

THEMBISILE HANI LOCAL MUNICIPALITY

PART C3_SCOPE OF WORKS

The scope of the works is summarised as follows:

OPERATIONAL FULL MAINTENANCE LEASE OF MUNICIPAL VEHICLES –

Bids are hereby invited from suitable Service Providers for the lease of the Municipal commercial (specialised and non-specialised) trucks and earth moving equipment fleet for a period of 36 months. This bid is subject to the general conditions of contract (Government Procurement General Conditions of contract: July 2010 edition) and any other special conditions of contract.

- 4.3.1.1 Fleet Advisory, Assessment and Audit
- 4.3.1.2 Fuel Management solutions
- 4.3.1.3 Managed Maintenance
- 4.3.1.4 Traffic Fines Management
- 4.3.1.5 Breakdown and Roadside Assistance
- 4.3.1.6 Vehicle Telematics and Tracking Solution
- 4.3.1.7 Fleet Management Systems
- 4.3.1.8 Full Maintenance.
- 4.3.1.9 Ad-hoc Rental of vehicles
- 4.3.1.10 Fleet Disposal Management

The following must be catered for in the tender price:

- 4.3.1.1. Tracking system for all vehicles, with access given to the municipality
- 4.3.1.2. Maintenance (services) for all fleet and equipment to be carried by service provider.
- 4.3.1.3. Tyre change (4 sets) four times per vehicle, and unlimited puncture repairs
- 4.3.1.4. Insurance for all vehicles to be carried by service provider.
- 4.3.1.5. Replacement fleet and equipment when any fleet is out of service for more than 5 days.
- 4.3.1.6. Municipal Branding of all fleet, magnetic branding with the municipalities full name, emblem and sub-directorate, e.g. THEMBISILE HANI LOCAL MUNICIPALITY WATER & SANITATION
- 4.3.1.7. Towing and recovery services must be within the jurisdiction of the municipality
- 4.3.1.8. Cleaning and washing services of the fleet at least once a week.
- 4.3.1.9. All fleet must come standard with airbags
- 4.3.1.10. Factory fitted air conditioning
- 4.3.1.11. Fire extinguishers to be installed in all fleet

4.3.2 PROVISION OF NON-SPECIALISED VEHICLES ON FULL MAINTENANCE LEASE

4.3.2.1. The Thembisile Hani Local Municipality (THLM) requires the services of a suitably qualified and capable service provider to provide services in relation to the provision of specialised and non-specialized fleet to the municipality on a full maintenance lease for the period of three years (3).

4.3.2.2. The THLM requires the use and enjoyment of the fleet and equipment with no intention of ownership.

4.3.2.3. Source suitable pricing from relevant manufacturers and suppliers in line with the approved specifications supplied by THLM, for the period of three (3) years.

4.3.2.4. The bidders will be required to price accessories based on specifications provided by the municipality Users Departments.

4.3.2.5. Finance the procurement, initial licensing, registration and delivery of non-specialized vehicles.

4.3.2.6. Vehicles delivered must be "fit for purpose" (required attachments, accessories and modifications are completed to fulfill the necessary requirements).

4.3.2.7. To manage the value chain, including production schedules, branding, securing the relevant warranties and/ or maintenance plans, as well as the delivery of each vehicle to the THLM.

4.3.2.8. The successful bidder will be required to deliver a leased vehicle within one (1) months from date of order. Bidder can indicate a lesser time where it is able to deliver vehicles before the required date.

4.3.2.9. The successful bidder will be liable for a penalty of two thousand five hundred rands only (R 2 500) for each instance where it fails to provide the services as required. The THLM will not guarantee any quantities in respect of the vehicles specified in this document. However, in consideration of the commercial viability of the associated business transaction, the THLM will endeavor to source all its associated requirements from the contractor, except where the contrary is expressly provided for by the parties in the final agreement or in terms of legislation.

4.3.3 MAINTENANCE OF VEHICLES PROVIDED ON FULL MAINTENANCE LEASE (FML):

4.3.3.1. The bidder will be required to maintain/ repair all leased fleet and equipment in accordance with the OEM specifications.

4.3.3.2. The bidder must maintain/ repair all other fleet and equipment in accordance with industry and OEM acceptable standards.

4.3.3.3. Bidders must identify fleet and equipment that are due for maintenance/ repair, and how the THLM will be informed in this regard.

4.3.3.4. Bidders must ensure availability requirements are maintained during planned maintenance/repair of a fleet and equipment.

4.3.3.5. Bidders must maintain all accessories and fitments on the fleet and equipment in terms of OEM specifications.

4.3.4 MANAGED MAINTENANCE SERVICES FOR SPECIALISED AND NON-SPECIALISED FLEET & EQUIPMENT LEASED BY THE MUNICIPALITY

The bidders must submit proposals on how they will provide managed maintenance services for specialised and non-specialized fleet and equipment leased by the municipality

The bidder will be required to provide managed maintenance services, including but not limited to the following responsibilities in relation thereto:

4.3.4.1. Registering the Vehicles onto their fleet management system, and capturing information about the Vehicle make, range, model, registration number as well as the commencement date of the Managed Maintenance Services.

4.3.4.2. Ensuring that each Vehicle has a signed schedule to acknowledge activation of the Managed Maintenance services for purposes of accurate monthly billing and maintaining record of each Vehicle schedules signed by the THLM.

4.3.4.3. Providing Managed Maintenance Services on a planned and unplanned basis, as well as at the occurrence of emergencies and breakdown, as required by the THLM, including tyre management services, i.e. repairs and replacement, roadside breakdown assistance and the procurement of tyres at competitive prices.

4.3.4.4. Pre-empting and scheduling routine maintenance and/or servicing from the vehicles utilising management information available to it through the various sources, including information acquired from the vehicle management device.

4.3.4.5. Facilitating and co-ordination of maintenance, repairs, support and servicing of vehicles, including procuring and supplying quotation to THLM for the maintenance and repairs to be undertaken.

4.3.4.6. Scrutinising maintenance quotations and invoices from third party manufacturers and sub-contractors, to ensure market competitiveness in relation to pricing and nature of repairs.

4.3.4.7. Authorising maintenance and repairs subject to the agreed levels of authorisation granted by the THLM and issuing an authorisation number to the Maintenance Provider, when the Vehicle is delivered for the Maintenance Services.

4.3.4.8. Ensuring that the maintenance provider carries out the work in accordance with the standards set out by the manufacturer and processing the maintenance providers' maintenance invoices for payment, including managing the vehicle warranty claims on behalf of THLM.

4.3.4.9. Maintaining up to date records of all maintenance undertaken on each vehicle, including date of maintenance, description, maintenance provider details, odometer reading (if applicable), invoice details, and cost. The bidder will be required to highlight exceptions to the THLM in terms of repetitive repairs and/or` replacements.

4.3.4.10. Invoicing the THLM for the actual cost of maintenance and repairs (without mark-up), carried out by third party maintenance providers.

4.3.4.11. Bidders must submit their proposals of how they intend processing the manufacturers service warranties and claims as and when they arise.

4.3.5 AVAILABILITY REQUIREMENTS

4.3.5.1. Ensuring that each vehicle is available for the minimum required 85% of the Scheduled Operating Hours (SOH) per month.

4.3.5.2. The bidder will be required to capture and record the information of availability for each vehicle into an information system, including the scheduled operating hours of each vehicle, in order to monitor the achievement of availability and to report such availability accurately.

4.3.5.3. The successful bidder must inform the THLM about the anticipated downtime on a vehicle that has been submitted for maintenance and/ or repairs.

4.3.5.4. The availability shall be calculated per Vehicle, and expressed as a percent of the Scheduled Operating Hours for each month, whereby:

4.3.5.5. The Daily Vehicle Working Hours (DVWH) shall be expressed either as 12 hours per day or as 24 hours per day.

4.3.5.6. Vehicle Working Days (VWD) shall be expressed either as seven (7) days/ week or as five (5) days/week.

4.3.5.7. The bidder must submit its proposed interventions that it will implement in order to achieve the availability service levels of any vehicle provided.

4.3.5.8. The bidder will be required to provide the following reports to the THLM, in relation to the management and oversight of the vehicle:

4.3.5.9. A cumulative monthly report of all vehicles and the levels of availability maintained for each vehicle.

4.3.5.10. A cumulative monthly report of all vehicles maintained, serviced and/or repaired during the preceding month/s, including the vehicle class/category, date of repair, description of the repair and total costs incurred in respect of maintenance, service and/or repairs.

4.3.5.11. A cumulative quarterly report, with a consolidated summary of all vehicles, highlighting negative trends and risks in relation to the maintenance and operation of such vehicles.

4.3.5.12. Any other fleet related reports.

4.3.6 THE BIDDER WILL BE LIABLE FOR A PENALTY OF TWO THOUSAND AND FIVE HUNDRED RANDS ONLY (R2 500.00) FOR EACH INSTANCE WHERE IT FAILS TO PROVIDE THE SERVICES AS REQUIRED

4.3.7 PROVISION OF VEHICLE MANAGEMENT TECHNOLOGY SERVICES

Bidders must provide facilities to ensure that each vehicle is fitted with GPS enabled Vehicle Management Technology (VMT) and how the system will be managed.

4.3.7.1. The GPS enabled unit must be Insurance and OEM approved.

4.3.7.2. The VMT must not be open to human manipulation (Override).

4.3.7.3. Bidders must provide for specialized activity-based reporting.

4.3.7.4. Bidders must provide emergency alert in the form of a vehicle based as well as remote panic button system where required.

4.3.7.5. Bidders must arrange for the fitment of cameras to record activities on all vehicles and any other Users vehicle where required.

4.3.7.6. Bidders must provide an automated log-book facility for each vehicle and how this system will be managed. The automated logbook facility must interface with the VMT.

4.3.7.7. The proposed system offered by the bidder must be capable of interfacing with existing or newly developed ICT platforms without significant/major cost to the THLM.

4.3.7.8. Bidders must provide mechanism that will ensure that only authorized drivers are given access to utilise vehicles.

4.3.7.9. VMT must provide for:

(a) Vehicle utilization exception, including utilization percentage

(b) Use of vehicles outside normal working hours

(c) Use of vehicles outside of geo-fenced areas

(d) Excessive speed

(e) Harsh braking

(f) Excessive idling

(g) Main battery disconnected

(h) Daily unit health check.

(I)The bidder will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.8 PROVISION OF CALL CENTRE SERVICES.

The THLM requires vehicles to be supported through a THLM dedicated call centre service wherein affected parties can call in to log their queries and report vehicle breakdowns and receive assistance.

4.3.1.1. Bidders must ensure that vehicles/ clients are supported in terms of call centre services (24/7). Calls should be responded to within a prescribed period (30 seconds) and all calls should be recorded. The call centre should be on a Free Call Facility (bidders will be required to provide evidence in this regard).

4.3.1.2. The call centre will respond to maintenance, breakdowns and service requests.

4.3.1.3. Preference will be given to an integrated solution that ensures that the services/information are/is provided within the municipality environment and that the data can easily be interfaced with the

operational information of the municipality. The possibility of interface with THLM ERP systems or platforms.

4.3.1.4. Bidders must provide a fully automated report, not allowing for human intervention or manipulation of information, in terms of required reports.

4.3.1.5. The call abandonment rate should not exceed 5%

4.3.1.6. The bidders will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.9 PROVISION OF BREAKDOWN AND ROADSIDE ASSISTANCE.

4.3.9.1. The bidder must provide, facilitate and manage services related to vehicle breakdown, roadside assistance and towing services including but not limited to execution of the following responsibilities in relation thereto:

4.3.9.2. Bidders must ensure that the service are available on a 24/7/365 basis, through a toll-free help desk.

4.3.9.3. Bidders must manage the entire breakdown response process, ensuring continuous liaison and update to the relevant line manager and or driver until the breakdown is resolved.

4.3.9.4. The THLM requires that a vehicle is attended (first call) to within 1 hour after the breakdown has been reported.

4.3.9.5. Bidders must ensure that breakdown calls are recorded and kept for future reference.

4.3.9.6. The THLM requires security services for specified instances of breakdown, roadside assistance and accidents as and when required.

4.3.9.7. The bidder will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.10 PROVISION OF AD-HOC RENTALS FOR THE NON-SPECIALISED FLEET.

The bidder will be required to provide and manage services and facilities related to the Ad-Hoc rental of specified vehicles in accordance with THLM requirements. Bidders must provide Ad-Hoc vehicle requirements, including, but not limited to, the following:

4.3.10.1. Ensuring that Ad-Hoc vehicles are made available at the required locations, as and when necessary and within the shortest possible period after a request (Maximum 4 hours).

4.3.10.2. Assisting the THLM to reasonably plan for Ad-Hoc vehicles in order to improve efficiency, quality, reliability, scheduling and the reduction of cost.

4.3.10.3. Providing a call logging facility through which the THLM can register a request, extension or termination of an Ad-Hoc vehicle.

4.3.10.4. Ensuring that the Ad-Hoc vehicle is fit for the purposes required in terms of the Ad-Hoc vehicle request form; and that it is delivered to the correct location, as specified.

4.3.10.5. Providing an analysis of all Ad-Hoc vehicles provided.

4.3.10.6. Providing VMT facilities to track the movement of vehicles and bidder must propose how they will manage VMT on the Ad-Hoc rental vehicles.

4.3.10.7. Providing a monthly report or relating to Ad-Hoc vehicles ordered and/or delivered for use, including reference number, date of order, date of delivery, vehicle category, term of rental, rental rate/cost, and kilometres travelled as well as indicate the delivery timing of the Ad-Hoc vehicle.

4.3.10.8. Ensuring that each Ad-Hoc Vehicle delivered to the User Department is available for 100% of scheduled operating hours.

4.3.10.9. Ad-Hoc rental usage will not exceed 120 days, unless specifically required.

4.3.10.10. Bidders must provide pricing in terms of the Ad-Hoc rental unit rates (own format) including their mark-up for each vehicle category.

4.3.10.11. The bidders will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.11 PROVISION OF LICENSING SERVICES AND ELECTRONIC TOLLING DEVICES.

4.3.11.1. The bidder will be required to provide, facilitate and manage services to ensure that vehicles are registered and licensed at all times, including obtaining certificate of fitness (COF) and operator cards where necessary.

4.3.11.2. The bidder will be required to arrange for and provide facilities for registration and licensing of the specified vehicles in accordance with relevant legislation, including the registration of specified vehicles as emergency vehicles.

4.3.11.3. The service provider will pay for the actual registration or licencing of vehicles as and when required.

4.3.11.4. Bidders must fulfil the requirements of the municipality as it relates to the licensing of vehicles.

NB: ALL VEHICLES REGISTRATION AND LICENSE RENEWAL TRANSACTIONS MUST BE COMPLETED IN THE KWAMHLANGA/MPUMALANGA DLTC LICENSING OFFICES.

4.3.11.5. The bidder will be liable for a penalty for each instance where it fails to provide the services as required including any fines or levies registered against the THLM or any vehicle for the associated contravention by the relevant authority.

4.3.12. TRAFFIC FINE MANAGEMENT SERVICE

4.3.12.1. The bidder will be required to arrange for and provide facilities for the administration of driving licences as well as the redirection and settlement of traffic fines, including but not limited to:

4.3.12.2. Registration and authorisation of each driver that has been approved to drive a vehicle managed by the successful bidder.

4.3.12.3. Issuing each authorised driver with an electronic driver identification tag that is able to link each driver to a specific vehicle each time that the driver has driven such vehicle.

4.3.12.4. Informing the THLM of the validity of the driver's licenses or Professional Driving Permit of any driver that intends to use a vehicle.

4.3.12.5. Redirecting all infringement notices in respect of relevant Vehicles in accordance with the AARTO regulations.

4.3.12.6. Developing and maintaining an updated database of all authorised drivers and all other information or data relevant for the management and redirection of fines.

4.3.12.7. Identifying repeat offenders and reporting same for intervention and management of the risk by the User Department Fleet Manager.

4.3.12.8. Bidders must ensure that traffic fines are registered and administered timeously, including redirecting of fines to the relevant driver, where necessary. Bidders must include in their proposal how they intend to manage the driver database.

4.3.12.9. The bidder will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.13. NON-SPECIALISED VEHICLE CLEANING, LUBRICATION, SANITATION AND DECONTAMINATION SERVICES

The bidder will be required to arrange for and provide vehicle cleaning services for the vehicles in accordance with manufacturer's specifications/ recommendations and pre-agreed schedules.

