

**APPOINTMENT OF A SUITABLE SERVICE
PROVIDER TO PROVIDE AN ASSET FINANCE
SOLUTION FOR MOVABLE IT ASSETS
(COMPUTERS AND PERIPHERALS) FOR A PERIOD
OF 5 YEARS**

Table of Contents

1	Definitions	4
2	Purpose and Background	6
2.1	Purpose	6
2.2	Background	6
2.3	Strategic Context.....	7
3	Objectives and Strategic Alignment.....	7
3.1	Primary Objectives	7
4	Scope of Work and Specifications	8
4.1	Asset Categories	8
4.2	Estimated Quantities	10
4.3	Service Requirements.....	10
4.3.1	Asset Management Services:.....	10
4.3.2	Technology Refresh Programme:	10
4.3.3	Support Services:	11
4.3.4	Additional Service Requirements:	11
5	Roles and Responsibilities.....	11
5.1	Service Provider Responsibilities.....	11
5.2	DEDEAT Responsibilities.....	12
6	Performance Monitoring and Evaluation.....	12
6.1	Key Performance Indicators.....	12
6.2	Reporting Requirements	12
7	Functionality Evaluation Criteria	12
8	Pricing Methodology and Evaluation	13
8.1	Pricing Structure.....	13
8.2	Price Evaluation Criteria.....	13
8.3	Pricing Requirements.....	13
9	Specific Goals for Preferential Procurement.....	14
9.1	Specific Goals	14
9.2	Proof Requirements	14
10	Mandatory Requirements.....	14
10.1	Summary of Requirements	14
11	Specific Conditions of Contract.....	15
11.1	Contract Duration and Options	15
11.2	Service Level Agreements.....	15
11.2.1	Response Times:.....	15
11.2.2	Resolution Times:.....	15

11.3	Performance Standards	15
11.4	Penalties and Liquidated Damages	16
11.5	Payment Terms	16
11.6	Risk Management	16
11.7	Intellectual Property	16
11.8	Exit Planning and Contract Termination Requirements	16
11.8.1	Exit Planning Documentation (Mandatory Requirement)	16
11.8.2	Asset Register Transfer Requirements	16
11.8.3	Equipment Return and Collection	17
12	Instructions to Bidders	17
12.1	Submission Requirements	17
12.2	Evaluation Process	18
12.3	General Conditions	18
13	Terms and Conditions	19
14	Contact Information	19
15	APPROVAL OF TERMS OF REFERENCE	20

1 Definitions

For the purposes of this procurement, the following definitions apply:

Term	Meaning
"Accounting Officer"	The Head of Department of DEDEAT is defined in the Public Finance Management Act.
"Asset Finance Solution"	A comprehensive leasing arrangement whereby the service provider finances, procures, deploys, manages, and maintains IT assets on behalf of DEDEAT through quarterly rental payments over the contract period.
"Bidder"	Any person, firm, company, or entity that submits a proposal in response to these Terms of Reference.
"Black-owned SME"	A qualifying SME with 51% or more black ownership as defined in the Broad-Based Black Economic Empowerment Act.
"Black people"	Africans, Coloureds, and Indians as defined in the Broad-Based Black Economic Empowerment Act.
"DEDEAT"	The Department of Economic Development, Environmental Affairs, and Tourism of the Eastern Cape Provincial Government.
"Disability-owned SME"	A qualifying SME with 51% or more ownership by persons with disabilities as defined in the Employment Equity Act.
"Functionality"	The evaluation of bidders' technical capabilities, experience, and capacity to deliver the required services was scored out of 100 points, with a minimum threshold of 70 points.
"IT assets"	Information technology equipment, including but not limited to servers, desktop computers, laptop computers, tablets, printers, monitors, network equipment, and related peripherals.
"Management Fee"	The percentage-based fee charged by the service provider covers all services, including but not limited to asset management, maintenance, insurance, administration, and end-of-life disposal.
"Monthly Rental Factor"	The factor per R1,000 of asset value used to calculate quarterly rental payments over the lease term.
"Operating lease"	A lease arrangement where the lessor retains ownership and the lessee has usage rights, with a residual value of at least 15% to qualify under accounting standards.
"PFMA"	The Public Finance Management Act (Act No. 1 of 1999) and its regulations.
"POPIA"	The Protection of Personal Information Act (Act No. 4 of 2013).
"PPR"	The Preferential Procurement Regulations published on 4 November 2022 in terms of the Preferential Procurement Policy Framework Act.
"Qualifying SME"	For the purposes of this procurement means enterprises that meet one or more of the following criteria: <ul style="list-style-type: none"> • Small enterprises: Up to 50 full-time employees with annual turnover not exceeding the sector-specific thresholds as defined in the National Small Business Act • Very small enterprises: Up to 20 full-time employees with annual turnover up to R5 million (depending on sector)

