



ANNEXURE 4

SUPPLY CHAIN MANAGEMENT

1. BACKGROUND INFORMATION

a. Status quo

- PRASA operates offices and depots in all South African Provinces with approximately 17655 employees nationally.
- Medical aid is compulsory in PRASA and employees are expected to belong to a medical aid or to their spouses medical aid.
- PRASA's preferred medical Aid providers are Discovery, Bonitas, Transmed and Sizwe.

b. Problem Statement

- The complexities of the medical scheme industry make it a veritable minefield which the average person finds extremely confusing. While the schemes' call centres are generally good in providing you with information, some members seek the assistance of a broker to help them choose a medical scheme, or to understand some of the intricacies once they try and claim from their scheme or encounter other problems.

1.1 Problems members encounter with Medical Aid Schemes:

- Selecting a suitable benefit option offered by one of the preferred medical aid schemes.
- The high annual contribution increases (higher than CPI inflation and salary increases).
- The reduction of benefits.
- Possible co-payments.
- Understanding the exact benefits (including prescribed minimum benefits, chronic medication and the medicine formulary, dental benefits, hospitalisation, and day-to-day benefits).



- Understanding the structure of the benefits (medical savings account, self-payment gap, above threshold benefits).
- Understanding the structure of membership (is it a main member + 1 or 2 or 3, or is it a parent/adult/child structure)
- The smooth running (at best) of the claim's procedure.

2 OBJECTIVE OF THE PROPOSED PROJECT

a. Desired outcomes for carrying out the proposed project

- PRASA seeks to appoint Medical Scheme brokerage services that will, amongst others, be Health Care Consultants in terms of the Medical Schemes Act (Act 31 of 1998) and subject to any Regulations promulgated in terms of the Act and any other legislation in force and applicable to the appointment, code of conduct, duties and responsibilities, and remuneration of a Health Care Consultant, as defined and amended from time to time in such legislation.
- The Medical Scheme Broker will be required to understand the PRASA business and environment, understand (within legal prescripts) the state of the PRASA employees' health and wellness and their needs as well as be required to contribute towards developing and implementing the PRASA employee benefits strategy over the next three years.
- The successful bidder will be expected to conduct risk analyses and health care assessments for interested employees, in order to weigh up the most appropriate medical scheme options, based on the employee's budget and specific requirements.

b. Project benefits to PRASA

- The appointment of a Medical Scheme broker will assist PRASA in providing the best possible assistance to employees and pensioners in terms of managing their healthcare needs and administration thereof.
- PRASA wishes to appoint a Medical Scheme Broker to ensure that members of Medical Scheme Schemes (employees) and pensioners are properly serviced in terms of Medical Scheme cover.
- The Medical Scheme Broker will manage and administer membership matters of PRASA employees.



3 SCOPE OF WORK AND AREAS OF FOCUS

a. The Medical Scheme Broker will be required to:

- provide a service to PRASA employees, advising them of medical scheme options and health plans
- Continuously evaluate the effectiveness and relevance of the Employer selected medical scheme(s).
- Schedule monthly meetings with the relevant PRASA stakeholders to discuss medical scheme matters and advise on ways to enhance service delivery and any current matters/issues.
- Monitor the effectiveness and service delivery of the administrative support that is provided to the PRASA by the Medical Scheme/s through their dedicated Administrator.
- Work with the relevant PRASA stakeholders and the appointed Employee Assistance Programme (EAP) Service Provider to formulate, develop and implement an effective Wellness and Medical Scheme Strategy.

b. Areas of Focus:

This service will cover the entire PRASA, all PRASA Divisions and Subsidiaries for all employees inclusive of fixed term contractors in the following areas:

- Medical Scheme membership management of PRASA
- Electronic/ Telephonic accessibility for PRASA employees and pensioners queries/application.
- Marketing and Communication
- Strategic Services
- Reporting
- Programme Management

c. Details on the Preferred Solution

- The appointed broker must provide all services as listed in the scope of work



d. Targeted Area and Coverage of the Project

This service will cover the entire PRASA, all PRASA Divisions and Subsidiaries for all employees inclusive of fixed term contractors.

Subsidiary	Locations	Employees
Autopax (Pty) Ltd	Gauteng	928
Intersite (Pty) Ltd	Gauteng	12
Metrorail	All Provinces	14226
PRASA Head Office	Gauteng	366
PRASA CRES	Gauteng	830
PRASA Technical Division	Gauteng	293
Shosholozza Meyl	Gauteng	1015
Grand Total		17670

4 TECHNICAL SPECIFICATION OF WORKS/ PRODUCTS AND SERVICES REQUIRED

4.1 Medical Scheme Membership Management of PRASA should include, but not be limited to:

- Minimum 1X consultant(s) onsite dedicated to PRASA to provide member advice and process membership movement. The consultant will be responsible for the monthly Medical Scheme billing and reconciliations with medical schemes and payroll, this resource should be available at PRASA Gauteng Head office and might be required to rotate to other locations.
- Call Centre/Help desk services accessible for PRASA employees.
- Escalated query assistance.
- Site visits in all 9 provinces to address member queries.



- Bidder is required to participate in annual road shows in all nine (9) provinces for year-end reviews, funded by the Medical Scheme Broker.
- Bidder should be able to conduct at least one (1) annual Wellness Day in the major PRASA sites nation-wide, at the cost of the bidder for non-Medical Scheme members.
- Induction of new members.
- Preferable, experience in facilitating and implementing a 24/7 employee assistance and trauma response through Call Centre or Help Desk.

4.2 Call Centre Accessibility for PRASA Employees and Pensioners queries/application with respect to:

- Benefit/contribution comparisons and projected costing
- Application and membership amendment requirements
- Underwriting queries
- Prior authorization process
- Claim Resolution
- Dispute resolution

4.3 Marketing and Communication

- Advice to employees Bidder must provide communication to the employees of PRASA and its pensioners, this includes newsletters, current topics etc. Bidders must provide posters/pamphlets/brochures to keep the PRASA' employees and their dependents informed.
- Provision of early warning communications to PRASA' employees about possible changes to legislation, benefits, rules and regulation of any of the PRASA' accredited medical schemes.
- Induction and General Awareness (Continuous on-site sessions) especially regarding year end updates linked to times when medical schemes normally announce their changes to rules, benefits, and options. The road shows will be at the cost of the broker.
- Annual road shows to communicate Medical Scheme changes and facilitate option selection:
 - I. considering affordability and what the best options would be for each employee within the income bracket.



- II. Advice in several official languages, with due consideration to the demographic areas. The road shows will be at the cost of the broker.

4.4 Accessibility Strategic Services

Bidder should provide strategic services, but not limited to:

- Year-end revision process.
- Review of profile members,
- Management of the post-retirement provision and data base. Ensuring the data is checked against the Home Affairs website. The bidder must provide the annual AS19 valuation conducted by an actuary at the Medical Brokers cost.
- Scheme and option comparisons.
- Legislative review and update(s);
- Market trend analysis and forecasting including review of Medical Scheme Offering at PRASA versus the market (Incorporating medical aids Performance and Solvency measures)
- Industry developments;
- Broker must be able to support PRASA with the provision of Primary Health care at no Cost to PRASA.
- Review of recognized medical schemes.
- Implementation of Primary Health Care services in line with PRASA Procurement policy
- Participate at various wellness events.
- Ensure PRASA is involved in strategic and stakeholder meetings and workshops, Communication strategy recommendations and planning

4.5 Accessibility Reporting

Reporting should include, but not limited to:

- Reporting quarterly and annually on the membership movement, identified challenges, advice on different options available;
- Risk management and identified lessons learnt reports;
- Benchmark review of current schemes to evaluate suitability for PRASA employees;
- Website with information on recognized medical schemes;
- Notices to employees and pensioners and documented advice subject to approval by PRASA.



- Individual correspondence with employees and pensioners.
- Reporting monthly on the “proof “of existence for pensioners by checking the Home Affairs website.
- Management of the post retirement data base by checking the Home Affairs website to make sure payment is not made to deceased retirees. (Post-retirement medical aid contribution)

4.6 Accessibility Programme Management

- The Service Provider is expected to manage the administration of membership as well as change requests.
- The Service Provider needs to work closely with HR offices at all PRASA’ regions.
- Actively resolve claims resolutions
- The Service Provider will have to facilitate the application for membership or change of membership process and ensure that all relevant documentation have been completed correctly by applicants and submitted.
- The Service Provider must monitor progress and react to enquiries made by applicants.
- The Service Provider must protect confidentiality of members in terms of medical scheme related issues/inquiries.
- The Service Provider must have capacity to service all of PRASA’ sites across the country
- The Service Provider must ensure that a dedicated functional/operational structure will be appointed to manage this contract.
- The scope of work must comply to PRASA Health and Safety Protocols including Covid 19 related matters.
- The Medical Scheme Broker to provide:
 - I. New member applications
 - II. Amendments to existing memberships
 - III. Cancellation of memberships
 - IV. Facilitate claim processes and queries.
 - V. Actively manage fraudulent claims by informing the employer and addressing the matter with the employee.
 - VI. Educate member base to manage their Medical Scheme effectively.



- VII. Manage Service level agreements and ensure they adhere to required standards..

4.7 Services provided to PRASA Employees

- The Medical Scheme Broker to the PRASA will be required to introduce a number of processes and tools that will assist employees with the selection of most suitable plan options.
- The Health Care provider will be required to assist with in-house awareness campaigns to inform employees on medical Scheme related matters.

The designated consultant assigned to the PRASA should be able to:

- I. Analyse an employee's current situation and be able to provide better benefit options based on their current health profile as employee's health care needs may change;
 - II. Provide efficient and effective communication and education critical to the perception an employee has of the medical scheme;
 - III. Report on and monitor the claims processing efficiencies of the medical scheme administrator with regard to both initial and escalated / problematic claims;
- Provide weekly / monthly face to face consultations where employees are assisted with:
 - i. Solving their problematic claims by submitting the query to the medical scheme, monitoring the progress and provide feedback to the employee;
 - ii. Be able to analyse an employee's health history and on this basis be able to recommend the most appropriate medical Scheme plan option.
 - iii. Educate employees on how to utilise their medical Scheme more effectively.
 - iv. The consultant must be able to negotiate on behalf of the PRASA employee if there is a dispute about a specific claim.
 - v. The Medical Scheme broker will be required to be at the PRASA offices provide face to face sessions with its employees.
 - vi. The frequency of these sessions will be negotiated with the employee benefits office.



- Assistance to the PRASA Employee Benefits Team:
 - I. Provide support with management of Service Level Agreements with medical schemes.
 - II. Provide a dedicated consultant / administrator who will assist the PRASA Employee benefits team with medical scheme queries.
 - III. Provide guidance and training to our Human Capital Administrators on the different administrative processes;
 - IV. Provide monthly progress reports on each aspect of administration (e.g. new membership, addition of dependent, cancelation of membership, membership continuation etc.);
 - V. Medical Scheme Broker to follow up with employees if required to ensure relevant requirements are met for resolution of any queries.
 - VI. Present year end sessions on annual basis to employees at each of the regional centres.
 - VII. Present medical scheme education at employee orientation sessions.
 - VIII. Provide support and advisory service on the processes of incapacity-due-to-ill-health process.
 - IX. Provide guidance and support with employee health care communication strategy and annual year planner linked to hot topics; and
 - X. Provide support for any on-line system.

4.8 Employee Wellness Programme

- The Medical Scheme Broker will be required to participate in the design and implementation of the PRASA Wellness Programme and events during the course of the year together with the PRASA appointed EAP service provider.
- The PRASA welcomes new and industry relevant wellness strategies and will expect the Medical Scheme Broker to keep the organisation up to date with trends and peer practices.

4.9 Accessibility Value Added Services

- The Broker is to conduct annual reviews regarding the increases and benefit updates.
- The Broker is to ensure that the membership base is authenticated annually.
- The Broker is to ensure that the pricing of the products is competitive, and market related and in keeping with industry trends.



- The Broker must be able to assist and guide on applicable mobile apps, communication platforms to engage PRASA members to improve their health and wellness.

- I. Nutritional advice
- II. Fitness activities
- III. Mental wellbeing

5 CONTRACT DURATION

- 1) This appointment will be for a period of 3 years with an option to extend to a maximum of an additional 2 years.
- 2) The contract becomes effective as soon both parties sign the Service Level Agreement (SLA)

6 EVALUATION METHODOLOGY

6.1 Evaluation Process

Interested bidders for this project shall be evaluated in terms for their administrative responsiveness, substantive responsiveness, technical/functional (capacity testing) evaluation and preference points. The evaluation committee shall use the following Evaluation Criteria depicted in table 4 below for the selection of the preferred bidder that shall render / deliver the required works, goods and / or services.

EVALUATION PROCESS	
Stage 1 - Compliance	
(A)	Mandatory Compliance (Substantive Responsiveness)
(B)	Basic Compliance (Administrative Responsiveness)
Stage 2 - Technical/ Functional Criteria	
	Testing of capacity – meet minimum technical threshold of 60%
Stage 3 - Preference Points	
B-BBEE	20

**TOTAL****100**

6.2 STAGE 1: Mandatory and Basic Compliance Requirements.

If a supplier / bidder does not submit the following documents the Proposal will be disqualified automatically:

No.	Description of requirement	✓
STAGE 1: (A) MANDATORY COMPLIANCE REQUIREMENTS		
a)	Completion of ALL RFP documentation (includes ALL declarations, ALL Standard Bidding Documents (SBD) and Commissioner of Oath signatures required)	
b)	Signed Joint Venture, Consortium Agreement or Partnering Agreement (whichever is applicable).	
c)	ACCREDITATION WITH COUNCIL OF MEDICAL SCHEMES Substantiation: The bidder/ brokerage must provide a copy of a valid accreditation and certificate with The Council of Medical Schemes (CMS) as a Health Care Broker.	
d)	The bidder/ brokerage must be a registered FSP with the Financial Sector Conduct Authority (FSCA) and Financial Advisory and Intermediary Services Act (FAIS). Their representatives must be Licenced Financial Advisors with the FSCA. • FSP Licence that is valid	
STAGE 1 (B): BASIC COMPLIANCE REQUIREMENTS (Administrative Responsiveness)		
a)	Company Registration Documents	
b)	Copies of Directors' ID documents	
c)	Proof of Bank Account (i.e. cancelled cheque or letter issued by the bank)	
d)	Original or Certified B-BBEE Certificates issued by SANAS or Sworn Affidavits Signed by the EME / QSE representative and attested by a Commissioner of Oaths.	
e)	Valid Tax Clearance Certificate (must be valid on closing date of submission of the proposal) and SARS Issued Pin	



No.	Description of requirement	✓
f)	Letter of Good Standing: Compensation for Occupational Injuries & Diseases Act (COIDA)	
g)	In cases of JVs or consortiums, a combined B-BBEE certificate in the name of the JV/Consortium must be submitted	
h)	CSD supplier registration number <i>(should a bidder not registered on CSD; the bidder will be afforded 14 days after the closing date to register accordingly)</i>	

6.3 STAGE 2 - Technical / Functionality Requirements

Qualifying bidders shall be evaluated on technicality / functionality after meeting all compliance requirements outlined above. The minimum threshold for the technical/functionality requirements is 60%. Bidders who score below the minimum requirement shall not be considered for further evaluation in stage 3.

