



forestry, fisheries & the environment

Department:
Forestry, Fisheries and the Environment
REPUBLIC OF SOUTH AFRICA

MINUTES FOR DFFE-T008 (24-25)

NON-COMPULSORY INFORMATION SESSION

DATE: 27 JUNE 2024 **VENUE:** MICROSOFT TEAMS **TIME:** 10:00 – 11:00

CHAIRPERSON:

Ms. Zibuyile Mthalande

MINUTES OF THE NON-COMPULSORY INFORMATION SESSION

FOR

THE APPOINTMENT OF A SERVICE PROVIDER WITH PROVEN EXPERTISE TO PERFORM FAIR VALUATION OF DFFE'S BIOLOGICAL ASSETS TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THE MODIFIED CASH STANDARDS FOR A PERIOD OF TWENTY-FOUR (24) MONTHS.

NO	ITEM	DISCUSSIONS	DECISION	COMMENTS
1.	OPENING AND WELCOME	<p>The chairperson, Ms. Zibuyile Mthalande officially opened the meeting and welcomed all prospective bidders in attendance.</p> <p>Furthermore, the officials from the Department of Forestry, Fisheries and the Environment and all the prospective bidders in attendance introduced themselves.</p>	Noted	None
2.	AGENDA AND PURPOSE OF THE MEETING	<p>The agenda of the meeting was presented as follows:</p> <ul style="list-style-type: none">▪ Technical Presentation (Terms of Reference of the project) by the Ms. Zibuyile Mthalande.▪ Q&A relating to the technical aspect of the project.▪ Presentation of the Bid Evaluation process by the Supply Chain Management Representatives, Ms. Doreen Gadebe.▪ Q&A relating to the Evaluation/Administration process.	Noted	None



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2.	ATTENDANCE	<p>The following DFFE officials were in attendance:</p> <ul style="list-style-type: none">▪ Ms. Zibuyile Mthlane (Chairperson)▪ Ms. Doreen Gadebe (SCM Support)▪ Mr. Katlego Mokoboro (SCM Support) <p>All prospective bidders who were in attendance were requested to provide their information in the Microsoft Teams chat panel as a form of registration.</p> <p>No apologies tendered.</p>	Noted	None
3.	PURPOSE OF THE MEETING	<p>Ms. Mthlane indicated that the purpose of the meeting was to provide clarity on the objective of the project. She further confirmed that this is a non-compulsory briefing session therefore, those who did not attend will still be considered accordingly.</p>	Noted	None
4.	TECHNICAL PRESENTATION OF THE PROJECT	<p>The chairperson, gave a brief overview of the project and emphasis was made on the following:</p> <ul style="list-style-type: none">▪ Forestry valuation refers to valuation of commercial forestry tree species referred to as biological assets which are mainly eucalyptus, gum or pine trees. Forestry planning within DFFE uses a system called Microforest which is a database management system for all natural resources within a Forest Management Unit. The reports retrieved from the Microforest system are used to compile the valuation report for disclosure in the DFFE's Interim and Annual Financial Statements.▪ The purpose for outsourcing is to appoint a Service Provider with proven expertise in the valuation of biological assets for a period of 24 (twenty-four) months) and perform a fair valuation for the Department	Noted	None



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NO	ITEM	DISCUSSIONS	DECISION	COMMENTS
		<p>of Forestry Fisheries and the Environment (DFFE) biological assets to ensure compliance with the requirement of the Modified Cash Standard.</p> <ul style="list-style-type: none">▪ The DFFE is required to determine the fair value of Biological Assets at the end of each reporting period in terms of the Accounting Policies that set out accounting and reporting standards to be applied to biological assets in the preparation of Financial Statements. The objective of this provision is to prescribe the accounting treatment and disclosures for an agricultural activity. Furthermore, Chapter 11 of the Modified Cash Standard (MCS), guides the identification of and the types of capital assets in the public sector. It further prescribes the accounting treatment for biological assets in the secondary financial information to the Annual Financial Statements (AFS).▪ The objective of the project is to perform fair valuation for the DFFE's biological assets and ensure compliance with the Modified Cash Standard.▪ To ensure the valuation of biological assets by a third independent party and to assist the Department in validating the information and addressing issues raised by the Auditor General South Africa (AGSA).▪ The department will be performing valuation of biological assets on a quarterly basis for each financial year starting from the 1st of April, ending on the 31st of March.▪ The department needs to disclose the value of these assets in the financial statements in four reports within		



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		<p>one financial year once the project has been executed (Q1: 01 April-30 June; Q2: 01 July-30 September; 01 October-31 December; 01 January-31 March)</p> <ul style="list-style-type: none">▪ The financial statements will therefore be disclosed on the financial system which will then be audited by the Auditor-General.▪ The extent of the scope of work is for the service provider responsible to perform the duties as in the Terms of Reference, under 4.1 and also taking into consideration of the loss reports, harvesting schedules, and planting schedules for all plantations, disposal of the assets and planting schedules become the additions to the assets.▪ The service provider is also expected to conduct random sampling, which is between 10 to 15% of the total commercial forestry areas in the plantation because of the the the areas are spread throughout different provinces.▪ The Service Provider is expected to use a four-wheel drive vehicle with a high ground clearance suitable for the forest roads in DFFE, taking into consideration of the mountainous areas of the plantations.▪ Emphasis was made on the expected deliverables and outcomes to provide a detailed report on the review of policies and procedures used in Biological Asset Valuation, make inputs to the Audit Action Plan and Request for Information (RFI), provide monthly progress reports and a detailed final/close up report at the of the contract.		



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		Upon conclusion of the technical presentation, prospective bidders were given an opportunity to ask questions and clarification was provided.		
5.	PRESENTATION OF THE BID EVALUATION PROCESS	<p>The Supply Chain Management Representative, Ms. Doreen Gadebe, gave a brief overview of the process as follows:</p> <ul style="list-style-type: none">▪ Emphasis was made on the closing date and time which is the 12th of July 2024 at 11: 00AM, the delivery address, and delivery instructions when using courier services (bidders are to ensure that the courier personnel register the submission of the proposals when depositing into the tender box).▪ Only physical bid proposals will be accepted (no emailed or faxed proposals).▪ Late bids will not be accepted.▪ All queries of the tender document post the briefing session should still be sent to Tenders@dffe.gov.za at least seven (07) calendar days before the stipulated closing date.▪ Outlined the three (03) evaluation phases that will be followed for this tender:<ul style="list-style-type: none">- Phase 1: Pre-compliance- Phase 2: Functionality Criteria- Phase 3: Price and Specific Goals▪ She further highlighted the key forms to be completed and signed, and the submission of supporting administrative documents. <p>Upon conclusion of the bid evaluation process presentation,</p>	Noted	None



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		prospective bidders were given an opportunity to ask questions and clarification was provided.		
7	QUESTIONS & ANSWERS (Q & A)	<p>Q – Tjelane from Black Dot PC, required clarity on the below question: When submitting a proposal, should the reference letters be compliant to commercial forestry only or other reference may be for immovable and movable assets?</p> <p>A- The bidders are to attach what is applicable to the project, pertaining to biological assets. If a bidder was to attach a letter in reference of property or animals, it will not be applicable to commercial forestry trees and will be regarded as the bidder does not have knowledge in terms of valuing the commercial forestry trees. The bidders are therefore advised to attach reference letters applicable for the project.</p> <p>Q – Henry Scotcher from Cobham Consulting further took note on the Mpumalanga plantations, were the schedule for Mpumalanga removed?</p> <p>A – In the Mpumalanga province, the schedules have been removed because all the timbers and standing timbers have been stolen and there is a process for forestry master plan to transfer these areas to communities but there is currently in the department's Assets Database. In terms of standing timber there is no schedule.</p> <p>Q – Muhammad B Chand required clarity on the compliance forms, on the pricing aspects:</p> <ol style="list-style-type: none"> 1. The SBD 3.3 does not give sufficient space to break down the prices as per the total number of technicians and professional included at different stages of the project. 	None	None



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		<p>2. Standard fees are outlined in a different style in Annexure A, which is a separate pricing model. The standard fees does not provide space to split the costs, expenses and disbursement.</p> <p>In terms of the arithmetic breakdown for negotiation purposes when an individual must negotiate pricing, for example disbursements costs or travelling cost. Can a bidder design their own pricing schedule?</p> <p>A – The SBD 3.3 and Annexure A are compliance documents that bidders must submit with the master bid document for evaluation. Nevertheless, bidders may also submit a planned pricing schedule in addition to the compliance documentations. The bidders details costing should appear in the project plan then summed up in the SBD 3.3 and Annexure A.</p>		
6.	CLOSURE	The chairperson thanked all attendees for their time and attendance.	Meeting was adjourned	None

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Chairperson: Zibuyile Mthalande
Date:

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SCM Representative: Doreen Gadebe
Date: