

SOUTH AFRICAN



***CIVIL AVIATION
AUTHORITY***

REQUEST FOR PROPOSALS

SPECIFICATION

**TO APPOINT A SERVICE PROVIDER TO CONDUCT A
COST-BASED ANALYSIS**

CONDUCT A COST-BASED ANALYSIS.

TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT A COST-BASED ANALYSIS

1. INTRODUCTION

The South African Civil Aviation Authority (SACAA) is an agency of the Department of Transport (DoT), established in terms of the Civil Aviation Act, 2009 (Act No.13 of 2009), which came into effect on 31 March 2010. The Civil Aviation Act provides for the establishment of a stand-alone authority, mandated with controlling, promoting, regulating, supporting, developing, enforcing, and continuously improving levels of safety and security throughout the civil aviation industry.

The SACAA's mandate is to administer civil aviation safety and security oversight in the Republic of South Africa, in line with Civil Aviation Authority Act (the Act), and in accordance with the Standards and Recommended Practices (SARPs) prescribed by the ICAO.

The above is achieved by complying with the SARPs of the ICAO, whilst considering the local context. The SACAA, as prescribed by the Civil Aviation Act as well as the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) is a Schedule 3A public entity.

2. BACKGROUND AND CONTEXT

The government of the Republic of South Africa and an international organisation (representing several countries) have agreed to enter into an Agreement to bring certain provisions of bilateral agreement air services.

The bilateral agreement of air services (often called a bilateral air services agreement, or BASA) is a treaty between countries that regulates how airlines from each country can operate commercial air transport services between them. It establishes the legal and commercial framework for scheduled air services (i.e., regular flights) between countries.

Key Elements Included:

- Routes: Which cities can airlines fly between
- Frequencies: How many flights per week are allowed
- Capacity: How many seats or tons of cargo can be offered
- Designated Airlines: Which airlines are authorised by each government to operate the services?
- Traffic Rights: *Third freedom*: pick up passengers/cargo in your country and fly them to the other country / *Fourth freedom*: bring passengers/cargo from the other country back home / *fifth freedom*: pick up passengers in a third country en route.
- Tariffs: How fares and rates are set and approved.
- Safety & Security Standards: Compliance with international regulations.
- Ownership & Control: Requirements about who owns and controls the designated airlines.

3. INVITATION TO BID

The SACAA seeks to appoint a suitably qualified and experienced service provider to conduct a cost-based analysis of the bilateral air services agreement between the Republic of South Africa and an international organisation to understand the horizontal agreement's impact on the local airlines.

4. DURATION OF SERVICE

The study is expected to be completed and presented within three (3) months of the service provider's appointment.

5. OBJECTIVES

The primary objectives of this assignment are to:

- Assess the cost structures associated with air services operated under the agreement.
- Evaluate the economic and financial implications for designated airlines of both countries.
- Provide recommendations on cost-related provisions that may require revision.
- Quantify the direct and indirect economic benefits and costs arising from the agreement.

6. SCOPE OF WORK

6.1. Document review

- Analyse the text of the current bilateral air services agreement.
- Review relevant legislation, regulations, and policy frameworks applicable in both countries.

6.2. Data Collection

- Collect and validate cost-related data from designated airlines, airports, ground handling agents, and related service providers.
- Obtain other information such as:
 - Operating costs (fuel, crew, maintenance, navigation charges, airport fees, etc.)
 - Route profitability
 - Market demand and traffic volumes
 - Tariff structures and cost recovery mechanisms

6.3. Economic and Financial Analysis

- Perform a comparative analysis of cost components borne by carriers of each country.
- Assess cost advantages or disadvantages created by the agreement.
- Evaluate the impact on consumer fares, connectivity, and market access.
- Develop financial models to estimate:
 - Cost-to-revenue ratios

- Contribution margins
- Overall economic impact on the sector and related industries.

6.4. Benchmarking

- Benchmark the agreement's cost implications against similar agreements concluded by other regional countries.

6.5. Recommendations and Reporting

- Provide evidence-based recommendations on:
 - Amendments or improvements to cost-related provisions
 - Strategies to enhance efficiency and competitiveness
 - Measures to address identified cost imbalances
- Compile a detailed final report, including:
 - Executive Summary
 - Methodology
 - Findings
 - Recommendations
 - Appendices with supporting data
 - Presentation to the Department, EXCO, Subcommittees — on dates to be confirmed in due course.

6. KEY DELIVERABLES

This project shall produce the deliverables listed below.

