore eligible for the award

ITEM	Scoring
STAGE 1 OF EVALUATION – CAPACITY TO EXECUTE THE WORK	100
• **Previous Experience**	50
• **Capacity and Expertise**	50
Total Scoring	100

Price and Preference

Bids will be evaluated according to the 80/20 Point System in compliance with Preferential Procurement Policy Act (5/2000) and Preferential Procurement Regulations 2022.

Preferential Procurement Goals	Proof to be Attached to Claim full Points	Points
Price	N/A	80

Specific Goal		20
Bidders will score Specific Goals as follows		
Empowerment of Women	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	5
Youth	Attach ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	5
Rural	Attach Proof of Residence of the Business or Lease Agreement	3
Disabled	Attach a Signed Letter from Health Practitioner	2
Black Owned Companies	Attach CK and ID Certified Copies of Directors Claiming Specific Goals; for Bidders to obtain full points the percentage of equity held must be 51% or more	5
Total Scoring		**100**

Previous Company Experience **Note: The scoring in this section is not cumulative**	
Traceable record for successful completion of auctioneering services in 3 or more public sector entities to the value of R50 000.00 each project and above	50

Traceable record for successful completion of auctioneering services in 2 or more public sector entities to the value of R50 000.00 each project and above	40
Traceable record for successful completion of auctioneering services in 1 public sector entities to the value of R50 000.00 and above.	30
Total Scoring **Note COMPULSORY attachments for verifying work done:** 1. **The ANDM Assessment Bidder Form must be completed, stamped, and signed by the previous employer as a means of verifying references for each project undertaken. If 3 Projects were done, 3 Assessment bidder forms must be completed.** 2. **In ADDITION to the above, a traceable record will be evaluated on the basis of:** **- An Appointment Letter or Official Purchase Order**	**50**

Capacity and Expertise to Undertake the Project **Note: The scoring in this section is preferably cumulative, unless justifiable to the Specification Committee**	
A Project Team with the following areas of expertise:	
The appointed service provider(s) must be a registered Member of SAIA (South African Institute of Auctioneers), and must be covered with the Fidelity Guarantee Insurance	30
One or more of team member must have minimum of NQF level 6 in communication or marketing	20
Total Scoring[30+20]	**50**

NB: Attach CV and certified copies not older than 3 months for all qualifications	

For any queries regarding this tender, please contact Ms S.A. Cele for project related queries; on (039) 254 5280 or;
Supply Chain Management contact for SCM related queries Mr. B. C. W. Makiwane at telephone number 039-254-5218 during office hours.

Alfred Nzo district Municipality

Erf 1400 Ntsizwa Street

Mount Ayliff

4735

Yours in municipal administration

MS. S.O. KHUZO
ACTING CHIEF FINANCIAL OFFICER

APPROVED/NOT APPROVED

MRS. U.P. MAHLASELA
ACTING MUNICIPAL MANAGER
DATE OF APPROVAL.....

COMMENTS: