

SECTION 1: RFQ SPECIFICATION AND SUBMISSION DOCUMENT



CONDUCTING OF SALARY BENCHMARKING FOR CHRIS HANI DEVELOPMENT AGENCY OFFICIALS TO DETERMINE FAIR REMUNERATION IN LINE WITH MARKET STANDARDS AND TASK GRADING SYSTEM

Name of Bidder: _____

Total Bid Price: _____

Date: _____

All bidders to note:

- This is the standard submission document for the submission of your proposal
- All tables to allocate functionality points must be completed in full else nil points will be allocated
- All supplementary documents must be annexed to this submission and labelled in line with the requirements
- CLOSING DATE: FRIDAY 2 FEBRUARY 2024, 12 NOON
- ALL SUBMISSIONS TO BE EMAILED TO scm@chda.org.za on or before the closing date

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It is the intention of CHDA to enter into a once – off contract / service level agreement with a service provider that will carry out the services described hereunder:

DETAILS

The Chris Hani Development Agency (CHDA) is a state-owned company (SOC) wholly owned by the Chris Hani District Municipality. The agency has been discharged with the mandate of being a development agency enabling, facilitating and managing local economic development programmes in the district. The agency is in its third year of operations and has completed its establishment phase.

PROJECT PURPOSE / OBJECTIVES

The agency is in the process of benchmarking its annual cost of employment and determining fair remuneration upper and lower limits for key positions on the organogram. This involves evaluation of the current jobs, functions, complexities and required skills set to execute, to identify fair cost-to-company packages per position. This will be aligned to applicable TASK bracket or grade to serve as a benchmark of whether the current incumbent is paid within the market-related rate, and thus help identify fair-pay gaps that may arise.

This is to ensure equitable and fair remuneration practices in the organization, as well as responsible utilization of public funds as agency payroll is funded by the grant allocation issued by the parent municipality on an annual basis, and there are clear National Treasury budget guidelines and thresholds on annual cost-of-employment against overall budget.

It is expected that the appointment will be for a once-off period, to conduct the exercise, and issue final report.

The exercise is not expected to exceed a period of 30 days.

DESCRIPTION OF SERVICES TO BE PROVIDED

The service provider's function will be to conduct the job evaluation and salary benchmarking of the positions identified, and indicate upper and lower limits of cost-to-company pay packages to identify any instances of over and under payment of employees in line with the market.

A range of activities will be required, which include but are not limited to, the following:

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1. Evaluating current remuneration packages on a total of 25 identified positions to determine benchmarking with the market and similar organisations with similar budget. The successful bidder will be provided with detailed job descriptions by the project management team
2. Determination of upper and lower limits per position in line with fair remuneration thresholds applicable for positions, deliverables, required skills set, complexity and function
3. Confirm applicable TASK bracket of each position in line with identified upper and lower limits from benchmarking exercise
4. Indicate if current remuneration packages are within acceptable range, exceed upper limit, or are below lower limits recommended for the position. The successful bidder will be provided with access to agency payroll records and CTC packages to allow for benchmarking
5. Develop a comprehensive salary benchmarking report, for use by decision makers, specifically agency management, the HR and Remuneration Committee, the Audit and Risk Committee, the Board and the parent municipality / shareholder where applicable. The report will be utilised in analysing the cost-of-employment and related quantum of expenditure in the agency, as well as guide any applicable financial turnaround and salary increases.

The bidder shall prepare a statement of work addressing each task in the description of services outlined above. Based on their experience, the bidders should provide the methodology to be followed and their own estimate of the effort required for the above listed tasks in the proposal.

FUNCTIONALITY REQUIREMENTS FOR BID EVALUATION AND SCORING

Given the technicality involved in providing the required service, the bids will not be evaluated on price alone, but will incorporate a pre-qualification OR functionality component. This will ensure that all bidders are evaluated on an equal level of service delivery potential, with price being the differentiating factor.

Therefore:

- **The minimum qualifying score for functionality (pre-qualification) will be 80% overall, and bids that fail to achieve the minimum qualifying score will be disqualified.**

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- **Company experience on conducting similar projects** - (40 points)
- **Resource expertise and accreditations to indicate capacity to execute** - (50 points)
- **Process / methodology to be followed** - (10 points)

Total points (100 points)

- Only bids that achieved the minimum qualifying score percentage for functionality will be evaluated further in accordance with the 80/20 price / goals and preference points system.
- A detailed guideline on scoring of each of the functionality criteria is tabulated below, and bidders are encouraged to use this as a guideline in making their submissions.

