

## **SPECIFICATION:**

### **REQUEST TO INVITE AUCTIONEERS TO SUBMIT PROSOSAL FOR EXPRESSION OF INTREST FOR DISPOSAL OF UNSERVICEABLE AND OBSOLETE VEHICLE, COMPUTER EQUIPMENT, FURNITURE, AND SCRAPPED ITEMS AT EKURHULENI HOUSING COMPANY**

#### **INTRODUCTION**

Appointment of capable and experienced auctioneers to conduct public auction to dispose of movable assets and material, either separately or collectively.

#### **BACKGROUND:**

The Entity has embarked on a process of disposing furniture equipment, computer equipment and a vehicle.

#### **SCOPE FOR MOVABLE ASSETS AND MATERIAL:**

##### **1. MARKETING OF AUCTIONS:**

Successful Auctioneer must indicate how the auctions will be marketed in the local, regional and national newspapers and otherwise, i.e. billboards, SMS notification, internet exposure, etc. The Auctioneers will be responsible to bear the costs of all forms of adverts as per EHC requirement. The said advertising costs will be re-imbursed to the Auctioneer after the proceeds of the Auction have been paid to the EHC.

##### **2. ADVERTISING:** The auctioneer is responsible for advertising the disposal of assets as follows:

- 2.1. All marketing material must comply with the Consumer Protection Act No 68, 2008 regulation 19(1-4) and 20(1-19).
- 2.2. The auctioneer must send the budget for adverts to be approved by EHC before they can advertise. All advertisements must be placed in English.
- 2.3. The size and format of advertisements and maximum amount, which the auctioneer may expend on advertising, will be determined by auctioneer. The amount to be spent on advertising should be based on the estimated gross proceeds of the auction sale. The auctioneer will consult the EHC for the approval of budget to advertise.
- 2.4. Advertisements must be placed timeously in order to afford all interested parties across the Republic of South Africa the opportunity to attend auctions.
- 2.5. Draft copies of the proposed advertisements are to be submitted to the EHC for written approval and publication is to be arranged in consultation with the EHC.
- 2.6. The auctioneer must provide proof of the approved advertisements, preferably in colour copy.

##### **3. THE FOLLOWING FUNCTIONS MUST BE EXECUTED BY THE AUCTIONEER:**

- 3.1 The Auctioneer commits and binds himself/ herself by means of a bank guarantee equal to 10% of the estimated proceeds of each auction to be held, and will remain responsible for all the proceeds from the auctions.
- 3.2 The Auctioneer must, in conjunction with the responsible EHC Officials, arrange for the presence of security and/or Ekurhuleni Metro Police Department (EMPD) at auction sites. The EHC will bear the

costs of the abovementioned services.

- 3.3 Inspect and list all assets to be auctioned by the EHC.
- 3.4 If so required, a valuation of certain assets.
- 3.5 Cost to be incurred on (3.4) above, will be for the account of the auctioneer and will be deducted from the proceeds of the auction after it has been paid over to the EHC.
- 3.6 Determine suitable auction venue/s for each auction, in consultation with EHC.
- 3.7. All movable assets to be sold, will be sold from the determined Auction Sites.
- 3.8 The Auctioneer will compile a Vendue roll, pack, lot and prepare assets for auction at its own cost and forward his conditions of sale for EHCEXCO perusal.
- 3.9 The successful auctioneer may proceed with an auction, after the auctioneer's final Vendue Roll and Advertising Costs have been received and approved in writing by the EHC;
- 3.10 On the day of the auction, an authorised employee of the EHC will also complete a vendue roll on behalf of the EHC.
- 3.11 The Auctioneer will be liable for dispatching of assets and the EHC will take no responsibility therefore. The dispatching of assets must be effected within fourteen (14) days from date of auction; otherwise, the auctioneer must levy storage costs from the buyer.
- 3.12 The successful auctioneer will pay the gross proceeds of the auction excluding costs to adverts, the commission and VAT over to the EHC within 14 working days from date of each auction, together with a complete reconciliation statement.

#### **4. FEE STRUCTURE:**

- a) Auctioneers are required to provide a proposed fee structure, which must indicate the percentage on assets sold to be paid by the EHC as commission, as well as the commission basis on which their services will be rendered.
- b) Auctioneers must indicate if a buyer's commission will be levied on buyers.
- c) Auctioneers must indicate if a document-handling fee will be levied on buyers.
- d) Auctioneer to carry the cost of marketing and advertising, and to be reimbursed after the proceeds of the auction have been paid over to the EHC.
- e) All other costs must be covered in the commission.

#### **5. GENERAL:**

- a) Auctioneers must have experience in the handling of Auction Rings and advise the Entity on how these Rings will be handled.
- b) No sub-contracting and ceding of the auctioneering service offered will be allowed.

#### **6. SECURITY:**

The Successful Auctioneer must supply the Entity with the following:

- a) Proof of professional indemnity insurance coverage for R1 million within 14 days' after award.
- b) Before any auction takes place, a bank guarantee equal to 10% of the estimated proceeds of that auction must be supplied to the Entity.

**7. SERVICE LEVEL AGREEMENT:**

- A Service Level Agreement will be entered with the successful service provider.

**8. MINIMUM REQUIREMENTS FOR MOVABLE ASSETS**

EVALUATION CRITERIA	MINIMUM REQUIREMENTS
Staffing profile	<p><b>Auctioneer (Employee) x1</b></p> <ul style="list-style-type: none"> <li>• 01 years' experience in conducting an auction.</li> </ul>
Financial Ability (Ability to Deliver) – previous annual turnover or any other proof of financial ability is limited to proof of financial ability from an accredited financial institution (registered in South Africa).	<ul style="list-style-type: none"> <li>• R 50 000</li> </ul>
Relevant previous Company Experience – Completed Project	<ul style="list-style-type: none"> <li>• One (01) contactable reference where auctioneer has conducted an auction.</li> </ul>
Company Membership	<ul style="list-style-type: none"> <li>• The auctioneer must be a member of the South African Institute of Auctioneers (SAIA) or South African Professional Auctioneers Association (SAPAA).</li> </ul>

**REQUIRED DOCUMENTS:**

**BIDDERS MUST SUBMIT THE FOLLOWING DOCUMENTS WITH THE BID:**

**Auctioneer (Employee) with:**

- CV demonstrating 1 Years' experience in Conducting Auction.

**Company Experience and Registration:**

- A signed copy of a reference letter with contactable reference(s) where auctioneer has conducted an auction.
- A valid membership of South African Institute of Auctioneers (SAIA) or South African Professional Auctioneers Association (SAPAA).

**NB! Failure to submit the above-mentioned documents will result in disqualification.**

**9. SPECIFIC GOAL REQUIREMENT FOR MOVABLE ASSETS**

**Points awarded for Specific Goal/s**

In terms of Regulation 4 (1) and 5 (1) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the Specific Goal/s in accordance with the table below:

No	SPECIFIC GOAL REQUIREMENT	POINTS ALLOCTAED
1	Historically Disadvantaged Individual(HDI)	10 <i>pts</i>
2	Bidders with at least 50% women ownership	3 <i>pts</i>
3	Job Creation	3 <i>pts</i>
4	Within Ekurhuleni	2 <i>pts</i>
5	Disability	2 <i>pts</i>

**NB: All evidence MUST be submitted at bid closure and MUST be valid at the close of bid for point's allocation purposes.**

**Bidders must submit their commission percentage with the proposal**