4.3.13.1. Bidders must ensure that the vehicles and equipment will be cleaned/ sanitized regularly, including the decontamination, e.g. primary response vehicles.

4.3.13.2. Bidders must ensure that cleaning and sanitization of vehicle fitments are completed as required by the OEM's.

4.3.13.3. Bidders must provide monthly reports indicating each vehicle that was cleaned, lubricated, sanitised and decontaminated.

4.3.13.4. The bidders will be liable for a penalty for each instance where it fails to provide the services as required.

4.3.14. PROVISION OF VEHICLE INSURANCE AND INSURANCE CLAIM REPORTING

The successful bidder/s are required to quote/cost for insurance.

4.3.15. PROVISION OF FLEET ADMINISTRATION AND PERFORMANCE REPORTING SERVICES

The bidders will be required to arrange for and provide all facilities for proper administration of the fleet. Bidders must ensure that proper administration of fleet will be adhered to within a governance framework (MFMA).

4.3.16. COST REDUCTION, REBATES AND DISCOUNTS

4.3.16.1. The bidder/s will be required to ensure that assets and services are used optimally, and that cost are reduced, contained or averted (where possible) in relations to the services.

4.3.16.2. The bidder/s will be required to pass all volume-based discounts directly to the municipality.

4.3.16.3. Bidders must ensure cost reduction, including rebates and discounts that they can/will secure in relation to each of the services on behalf of the municipality in this regard.

4.3.16.4. The cost reduction mechanisms must be articulated in detail and addressed under each of the proposal subheadings in relation to the services required in terms of the bid.

4.3.17. AVAILABILITY, LOSS CONTROL AND COMPLIANCE MANAGEMENT

4.3.17.1. Bidders must submit proposals of how they will ensure the availability of goods/services required in terms of this bid are achieved and to ensure that losses are controlled/ avoided. Bidders must propose mechanisms and systems to ensure that the required compliance is achieved. Bidders must note that the municipality will levy penalties for service level failures. The availability, loss control and compliance management mechanisms must be articulated in detail and addressed under each of the proposed sub-headings in relation to the services required in terms of the bid.

4.3.18. PERFORMANCE REPORTING

The bidders will be required to collect, maintain and provide "up to date" vehicle information (including exceptions), management records and related reports to stakeholders and line managers periodically.

4.3.19. FLEET PERFORMANCE REPORTING

Bidders must provide specific mechanisms and systems that they will use to report performance in relation to the following fleet performance indicators:

4.3.19.1. Vehicle Availability Ratio - To measure and report on the average time that a vehicle is available for use during any scheduled operating time or shift.

4.3.19.2. Vehicle Utilization Ratio - To measure and report on the extent to which the vehicles are used.

4.3.19.3. Spare Capacity Ratio - To measure whether sufficient vehicles are available to perform work to the required service level standards and to justify the fleet size or population.

4.3.19.4. Measure and report on the Cost-to-Service Ratio.

4.3.19.5. Measure and report on the adequacy of the maintenance regime, this will include the provision of the fleet replacement methodology which will assist in determining whether vehicles should be replaced or retained in the fleet.

4.3.19.6. The reports must be presented to the municipality and MOE's within three (3) months after award of the contract.

4.3.20. OPERATING PROCEDURES

The bidders will be required to develop and maintain standard operating procedures that will be applicable in the provision of services in line with the requirements of the municipality. Bidders must submit draft operating procedures (by way of flow process chart) to demonstrate their understanding of the processes required in the provision of services. The drafts will also be used as a basis in the event that the bidder is successful in their bid to provide services. The final operating procedures must be presented to the municipality and MOE's within three (3) months after award of the contract.

4.3.21. SKILLS TRANSFER TO MUNICIPALITY EMPLOYEES

The bidders are required to train THLM employees (drivers) on product specifications. The bidders are required to train THLM employees (fleet managers) on fleet management annually, three people per User Group.

PART C4: SUPPLY CHAIN MANAGEMENT POLICY

Downloadable at <https://www.thembisilehanilm.gov.za/policies>

Note: The policy need not be attached to the tender document.