Note to Bidders:

Wherever stipulated, bidders are to complete all required information for evaluation purposes on the submission tables provided. CHDA will not allocate points for blank tables, or references to attached documentation, so bidders are encouraged to complete and submit the response document in full

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1. Company experience on similar projects	Method of Scoring	Max 40points	BIDDERS TO STATE THEIR RESPONSES HERE	BID POINTS CLAIMED
Business must at least been operational for a minimum of 5 years:	<ul style="list-style-type: none"> - Less than 5 years = 5 points - 5 or more years = 10 points 	Maximum of 10 points	Number of years operational: Attached proof of CIPC registration (circle applicable): YES NO	Points claimed:
Business has conducted similar projects before for similar state-owned institutions or municipalities	<ul style="list-style-type: none"> - No projects = nil points - Each confirmed project = 10 points 	Maximum of 30 points	Client 1: Project: Value: R..... Attached proof of award / reference letter (circle applicable): YES NO	Points claimed:
			Client 2: Project: Value: R..... Attached proof of award / reference letter (circle applicable): YES NO	Points claimed:
			Client 3: Project: Value: R..... Attached proof of award / reference letter (circle applicable): YES NO	Points claimed:

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2. Resource expertise	- Method of Scoring	Max 50points	BIDDERS TO STATE THEIR RESPONSES HERE		BID POINTS CLAIMED
<p>Profile of resource / staff member of to be allocated to the project:</p> <p><i>Min 10yrs experience per resource (5pts)</i></p> <p><i>Qualifications in HR related/psychometry, finance or Audit related fields with emphasis on performance, organisational development or related fields (10pts)</i></p> <p><i>Accredited proff memberships (10pts)</i></p>	<p>- No experts = nil points</p> <p>- Each confirmed expert = 25 points</p>	<p>Maximum of 50 points</p>	<p>Expert 1:</p> <p>.....</p> <p>Qualification:</p> <p>.....</p> <p>Proff reg:</p> <p>.....</p> <p>Attached CV, qualifications and other supplementary documents (circle applicable):</p> <p>YES NO</p>		<p>Points claimed:</p> <p>.....</p>
			<p>Expert 2:</p> <p>.....</p> <p>Qualification:</p> <p>.....</p> <p>Proff reg:</p> <p>.....</p> <p>Attached CV, qualifications and other supplementary documents (circle applicable):</p> <p>YES NO</p>		<p>Points claimed:</p> <p>.....</p>

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3. Resource expertise	Method of Scoring	Max 10points	BIDDERS TO STATE THEIR RESPONSES HERE	BID POINTS CLAIMED
<p>Demonstrated understanding of scope of work and perceived value add:</p> <ul style="list-style-type: none"> - 10 points – excellent understanding of project scope and deliverables, with high level of value add in approach (i.e. exceeds all expectations in quality) - 5 points – above average understanding of project scope and deliverables, with limited level of value in approach, incorporating some and not all aspects of what would be an excellent response (i.e. average response) - 0 point – poor understanding of project scope and deliverables, no value add (i.e. very poor response, falling short in all aspects) 	<p><i>From bid submission</i></p>	<p>Maximum of 10 points</p>	<p>The bidder to develop a comprehensive project plan and methodology to be applied in conducting the exercise and annexe with submission – max 10 points</p>	<p>Points claimed:</p>

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PRICING:	
1. Job evaluation and grading – 25 positions to TASK brackets applicable	R (excl VAT)
2. Salary benchmarking process and market study to determine market-related upper and lower limits	R (excl VAT)
3. Development of final report and annexures	R (excl VAT)
TOTAL BID PRICE – EXCL VAT (1+2+3)	R (excl VAT)
VAT @ 15%	R
TOTAL BID PRICE – INCL VAT	R (incl VAT)

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Prior to award, the successful bidder may be required to enter into discussions with CHDA to resolve any contractual differences. Negotiations shall be confidential. These discussions are to be finalised within one (1) week from notification. If no resolution is reached, the proposal may be rejected and discussions will be initiated with the second scoring company.

REPORTING & RESPONSE TIMES

Availability to start immediately and carry out the process will be preferable.

The service providers will act in close cooperation with the Agency. The service providers should provide regular progress reports to CHDA, at intervals agreed upon and when requested to do so.

PROJECT DURATION, COSTS & PAYMENT MILESTONES

Payment will be made within 30 days of receipt of tax invoice from service provider. Professional fees claimed will be supported by valid output (reports, etc) approved by end user department, and aligned to the quotation provided.

It is anticipated that the project should not exceed 30 days from start to completion.

CONFIDENTIALITY, COPYRIGHT and OWNERSHIP

The contents and the findings of the assignments are to be treated as the property of CHDA. Information generated in the course conducting any assignment will not be made available to any third party without prior permission of the participating stakeholders. However, it is the intent of the Agency that commercially useful information may be disseminated in order to stimulate interest in the Agency, a project, sector or area.

ENQUIRIES

CHDA retains the right to cancel the procurement, if deemed appropriate for whatever reason, without interacting in any discussion with Bidders. **Technical enquiries may be directed to: Manager (Acting): Finance and Administration, Mr Bongoletu Ngozi, or CFO: Ms Flicker Tiso.**

Only written queries will be replied to for record purposes, so all queries to be forwarded to Email: **bongoletu@chda.org.za**, or **flicker@chda.org.za**

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