City of Joburg Property Company SOC Ltd.

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FROM
Sinegugu Maphanga
General Manager
Cleaning and Facilities Management
Joburg Property Company SOC Ltd

TO
Thabo Mthembi
Senior Manager: Supply Chain Management
Joburg Property Company SOC Ltd

Date: 29 October 2026

This memo is confidential and NOT for publication

REQUEST FOR THE ISSUANCE OF AN ADDENDUM TO THE REQUEST FOR QUOTATION (RFQ): HUMAN RESOURCE ADMINISTRATION AND PAYROLL SERVICES FOR THE EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

1. PURPOSE

The purpose of this memorandum is to request the Supply Chain Management Unit to issue an addendum to the Request for Quotation (RFQ) for the appointment of a service provider to render Human Resource Administration and Payroll Services for the City of Johannesburg Property Company (SOC) Ltd (JPC) Expanded Public Works Programme (EPWP).

The addendum is required to clarify payment arrangements, provide a standardized pricing schedule, confirm applicable stipend values, and communicate responses to bidder clarification questions received during the quotation period.

2. BACKGROUND

JPC issued a Request for Quotation for the appointment of a suitably qualified and experienced service provider to provide Human Resource Administration and Payroll Services for approximately 245 EPWP participants.

Following the issuance of the RFQ, several requests for clarification were received from prospective bidders, primarily relating to the stipend payment mechanism, pricing methodology, payroll administration requirements, and the allocation of responsibilities between JPC and the appointed service provider.

Non-Executive Directors: Simon Motha (Chairperson)
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Moeketsi Rabodila |

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In the interest of fairness, transparency, and ensuring that all bidders submit comparable and responsive quotations, it is necessary that an addendum be issued to all prospective bidders.

3. MOTIVATION

The proposed addendum seeks to:

- Clarify the financial and payment responsibilities of the appointed service provider.
- Provide certainty regarding stipend values payable to EPWP participants.
- Establish a standardized pricing schedule to ensure equitable evaluation of quotations.
- Ensure all bidders receive the same information and clarification responses.
- Mitigate pricing disparities resulting from differing assumptions by bidders.
- Promote transparency and compliance with applicable procurement requirements.

4. ADDENDUM REQUIREMENTS

The following information should be incorporated into the RFQ by means of an official addendum:

4.1 Payment and Funding Responsibility

The appointed service provider shall be responsible for advancing the required funds and making direct monthly stipend payments to all EPWP participants from its own resources.

The service provider shall:

- Process and administer monthly payroll;
- Pay all approved EPWP participants on the agreed payment dates;
- Generate and distribute participant payslips;
- Maintain payroll and participant records;
- Submit all supporting payroll documentation to JPC for verification.

JPC shall reimburse the service provider within fourteen (14) days of receipt of a valid invoice, together with all supporting payroll documentation, attendance registers, reconciliations and any other required supporting information, subject to verification and approval by JPC.

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The appointed service provider shall therefore have sufficient financial capacity and cash flow to advance stipend payments for approximately 245 EPWP participants pending reimbursement by JPC.

4.2 Applicable EPWP Stipend Rates

The EPWP stipend allocation applicable to this contract shall be as follows:

- Number of EPWP Participants: **245**
- Daily Stipend Rate: **R350.00**
- Working Days per Month: **16**
- Monthly Stipend Cost: **R1,372,000.00**
- Contract Duration: **8 Months**
- Total Stipend Cost for Contract Period: **R10,976,000.00**

Calculation:

245 Participants × R350.00 per day × 16 working days

= **R1,372,000.00 per month**

R1,372,000.00 × 8 Months

= **R10,976,000.00**

Bidders are required to base their submissions on the above quantities and values.

5. STANDARDISED PRICING SCHEDULE

To ensure consistency and comparability of quotations, all bidders shall complete the following pricing schedule:

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PRICING SCHEDULE

A. EPWP PARTICIPANT STIPENDS

Description	Quantity	Rate	Amount (R)
EPWP Participants	245	R350.00 per day × 16 days	R1,372,000.00 per month
Total Stipends for 8 Months	245 Participants	Fixed	**R10,976,000.00**

Subtotal A: EPWP Participant Stipends

R10,976,000.00

B. HUMAN RESOURCE ADMINISTRATION AND PAYROLL MANAGEMENT FEES

Description	Amount (R)
Human Resource Administration Fee	
Payroll Processing Fee	
Attendance Administration Fee	
Contract Management Fee	
Reporting and Compliance Management Fee	
Other Administrative Costs	
Total Administration and Payroll Fees	

C. STATUTORY COSTS (IF APPLICABLE)

Description	Amount (R)
Statutory Contributions	
UIF Administration Costs	
COIDA Administration Costs	
Other Applicable Statutory Costs	
Total Statutory Costs	

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D. VAT

Description	Amount (R)
VAT (15%)	

TOTAL CONTRACT VALUE

Description	Amount (R)
Subtotal A: Participant Stipends	**R10,976,000.00**

Administration

Description	Amount (R)
Subtotal B: Administration and Payroll Fees	
Subtotal C: Statutory Costs	
VAT	
Grand Total Contract Value (8 Months) exclude stipend	

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BIDDERS QUESTIONS AND JPC ANSWERS.

6. RESPONSES TO BIDDER CLARIFICATION QUESTIONS

Question 1

Will the successful bidder be required to pay participants before being reimbursed by JPC?

Response: Yes. The appointed service provider will be required to advance funds and make direct monthly stipend payments to all approved EPWP participants. JPC will reimburse the service provider within fourteen (14) days following submission and verification of a valid invoice and supporting documentation.

Question 2

Who is responsible for the recruitment and selection of EPWP participants?

Response: The recruitment, screening, selection, appointment and placement of EPWP participants remains the sole responsibility of the Department of Economic Development (DED). The appointed service provider will have no involvement in recruitment activities.

Question 3

How many participants must be accommodated under the contract?

Response: The pricing model must be based on approximately 245 EPWP participants.

Question 4

What stipend value should bidders use in their pricing calculations?

Response: Bidders must utilise a stipend value of R350.00 per participant per day for sixteen (16) working days per month.

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Question 5

Will participation numbers remain fixed for the entire contract period?

Response: The estimated participant allocation is 245 participants. JPC reserves the right to increase or decrease participant numbers based on operational requirements and budget availability.

Question 6

What services are included under Human Resource Administration and Payroll Services?

Response: The scope includes payroll administration, stipend payments, leave administration, attendance management, contract administration, participant record management, Human Resource reporting, payroll reconciliations, statutory submissions where applicable, and related administrative support services.

Question 7

Must bidders include administration fees separately from participant stipend costs?

Response: Yes. Bidders must separately indicate participant stipend costs and their Human Resource Administration and Payroll Management fees in accordance with the prescribed pricing schedule.

7. RECOMMENDATION

It is recommended that the Supply Chain Management Unit issue an addendum to the RFQ for Human Resource Administration and Payroll Services for the Expanded Public Works Programme to:

1. Clarify the service provider's responsibility to advance participant stipend payments and the related reimbursement process.
2. Confirm the applicable EPWP stipend values and contract quantities.
3. Introduce a standardized pricing schedule for all bidders.
4. Issue the consolidated responses to bidder clarification questions.

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Approval and urgent issuance of the addendum is requested to ensure that all prospective bidders are afforded equal access to information and to support a fair, transparent and competitive procurement process.

Complier: Quentin Moodley

Approved: Sinegugu Maphanga.

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