Term	Meaning
	<ul style="list-style-type: none"> • Micro enterprises: Up to 5 full-time employees with annual turnover up to R200,000 • "Black-owned SME" means a qualifying SME with 51% or more black ownership as defined in the Broad-Based Black Economic Empowerment Act. • "Women-owned SME" means a qualifying SME with 51% or more women ownership. • "Youth-owned SME" means a qualifying SME with 51% or more ownership by persons aged 35 years and younger. • "Disability-owned SME" means a qualifying SME with 51% or more ownership by persons with disabilities. <p>"Eastern Cape SME" means a qualifying SME with its registered business address and primary operations located within the Eastern Cape Province.</p>
"Residual value"	The estimated value of an asset at the end of the lease term, expressed as a percentage of the original asset value.
"Service provider"	The successful bidder appointed to provide the asset finance solution.
"SME" or "Small and Medium Enterprise"	A separate and distinct business entity, including its branches or subsidiaries, managed by one or more owners and operating in any sector of the economy, as defined by the National Small Business Act (Act No. 102 of 1996) and its amendments.
"Specific Goals"	The transformation objectives as defined in Section 2(1)(d) of the PPPFA for which preference points may be awarded.
"Subcontracting"	The appointment by the service provider of qualifying SMEs to deliver portions of the contract services or goods.
"Technology Refresh"	The planned replacement or upgrade of IT assets during the lease term to ensure access to current technology.
"Total Cost of Ownership"	The comprehensive cost of the asset finance solution over the full contract period, including all fees, charges, and escalations.
"Women-owned SME"	A qualifying SME with 51% or more women's ownership.
"Youth"	Persons aged 35 years and younger as defined in the National Youth Development Agency Act.
"Youth-owned SME"	A qualifying SME with 51% or more ownership by persons aged 35 years and younger.
Computer Peripherals	Mouse/Trackpad, Scanners, Microphone, Graphics tablet, Monitors, Printer, Speakers, Headphones, Projector, External hard drives, Wi-Fi adapters, and Ethernet adapters

2 Purpose and Background

2.1 Purpose

- The Department of Economic Development, Environmental Affairs, and Tourism (DEDEAT) extends an invitation for proposals from qualified service providers to develop a comprehensive asset finance solution for movable IT assets. These assets include computers, servers, printers, and associated peripherals such as mice/trackpads, scanners, microphones, graphics tablets, monitors, speakers, headphones, projectors, external hard drives, Wi-Fi adapters, and Ethernet adapters, covering a five-year period. This procurement initiative is consistent with DEDEAT's mission to enhance economic growth and to support small and medium enterprises (SMEs) within the Eastern Cape Province.

2.2 Background

- The current lease agreement for IT equipment held by DEDEAT has expired, necessitating the formulation of a new asset finance solution. The Department has undertaken a comprehensive business case analysis that underscores the strategic significance of leasing in advancing various organizational and economic development objectives, which include:
 - a) **Fiscal and Cash Flow Management:**
 - Eliminates large upfront capital expenditure requirements
 - Converts capital expenditure to operational expenditure, improving cash flow management
 - Provides predictable monthly costs that facilitate better budget planning and forecasting
 - Reduces strain on capital budgets during current fiscal constraints
 - Enables better alignment with annual budget cycles and spending patterns
 - b) **Risk Mitigation and Technology Management:**
 - Transfers technology obsolescence risk to the service provider
 - Ensures access to current technology without bearing depreciation costs
 - Provides protection against rapid technological changes and equipment failures
 - Includes comprehensive maintenance and support, reducing internal resource requirements
 - Mitigates cybersecurity risks through regular technology refresh cycles
 - c) **Operational and Administrative Benefits:**
 - Reduces internal administrative burden for asset management and maintenance
 - Provides bundled services including installation, training, and technical support
 - Enables rapid deployment and scaling of IT infrastructure
 - Ensures POPIA compliance through secure data wiping and disposal protocols
 - Facilitates standardisation across the Department's IT environment
 - d) **Economic Development and Transformation:**
 - Enables meaningful SME participation through flexible subcontracting arrangements
 - Supports local economic development and enterprise development initiatives
 - Creates opportunities for skills transfer and capacity building
 - Promotes broad-based black economic empowerment through structured participation

The business case analysis confirms that leasing aligns with the Department's strategic priorities, particularly in the current fiscal environment where budgetary constraints require innovative approaches to asset acquisition. The Department requires a financially sustainable solution that maximises value whilst supporting strategic transformation objectives.

2.3 Strategic Context

This procurement is aligned with:

- The Provincial Growth and Development Strategy
- Government's economic transformation agenda
- Small Business Development initiatives
- Digital transformation objectives for the public sector

3 Objectives and Strategic Alignment

3.1 Primary Objectives

The key objectives of this procurement are to:

- Implement a Cost-Effective Asset Finance Model:** Engage a qualified service provider to deliver a financially sustainable leasing model that aligns with DEDEAT's operational and budgetary goals whilst supporting economic development imperatives.
- Ensure Ongoing Access to Modern Technology:** Establish a structured refresh cycle to maintain up-to-date, high-performing IT infrastructure with a consistent three-year replacement schedule.
- Optimise IT Asset Management:** Introduce standardised, auditable asset management processes covering procurement, tracking, utilisation, and end-of-life management.
- Strengthen Service Delivery and Efficiency:** Reduce operational downtime through responsive maintenance and support services, improving productivity and operational stability.
- Prevent Technology Obsolescence:** Enable agile technology deployment through regular asset updates and flexible exchange mechanisms.
- Ensure Legal and Regulatory Compliance:** Align all procurement and contract management activities with PFMA requirements, Treasury Regulations, and relevant standards.
- Build Internal Capacity:** Include skills transfer components to develop in-house capabilities for managing leased assets and vendor relationships.
- Support Green ICT Goals:** Implement environmental responsibility commitments through certified refurbishment and recycling processes.
- Enable Scalability:** Provide flexible asset scaling capabilities to accommodate future organisational and technology requirements.
- Promote Small Business Development:** Structure procurement to support inclusive economic growth through meaningful SME participation and enterprise development.

4 Scope of Work and Specifications

4.1 Asset Categories

The asset finance solution shall cover the following equipment categories:

a) Servers: (subject to change, based on future needs)

- Minimum specifications: Processor: Intel® Xeon® Scalable 5100 series, dual processors, 12 cores, 3.6 GHz.
- Memory: Up to 3.0 TB DDR4 Smart Memory across 24 DIMM slots.
- Storage: NVMe support, multiple SFF/LFF drive options.
- Networking: HPE 1 Gb 331i Ethernet adapter, 4 ports per controller.
- Form Factor: 2U rack mounted.
- Graphics: Up to 3 double-wide or 5 single-wide GPGPUs, 3-year manufacturer warranty
- Energy Star certification

b) Desktop Computers: subject to change, based on needs

Minimum specifications All-in-one: Normal Workload

- **Processor:** 8th Gen Intel Core i5 or AMD Ryzen 5
- **Memory:** 16GB DDR4 RAM
- **Storage:** 512GB SSD
- **Display:** 24" Full HD (1920x1080)
- **Operating System:** Windows 11 Professional
- 3-year manufacturer warranty
- Energy Star certification

Minimum Specification All-in-one – Heavier Workload

- **Processor:** 11th Gen Intel Core i7 or AMD Ryzen 7
- **Memory:** 32GB DDR4 RAM
- **Storage:** 1TB SSD
- **Display:** 24" Full HD (1920X1080)
- **Operating System:** Windows 11 Professional
- 3-year manufacturer warranty
- Energy Star certification

c) Laptop Computers: subject to change, based on needs

- Minimum specifications:
- Processor: Intel Core i5 or i7 (agreed processor speed)
- Memory:
 - Normal laptops: 8–16 GB RAM
 - GIS laptops: 16–32 GB RAM
- Storage: 500 GB – 1 TB Hard Drive
- Operating System: Windows 11 or later
- Minimum 8-hour battery life
- 3-year manufacturer warranty

- Energy Star certification

d) Peripherals:

- Monitors (minimum 22-inch, Full HD)
- Keyboards and mice (for servers and desktops)
- Printers (high capacity and desktop), with the following specifications:
 - **High-capacity printers: subject to change, based on needs**
Minimum Technical Specifications
Print Resolution: Minimum 600 × 600 dpi
Copy Features: Reduction/Enlargement from 25% to 400%, up to 999 copies per job
Fax Capabilities:
Speed: Minimum 33.6 kbps
Memory: Minimum 1,000 pages
Speed Dial: Minimum 200 entries
Connectivity:
Ethernet 10/100/1000 Base-T
Wi-Fi 802.11 b/g/n
USB 2.0/3.0 ports
Mobile Printing: Support for Apple AirPrint, Google Cloud Print, NFC
Security: Secure print, user authentication, data encryption
User Interface: Minimum 7-inch colour touchscreen with intuitive controls
Software Compatibility:
Operating Systems: Windows, macOS, Linux
Print Languages: PCL, PostScript, PDF Direct
Energy Efficiency: Energy Star Certified
Power Consumption: Max 1.5 kW during operation, <1W in sleep mode
Noise Level: Max 55 dB during operation
Maintenance Kit: Includes drum, fuser, and rollers
Warranty: Minimum 3-year on-site warranty with next business day service
Support: 24/7 technical support with remote assistance
Engine Speed: Up to 70/35 ppm (A4/A3)
Memory: Minimum 4 GB RAM & 300 GB HDD
Document Finisher: 4,000 sheets, booklet, stapling, punch unit
Paper Capacity: Minimum 4,000 sheets
Scan Functions: Scan-to-email, SMB, USB; PDF (compressed, encrypted, PDF/A)