Summary of the technical/functional requirements are presented in the table below:

Technical/ functional requirements scoring		
Evaluation Criteria	Weight/ Scores	
Methodology and Approach		
Project Proposal	60	
A submission of a detailed approach/process to be adopted, design to the project and the Medical Aid Brokering services to be proposed to PRASA	30	<u>0 = No proposed approach/process is submitted aligned to PRASA scope</u> <u>1 = Proposed approach/process is generic and not aligned to PRASA scope</u> <u>2 = Proposed approach/process is generic and aligned to PRASA scope</u> <u>3 = Proposed approach/process is aligned to PRASA scope and has referencing to local research and benchmarks</u> <u>4 = Proposed approach/process is aligned to PRASA scope, has referencing to local research and benchmarks and is adaptable to meet PRASA's needs</u> <u>5 = Proposed approach/process is aligned to PRASA scope, has referencing to local</u>



Submit a comprehensive communication and engagement plan for rollout nationally within PRASA (Inclusive of an annual communication plan during the contract period)		<u>research and benchmarks, is adaptable to meet PRASA's needs and provides international benchmarks</u>
	30	<u>0 = no communication and engagement plan submitted</u> <u>1 = draft communication and engagement plan submitted</u> <u>2 = basic communication and engagement plan submitted with no clear milestones and timelines</u> <u>3 = communication and engagement plan submitted detailed with no clear milestones and timelines</u> <u>4 = communication and engagement plan submitted with clear milestones and timelines</u> <u>5 – comprehensive communication and engagement plan with clear milestones and timelines submitted</u>

Medical Aid brokering Experience of the company (references)	15	
The Broker must provide proof of experience with Intermediary and Advisory capabilities		
The bidder must have at least, the minimum of five (5) years' experience in dealing with a national client having a minimum of 10 000 employees or a collective membership of 10 000 employees at one given time from multiple entities.		
Provides reference letters of contactable referees of previous and similar work successfully completed	0	No reference letters provided
	1	Only Reference letters provided, no Proof of Number of employees in client companies provided
	2	Bidder provides proof of less than 5 years' experience of a company with the size of less than 10 000 employees.



	3	Bidder provides proof of 5 years and more experience of a company with the size of 10 000 or more employees.
	4	Bidder provides proof of 10 or more years' experience more than one company with the size of 10 000 or more employees. (service must be for one client for more 5 years or more)
	5	Bidder provides proof of 20 years' experience of more than one company with the size of 10 000 or more employees. (service must be for one client for more 5 years or more)

Financial capability:	25	
Financial Capacity: Demonstrate financial capability to undertake the national project. Bidder should submit a complete set of financial statements (Last 3 years audited financial statements prepared by a registered professional - the professional's name (who prepared the financial statements) and registration number must appear on the bidder's submission) (Operating cash flow - ratio measures a company's short-term liquidity. Formula: Operating Cash Flows Ratio = Cash Flows from Operations/Current Liabilities.)	5	<u>0 = Operating Cash Flows Ratio $X < 0$</u> <u>1 = Operating Cash Flows Ratio $X = 0$</u> <u>2 = Operating Cash Flows Ratio $0 > X < 0.5$</u> <u>3 = Operating Cash Flows Ratio $0.5 > X < 1$</u> <u>4 = Operating Cash Flows Ratio $1 > X < 1.5$</u> <u>5 = Operating Cash Flows Ratio $X \geq 1.5$</u>



TOTAL	100
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Details of the scoring methodology presented above are outlined below:

Scoring Methodology	
CRITERIA	WEIGHT
Methodology and Approach	60
Medical Aid Broking Experience of the company - references	15
Financial Capacity	25

STAGE 3 - B-BBEE

Bidders will be awarded points based on the level of the B-BBEE status presented in the B-BBEE Certificate issued by an approved agency certified by SANAS.

The B-BBEE component of the evaluation process:

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS (80/20 SYSTEM) ABOVE A MILLION
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-Compliant Contributor	0

