



## MOQHAKA LOCAL MUNICIPALITY

### REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS (Over R30 000.00 up to a transactions value of R300 000.00 VAT included)

REFERENCE NUMBER: 1/1/001/2025-26

CLOSING DATE: 10 JUNE 2026

CLOSING TIME: 12:00 PM

NON-REFUNDABLE PRINTING FEE: R 150.00

Description	Contact Person
<p><b><u>APPOINTMENT OF A SERVICE PROVIDER TO PROVIDE TECHNICAL ASSISTANCE AND ADVISORY SERVICES TO FACILITATE TRANSITION TO THE NEW GRAP 104</u></b></p> <p><b>1. Scope of Work</b> The appointed service provider will provide technical assistance and advisory services covering the recognition, classification, measurement, impairment, and disclosure of financial instruments under GRAP 104.</p> <p><b>The appointed service provider must deliver, at a minimum:</b> Impairment Methodology Design and Reviews. The service provider must design, develop, and implement a GRAP 104-compliant ECL framework, including: A comprehensive review of Moqhaka's existing impairment approach. Verification of all assumptions, formulas, and calculation logic. Alignment with GRAP 104 principles. The ECL methodology must be based on a simplified, judgement driven approach.</p> <p><b>2. Data Assessment and Assumptions</b> <b>2.1 The engagement must include:</b> Identification of all data inputs (loan balances, arrears, restructures, write-offs, recoveries, interest rates, collateral, etc.). Assessment of data completeness, consistency, and reliability. Identification and documentation of data gaps and limitations. Development of reasonable, GRAP-aligned assumptions where data is incomplete and/or unreliable. Preparation of a data dictionary and assumption register to support auditability. Moqhaka Municipality will provide input data and operational support through Finance, Credit, and ICT teams. The service provider must clearly specify any additional data requirements so that Moqhaka Municipality can assess feasibility as part of project initiation after appointment.</p> <p><b>2.2 ECL Methodology Development</b> The ECL framework must incorporate:</p> <ul style="list-style-type: none"><li>Loss rate development based on Nkandla Municipality's historical loss experience.</li><li>Incorporation of quantitative and qualitative credit indicators such as arrears trends, covenant breaches, restructurings, and observable credit risk signals.</li><li>Reasonable and supportable forward-looking adjustments based on documented judgement and observable economic indicators.</li><li>Clear and operationally simple staging criteria for 12-month (Stage 1) and lifetime (Stage 2&amp;3) ECL.</li></ul> <p><b>2.3 Calculation Tool and Model Implementation</b> The service provider must deliver:</p> <ul style="list-style-type: none"><li>A transparent, auditable, Excel-based impairment calculation tool.</li><li>Clearly defined inputs, formulas, assumptions, and outputs.</li><li>Built-in validation checks to identify missing or inconsistent data.</li><li>Alignment between the calculation tool and the documented methodology.</li></ul>	<p>Mr R. Buys Tel: 056 216 9320 Email Address: <a href="mailto:ryanb@moqhaka.gov.za">ryanb@moqhaka.gov.za</a></p> <p>MOQHAKA LOCAL MUNICIPALITY SUPPLY CHAIN MANAGEMENT VERIFIED FOR COMPLIANCE 02 JUN 2026 Official Signature </p>

## 2.4 Governance, Validation and Benchmarking

The engagement must include:

- Benchmarking against comparable public-sector or development finance institutions.
- Review of model overrides and governance processes.
- Design of a formal model governance framework covering approvals, overrides, documentation standards, and change control.
- Retrospective application of the methodology over at least three prior financial years to assess impact.
- The service provider must prepare governance and documentation artifacts that are AGSA ready, including audit trails, assumption registers, decision logs, and methodology documentation sufficient for external audit scrutiny.

## 2.5 Impact Assessment and Transition Support

The service provider must:

- Quantify the financial impact of adopting GRAP 104.
- Prepare transition journals, opening balance adjustments, and reconciliations.
- Support the preparation of comparative information where required.
- Draft GRAP 104-compliant disclosure notes for the 2025/26 Annual Financial Statements.
- The transition and disclosure work must be scoped. This typically includes, but not limited to, opening balance adjustment, reconciliations, comparative information (where required), and full GRAP 104 compliant disclosure notes.

## 2.6 Audit and Post-Implementation Support

The service provider must provide post-implementation support for the 2025/26 reporting cycle, including:

- Technical support during AGSA audits.
- Resolution of audit queries attributable to the scope of work.
- Refinement of calculations where required, up to final audit sign-off.
- This support is limited to the completion of the AGSA 2025/26 external audit process.
- Knowledge Transfer and Capacity Building.

The engagement must include:

- Training sessions for Finance and Credit teams.
- User guides and operational manuals.
- Full handover of tools, documentation, and methodology.
- Guidance on ongoing maintenance and annual review of the framework.

**\*\*\*A maximum of 20 points (80/20 preference points system), will be allocated for specific goals. The maximum points for these goals are as follows:**

- **Locality of Supplier – 10 Points**
- **B-BBEE status level of contributor - 10 Points**

*These goals are specified in MBD6.1 in terms of the PPR2022*

## ELIGIBILITY CRITERIA

Only those suppliers who:

- Are willing and able to keep their cast prices/ rates fixed for the maximum period of 120 days from date of the RFQ closing- Shall be eligible to participation further on price and preferential points.
- Quotes in line with these pro ranges (R30 000.00 – R300 000.00) will be considered for further evaluation.
- **Bidders are requested to bind their documents in a presentable manner and not include loose papers.**

MOQHAKA LOCAL MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT  
VERIFIED FOR COMPLIANCE

02 JUN 2026

Official Signature

POTENTIAL BIDDERS CAN DOWNLOAD THE FREE COPY OF THE COMPLETE BID DOCUMENT FROM THE E-TENDER PORTAL AT:  
[www.etender.gov.za](http://www.etender.gov.za)

- Bidders who downloaded the complete bid documents from E-tender do not have to pay the non-refundable printing fee.
- The bid documents can then be collected from the Supply Chain Management Offices, Kroonstad Municipality (Magasyn Building), Cnr 11th & 12th Way, Kroonstad, 9499.

#### PAYMENT OF NON-REFUNDABLE PRINTING FEE

Payment of the non-refundable printing fee of R150.00 can be made at the cashiers at the main Municipal Building, Hill Street or directly into the municipal bank account. If an EFT payment is made, the proof of payment (Pop) can be forwarded to [rorisangm@moqhaka.gov.za](mailto:rorisangm@moqhaka.gov.za), then the bid document should be collected from the **SCM offices, at Kroonstad Municipality (Magasyn Building), Cnr 11<sup>th</sup> & 12<sup>th</sup> Way, Kroonstad, 9499.**

#### Moqhaka Local Municipality Banking Details:

Bank: ABSA Bank Kroonstad  
Account Number: 40-5327-4876  
Branch Code: 334536  
Bidder Reference: Company Name and RFQ Number

#### SUBMISSION DETAILS

The quotation and supporting documents sealed in an envelope and **externally endorsed with the relevant quotation number and description, should then be submitted at the SCM Offices, Kroonstad Municipality (Magasyn Building), Cnr 11<sup>th</sup> & 12<sup>th</sup> Way, Kroonstad, 9499. No bid documents will be accepted via e-mail.**

#### CONTACT DETAILS FOR ENQUIRIES

All queries pertaining to Supply Chain Management Matters contact Ms. Rorisang Matsoso Tel: 056 216 9184 / e-mail: [rorisangm@moqhaka.gov.za](mailto:rorisangm@moqhaka.gov.za)

For Technical queries contact Mr R. Buys Tel: 056 216 9320 / e-mail: [ryanb@moqhaka.gov.za](mailto:ryanb@moqhaka.gov.za)