Desktop printers: subject to change, based on needs

Minimum Technical Specifications
Print Resolution: Minimum 600 × 600 dpi
Copy Features: Reduction/Enlargement from 25% to 400%, up to 999 copies per job
Fax Capabilities:
Speed: Minimum 33.6 kbps
Memory: Minimum 1,000 pages
Speed Dial: Minimum 200 entries
Connectivity:
Ethernet 10/100/1000 Base-T
Wi-Fi 802.11 b/g/n
USB 2.0/3.0 ports
Mobile Printing: Support for Apple AirPrint, Google Cloud Print, NFC
Security: Secure print, user authentication, data encryption
User Interface: Minimum 7-inch colour touchscreen with intuitive controls
Software Compatibility:

Operating Systems: Windows, macOS, Linux
Print Languages: PCL, PostScript, PDF Direct
Energy Efficiency: Energy Star Certified
Power Consumption: Max 1.5 kW during operation, <1W in sleep mode
Noise Level: Max 55 dB during operation
Maintenance Kit: Includes drum, fuser, and rollers
Warranty: Minimum 3-year on-site warranty with next business day service
Support: 24/7 technical support with remote assistance

- Network equipment as required (e.g. switches, routers, access points)
- Audio-visual equipment (video conferencing systems with 128-bit AES encryption)

Tablets: Basic Specification (subject to change, based on needs)

- **Operating System:** Latest iPadOS or Android version
- **Display:** Minimum 10" high-resolution display
- **Storage:** Minimum 128GB storage capacity
- **Security Features:** Must include fingerprint or facial recognition unlock
- **Condition:** Brand new from reputable manufacturers
- **Warranty:** Minimum 3-year warranty
- **Compliance:** Must meet safety and regulatory standards

- e) DEDEAT reserves the right to request additional movable assets within the scope of these terms of reference as required by the evolution and/or development of technology over the duration of the agreement to be entered into between DEDEAT and the Service Provider.

4.2 Estimated Quantities

The following are estimated quantities and should not be taken as guaranteed quantities.

- Desktop computers: Approximately 40 units
- Laptop computers: Approximately 520 units
- Associated peripherals as specified
- Printers

4.3 Service Requirements

4.3.1 Asset Management Services:

- a) Comprehensive asset tracking and inventory management
- b) Installation and configuration services
- c) User training and support
- d) Maintenance and technical support
- e) Hardware refresh and upgrade services
- f) Secure data wiping and disposal services

4.3.2 Technology Refresh Programme:

- a) Structured 3 years refresh cycle
- b) Performance monitoring and upgrade recommendations
- c) Emerging technology integration capabilities

4.3.3 Support Services:

a) Overall

- i) Tiered support structure with escalation procedures
- ii) Business hours support (Monday to Friday, 08:00-17:00)
- iii) On-site technical support (business hours and emergency call-out)
- iv) Remote diagnostic capabilities
- v) Spare parts management
- vi) Emergency replacement services

b) Tiered Support Level Requirements:

i) Tier 1 - Business Hours Support:

- a. Help desk support during business hours
- b. Remote troubleshooting and diagnosis
- c. User support and basic technical queries
- d. Non-critical hardware and software issues
- e. Routine maintenance scheduling
- f. Asset management queries

ii) Tier 2 - Emergency On-Site Support:

- a. On-site response for critical failures that cannot be resolved remotely
- b. Hardware replacement for critical systems
- c. Emergency equipment deployment
- d. Major system restoration

4.3.4 Additional Service Requirements:

- a) Dedicated business account manager for contract duration
- b) Dedicated project manager for implementation and ongoing support
- c) Monthly cost centre billing per DEDEAT business unit
- d) Online asset contract management and tracking system
- e) Equipment collection at contract end (at contractor's expense)
- f) On-site data destruction and degaussing with certificates
- g) Video conferencing systems with 128-bit AES encryption minimum
- h) Insurance coverage for all leased equipment (included in rental cost)
- i) Security vetting of contractor personnel by State Security Agency (screening)

5 Roles and Responsibilities

5.1 Service Provider Responsibilities

- a) Procure, configure, and deploy IT assets as specified
- b) Provide comprehensive asset management services
- c) Maintain asset registers and tracking systems
- d) Deliver user training and technical support when needed
- e) Implement technology refresh programmes
- f) Ensure compliance with environmental and security standards
- g) Provide regular performance reports
- h) Provide a monthly reconciled statement of account
- i) Facilitate skills transfer to DEDEAT personnel
- j) Support SME development through subcontracting arrangements

5.2 DEDEAT Responsibilities

- Provide access to installation sites
- Designate personnel for training
- Facilitate necessary approvals and access
- Monitor contract performance
- Make payments according to agreed terms
- Provide feedback on service delivery

6 Performance Monitoring and Evaluation

6.1 Key Performance Indicators

- Asset availability (minimum 100%)
- Response time for technical support remote (maximum 4 hours)
- Response time for technical support physical (maximum 24 hours)
- Resolution time for hardware issues (maximum 48 hours)
- User satisfaction ratings (minimum 85%)
- Refresh cycle adherence
- SME participation levels

6.2 Reporting Requirements

- Monthly performance reports
- Quarterly business reviews
- SME participation reports

7 Functionality Evaluation Criteria

Bidders will be evaluated against the following functionality criteria. **A minimum threshold score of 70 out of 100 points must be achieved for a bid to be considered responsive.**

Evaluation Criteria	Sub-criteria	Value	Weight
Methodology and Service Delivery Plan	Methodology and service plan address all 10 objectives as reflected under 3.1	5	40
	Methodology does not address all 10 objectives as reflected under 3.1	0	
Experience and Track Record	6+ years in IT asset management	5	20
	3-5 years of experience	3	
	Less than 3 years of experience	1	
Client References	6 + positive references	5	15
	3-5 positive references	3	
	Less than 3 positive references	1	
Financial Capacity and Stability	Strong financial position with audited statements (R30 million)	5	15
	Insufficient financial capacity	0	
SME Development Plan	Comprehensive SME participation strategy (4 SME's)	5	10
	Basic SME participation (2 – 3 SME's)	3	
	No SME development strategy	0	

8 Pricing Methodology and Evaluation

8.1 Pricing Structure

Bidders must provide a comprehensive pricing model using a factor per R1,000 methodology including:

Base Equipment Costs:

- Detailed costing for each asset category
- Volume discounts where applicable
- Technology refresh pricing

Management Fee Structure:

- Percentage-based management fee (all-inclusive)
- Breakdown of services included in management fee. Management fee must include maintenance, installation, and insurance.

All support and maintenance must be included in the management fee, with no separate billing allowed.

Quarterly Rental Calculation:

- Quarterly rental factor methodology per R1,000 of asset value
- Rate escalation assumptions clearly stated
- Residual value calculations (minimum 15% to qualify as operating lease)
- Insurance and risk management costs (included in management fee)

Pricing Template Requirements:

Bidders must complete pricing templates for:

- 36-month lease terms
- 60-month lease terms

Additional Services that must be built into the rental cost:

- Training
- Technical support
- Emergency services
- Environmental disposal of obsolete assets

8.2 Price Evaluation Criteria

The 80/20 preference point system will be applied:

- 80 points for price competitiveness
- 20 points for specific goals (as detailed in Section 9)

8.3 Pricing Requirements

- All prices must be inclusive of VAT
- Fixed pricing for the initial 36-month period
- Escalation methodology for years 3-5
- Currency fluctuation mechanisms where applicable
- Penalty clauses for non-performance

9 Specific Goals for Preferential Procurement

9.1 Specific Goals

In accordance with the Preferential Procurement Regulations 2022, a maximum of **20 points** may be awarded for the following specific goals:

Specific Goal	Points
A co-operative or non- profit organisation which is at least 51% owned by black people	6
HDI women	4
HDI with disabilities	2
HDI living in Eastern Cape province	8
Total	20

9.2 Proof Requirements

Bidders must provide the following documentation to claim specific goal points:

- Proof of business registration address for provincial location claims
- Detailed SME subcontracting plan with signed agreements or commitments
- Company registration documents from CIPC
- Youth declarations with identity documents

10 Mandatory Requirements

Bidders must comply with all mandatory requirements. **Failure to meet any mandatory requirement will result in disqualification.**

10.1 Summary of Requirements

Requirement Category	Requirement	Status	Consequence of Non-Compliance
Administration	Professional indemnity insurance (minimum R10 million)	Non-Negotiable	Disqualification
	Public liability insurance (minimum R5 million)	Non-Negotiable	Disqualification
FINANCIAL CAPACITY	Audited financial statements (past 3 years)	Non-Negotiable	Disqualification
	Minimum annual turnover R30 million (past 2 years)	Non-Negotiable	Disqualification
	Positive cash flow position	Non-Negotiable	Disqualification
	Bank guarantee/support letter (R30 million)	Non-Negotiable	Disqualification

Requirement Category	Requirement	Status	Consequence of Non-Compliance
	Demonstration of the capability to finance equipment	Non-Negotiable	Disqualification
	Letter of good standing from the bank	Non-Negotiable	Disqualification
TECHNICAL	ISO 9001:2015 certification (Quality Management)	Non-Negotiable	Disqualification
	ISO 27001:2013 certification (Information Security)	Non-Negotiable	Disqualification
	POPIA compliance certification	Non-Negotiable	Disqualification
ADDITIONAL	Compulsory briefing session attendance	Non-Negotiable	Disqualification

Key notes:

- All insurance certificates must be valid for the full contract duration
- ISO certifications must be current and from accredited certification bodies
- Financial documents must not be older than **3 months** at the submission date

11 Specific Conditions of Contract

11.1 Contract Duration and Options

- Initial contract period: 5 years
- Early termination clauses for non-performance
- Technology upgrade options during contract period

11.2 Service Level Agreements

11.2.1 Response Times:

- Critical issues: 2 hours
- High priority issues: 4 hours
- Medium priority issues: 8 hours
- Low priority issues: 24 hours

11.2.2 Resolution Times:

- Hardware replacement: 48 hours
- Software issues: 24 hours
- Network connectivity: 4 hours

11.3 Performance Standards

- Minimum 100% asset availability
- Maximum 2% monthly failure rate
- User satisfaction rating minimum 85%
- Compliance with refresh cycle timelines

11.4 Penalties and Liquidated Damages

- Late delivery: 0.5% of the monthly rental (maximum 10%)
- Service level breaches: Penalty matrix as defined in contract
- Non-compliance with SME commitments: 5% of annual contract value

11.5 Payment Terms

- 30-day payment terms from receipt of valid invoice
- Performance-based payment adjustments

11.6 Risk Management

- Comprehensive insurance requirements
- Business continuity planning
- Data security and privacy protection
- Asset tracking and security measures

11.7 Intellectual Property

- Licensing arrangements for software, where required
- Data ownership and portability rights
- Technology transfer provisions
- End-of-contract asset disposition

11.8 Exit Planning and Contract Termination Requirements

The appointed service provider must implement a structured and transparent exit process to ensure continuity, asset integrity, data security, and compliance at the conclusion or early termination of the contract. Exit planning is a mandatory requirement and must be addressed in the bidder's technical proposal.

11.8.1 Exit Planning Documentation (Mandatory Requirement)

The service provider must submit a detailed exit plan that includes:

a) **Exit Strategy Framework:**

- i) A termination and transition timeline, allowing for at least 90 days' advance planning before contract end.
- ii) Identification of responsible personnel and resource allocation for exit activities.
- iii) Risk assessment and mitigation strategy addressing service continuity and asset management risks.
- iv) Stakeholder communication plan covering both DEDEAT and affected SMMEs during the exit process.

b) **Asset Management Transition:**

- i) Clear procedures for the final transfer of the asset register.
- ii) Agreed methodology and schedule for physical return of equipment.
- iii) Final inspection protocols and asset condition documentation.
- iv) Dispute resolution mechanism for disagreements on asset condition or completeness.

11.8.2 Asset Register Transfer Requirements

The service provider must ensure the complete and accurate transfer of all asset documentation to DEDEAT upon termination of the contract, including:

a) **Complete Documentation Transfer:**

- i) Full assets register detailing serial numbers, configurations, assignment records, locations, and original lease values.
- ii) Digital copies of all associated documentation (invoices, SLAs, warranties, service records, etc.);
- iii) Manufacturer and warranty contact information.
- iv) Updated maintenance logs and service history.
- v) Software licensing keys, expiry details, and any transfer obligations.

b) **Data Integrity Requirements:**

- i) Asset register must be provided in Excel
- ii) All entries must be verified and reconciled with physical inventory prior to handover.
- iii) Asset tags must match register entries — any discrepancies must be documented and corrected prior to contract closure.

11.8.3 Equipment Return and Collection

- a) The service provider will bear all costs associated with the retrieval and transportation of leased assets.
- b) Equipment must be collected from all DEDEAT sites, including remote and district offices, as agreed in the asset deployment schedule.
- c) Final collection must be scheduled in coordination with DEDEAT to avoid operational disruptions.
- d) A formal sign-off process must be completed at each site, confirming asset condition and quantities returned.
- e) Equipment must be returned clean, securely wiped of any residual data (in compliance with POPIA), and in fair working condition, subject to normal wear and tear.

12 Instructions to Bidders

12.1 Submission Requirements

- a) Number of Copies: 1 original copy
- b) Submission Methodology - **Two-Envelope System**: Due to the two-stage evaluation process (functionality first, then price), bidders must submit their proposals using the two-envelope system:
 - i) **Envelope 1 - Technical and Administrative Proposal:**
 - a. All technical documentation and specifications
 - b. Company credentials and experience
 - c. Functionality-related documents
 - d. Administrative compliance documents (SBDs 1, 4, 5, 6.1)
 - e. All mandatory requirements except pricing
 - f. Clearly marked: "**ENVELOPE 1 - TECHNICAL PROPOSAL - [Company Name] - DEDEAT**"
 - ii) **Envelope 2 - Financial Proposal:**
 - a. SBD 3.1: Pricing Schedule (completed in full)
 - b. Comprehensive pricing model and methodology
 - c. All cost breakdowns and assumptions
 - d. Financial proposals and cost analysis
 - e. Clearly marked: "**ENVELOPE 2 - FINANCIAL PROPOSAL - [Company Name] - DEDEAT**"

- c) Both envelopes must be sealed and placed together in a main outer envelope marked: "**APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO PROVIDE AN ASSET FINANCE SOLUTION FOR MOVABLE IT ASSETS - DEDEAT - [Company Name]**"
- d) Standard Bidding Documents Required:
 - SBD 1: Invitation to Bid (Envelope 1)
 - SBD 3.1: Pricing Schedule (Envelope 2)
 - SBD 4: Declaration of Interest (Envelope 1)
 - SBD 6.1: Preference Points Claim Form (Envelope 1)

12.2 Evaluation Process

- a) The evaluation will follow a strict two-stage process:
 - i) **Stage 1 - Administrative and Functionality Evaluation:**
 - a. Only Envelope 1 (Technical Proposals) will be opened initially
 - b. Administrative compliance verification
 - c. Mandatory requirements confirmation
 - d. Functionality evaluation (minimum 70/100 points required)
 - e. Envelope 2 (Financial Proposals) remains sealed and secure
 - ii) **Stage 2 - Price and Preference Point Evaluation:**
 - a. Only bidders who achieve a minimum of 70 points in functionality proceed to Stage 2
 - b. Envelope 2 (Financial Proposals) opened only for qualifying bidders
 - c. Price evaluation using 80/20 preference point system
 - d. Financial proposals of non-qualifying bidders returned unopened
- b) Transparency and fairness:
 - i) This two-stage process prevents price bias during technical evaluation, ensures that functionality assessment is based purely on merit, and protects bidders' pricing information from premature disclosure
 - ii) Unopened financial proposals may be returned to unsuccessful bidders
 - iii) Shortlisted bidders may be required to make a presentation to DEDEAT bid committees (if required)

12.3 General Conditions

- a) Bid validity period: **90 days** from closing date
- b) No telephonic, electronic, or late submissions accepted
- c) Right to request clarifications reserved
- d) Right to cancel the tender process reserved
- e) Negotiation with the preferred bidder reserved

13 Terms and Conditions

By submitting proposals in terms of these terms of reference, all bidders acknowledge and agree that:

- a) DEDEAT will not incur or be liable for any costs associated with the preparation of this proposal
- b) The terms of reference have been prepared by DEDEAT and are being furnished to those potential Service Providers who might prepare a proposal to address the business requirements as contained herein.
- c) The information contained in these terms of reference has been prepared to guide interested parties in making their own evaluation of whether to submit proposals in relation hereto, and does not purport to contain all the information that bidders may require
- d) While every attempt will be made to provide thorough, accurate information, DEDEAT shall have no liability for any inaccuracies that may be contained in these terms of reference, or any accidental omissions from these terms of reference.
- e) The risk and rewards in terms of this contract seats with the successful service provider.
- f) Pricing proposal is based on a factor per R1000 for two different terms of lease and will not be used to determine the final contract price of the tender for the duration of 5 years.
- g) The department reserves the right to lease any other movable asset or equipment which deemed to be necessary to the department.
- h) DEDEAT reserves their right to:
 - i) reject any bidder's proposal based on the evaluation criteria as set out in these terms of reference
 - ii) to cancel the tender in part or as a whole

14 Contact Information

Technical Queries Mr Madodana Mashologu Deputy Director: IT Infrastructure Email: Madodana.Mashologu@dedea.gov.za	Procurement Process Queries Hlokoma Mtshotshisa Supply Chain Management Email: Hlokoma.mtshotshisa@dedea.gov.za Tel: 043 605 7153
--	--

Tender submission details:

Department of Economic Development, Environmental Affairs and Tourism, at 2nd Floor, Chungwa House, Cnr Independence Avenue and Siwane Avenue, Bisho.

Closing date:

Closing time:

Bids submitted after the closing date and time will not be accepted.

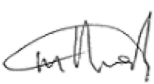





Issued by:

Department of Economic Development, Environmental Affairs and Tourism
Eastern Cape Provincial Government

Date:

These Terms of Reference are issued in terms of the Public Finance Management Act, 1999, Treasury Regulations, and the Preferential Procurement Policy Framework Act and associated regulations.

15 APPROVAL OF TERMS OF REFERENCE

NAME	M. MASHOLOGU	T. BOUCHER	D. KENTANE	MS. K. MAYILE	S. JONGILE	M. MAMA
POSITION	DEPUTY DIRECTOR: IT INFRASTRUCTURE	CHIEF DIRECTOR: CORPORATE MANAGEMENT	CHAIRPERSON: BID SPECIFICATION COMMITTEE	DIRECTOR: SUPPLY CHAIN MANAGEMENT	CHIEF FINANCIAL OFFICER	HEAD OF DEPARTMENT
ACTION	Compiler	Recommended Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Recommended Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Recommended Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Recommended Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Approved Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
COMMENTS	ToR's submitted and discussed by the BSC.	Supported	Supported	Supported	Supported	approved
SIGNATURE					 <small>Sibongile Jongile (No 21, 2025 12:08:48 GMT+2)</small>	
DATE	17-09-2025	19-Sep-2025	19-Sep-2025	19-Sep-2025	21-Sep-2025	23-Sep-2025


APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO PROVIDE AN ASSET FINANCE SOLUTION FOR MOVABLE IT ASSETS (COMPUTERS AND PERIPHERALS) FOR A PERIOD OF 5 YEARS


Final Audit Report


2025-09-23


Created:	2025-09-19
By:	Madodana Mashologu (madodana.mashologu@dedea.gov.za)
Status:	Signed
Transaction ID:	CBJCHBCAABAAuDUm4aEJAsc4jFYGQpbB_D2a4Aw9ZPCi


"APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO PROVIDE AN ASSET FINANCE SOLUTION FOR MOVABLE IT ASSETS (COMPUTERS AND PERIPHERALS) FOR A PERIOD OF 5 YEARS" History


 Document created by Madodana Mashologu (madodana.mashologu@dedea.gov.za)
2025-09-19 - 5:44:30 PM GMT


 Document emailed to Tyronne Boucher (tyronne.boucher@dedea.gov.za) for signature
2025-09-19 - 5:44:36 PM GMT












 Email viewed by Tyronne Boucher (tyronne.boucher@dedea.gov.za)
2025-09-19 - 5:56:36 PM GMT

 Document e-signed by Tyronne Boucher (tyronne.boucher@dedea.gov.za)
Signature Date: 2025-09-19 - 5:58:34 PM GMT - Time Source: server

 Document emailed to Dumani Kentane (Dumani.Kentane@dedea.gov.za) for signature
2025-09-19 - 5:58:35 PM GMT

 Email viewed by Dumani Kentane (Dumani.Kentane@dedea.gov.za)
2025-09-19 - 6:38:28 PM GMT

 Document e-signed by Dumani Kentane (Dumani.Kentane@dedea.gov.za)
Signature Date: 2025-09-19 - 6:40:39 PM GMT - Time Source: server

-  Document emailed to Khonaye Mayile (Khonaye.Mayile@dedea.gov.za) for signature
2025-09-19 - 6:40:42 PM GMT
-  Email viewed by Khonaye Mayile (Khonaye.Mayile@dedea.gov.za)
2025-09-19 - 8:36:13 PM GMT
-  Document e-signed by Khonaye Mayile (Khonaye.Mayile@dedea.gov.za)
Signature Date: 2025-09-19 - 8:36:56 PM GMT - Time Source: server
-  Document emailed to Sibongile Jongile (sibongile.jongile@dedea.gov.za) for signature
2025-09-19 - 8:36:58 PM GMT
-  Email viewed by Sibongile Jongile (sibongile.jongile@dedea.gov.za)
2025-09-20 - 8:38:57 AM GMT
-  Email viewed by Sibongile Jongile (sibongile.jongile@dedea.gov.za)
2025-09-21 - 10:04:45 AM GMT
-  Document e-signed by Sibongile Jongile (sibongile.jongile@dedea.gov.za)
Signature Date: 2025-09-21 - 10:08:48 AM GMT - Time Source: server
-  Document emailed to Mickey Mama (Mickey.Mama@dedea.gov.za) for signature
2025-09-21 - 10:08:49 AM GMT
-  Email viewed by Mickey Mama (Mickey.Mama@dedea.gov.za)
2025-09-23 - 12:11:07 PM GMT
-  Document e-signed by Mickey Mama (Mickey.Mama@dedea.gov.za)
Signature Date: 2025-09-23 - 12:11:47 PM GMT - Time Source: server
-  Agreement completed.
2025-09-23 - 12:11:47 PM GMT