- Inception Report: outlining the work plan and data collection strategy (within 2 weeks of appointment).
- Draft Report: including preliminary analysis and findings (within 8 weeks).
- Presentation: to the project steering committee summarising findings and recommendations.
- Final Report: incorporating feedback (within 12 weeks)

7. EVALUATION CRITERIA

Bidders will be evaluated in accordance with the Supply Chain Management Policies as well as the Preferential Procurement Policy Framework, 2000 (Act No. 5 of 2000) and the Preferential Procurement Regulations of 2017. The evaluation criteria will consist of the following three (3) phases:

6.1. PHASE 1 – SUPPLY CHAIN MANAGEMENT (SCM) ADMINISTRATIVE MANDATORY COMPLIANCE REQUIREMENTS

Bids received will be verified for completeness and correctness. The SACAA reserves the right to accept or reject a bid based on the completeness and correctness of the documentation and

information provided. The set of bid documents must be completed and submitted. (Non-compliance leads to automatic disqualification; however, the SACAA reserves the right to request information/additional documents.)

Bidders are to ensure that they submit the following documentation / information with their bid.

Document	Comments	Compulsory requirement
Proof of registration on the Central Supplier Database (CSD) of National Treasury	Prospective bidders must be registered on the Central Supplier Database (CSD) prior to submitting bids. Please indicate / supply the supplier number.	Yes
SBD 3 (Pricing Schedule)	Completed	Yes
SBD 4 (Bidders Disclosure)	Completed and signed	Yes
SBD 6.1 (Preferential Procurement Point)	Completed and signed	Yes

6.2. PHASE 2 - TECHNICAL AND/OR FUNCTIONALITY EVALUATION

Assessment of Technical / Functional evaluation of the bid will be done in terms of the criteria as stated in the table below.

Bidders should take note of the Criterion, Weighting & Scoring when responding to this bid.

Table 1: Functionality Evaluation

FUNCTIONALITY	SUB CRITERIA	POINTS	
		Min	Max
Methodology and Approach	<p>Bidders are expected to illustrate their understanding of the scope of work listed above, working with a large organisation (corporate or governmental).</p> <p>Bidders are to provide a brief case study/portfolio of similar work done on previous projects, outlining the approach followed, type/size of the organisation, overall impact and key learnings.</p> <ul style="list-style-type: none"> ○ Less than two (2) successful case studies/portfolios provided – 0 points. ○ Two (2) successful case studies/ portfolio provided – 15 points. ○ Three (3) or more successful case studies/portfolio provided - 20 points. 	15	20
	Bidders are expected to submit a project plan that includes	20	30

	<p>methodology, tools and resources to be utilised specifically for this project.</p> <ul style="list-style-type: none"> ○ Submission of a detailed project plan – 10 points ○ Submission of methodology to be used – 10 Points ○ Submission of tools and resources to be used – 10 points 		
References and Company Track record experience	<p>The bidder must provide dated and signed letters of reference on company letterhead, including the contact person and contact details (telephone number and email address). The references must confirm a track record for similar work done.</p> <ul style="list-style-type: none"> ○ Less than three (3) letters – 0 points ○ Three (3) to five (5) reference letters – 20 points ○ More than five (5) reference letters – 30 points 	20	30
Project Resources	<p>Demonstrate Capacity to execute the project by proposing the team resources (Attach CV's)</p> <p>Illustrate the capacity to undertake the project by providing CVs of the team to be assigned to the project, including their positions and experience.</p> <ul style="list-style-type: none"> ○ Provide a minimum list of three (3) team member names and CVs with capacity and experience to conduct this assignment – 10 Points 	10	10
	<p>The Project Lead must have a relevant diploma or degree in economics/cost analysis or a related field and a minimum of ten (10) years' working experience. A CV must be attached to the technical proposals as proof.</p> <ul style="list-style-type: none"> ○ A relevant 3-year diploma or degree in economics/cost analysis or a related field plus a minimum of ten (10) to fifteen (15) years' working experience – 5 points. ○ A relevant 3-year diploma or degree in economics/cost analysis or a related field plus more than fifteen (15) years' working experience – 10 points. 	5	10
TOTAL		70	100

Bidders who score **70** or more points out of **100** on 'functionality' will be considered for the next evaluation phase. Any bidder scoring less than 70 points will not proceed to the next round/phase.

6.3. PHASE 3 –PRICE AND B-BBEE EVALUATION

Bidders who comply with the requirements of this bid will be evaluated according to the preference point scoring system as determined in the Preferential Procurement Regulations, 2017 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 of 2000.

For this bid **80** points will be allocated for Price and **20** points for B-BBEE status level of contributor.

The value of this bid is estimated NOT to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

The following PPPFA formula is used to evaluate price:

$$PS = 80 (1 - Pt - Pmin)$$

Ps = Points scored for price of the bid under consideration.

Pt = Rand value of bid under consideration.

Pmin = Rand value of lowest acceptable bid.

Only bidders that have achieved the minimum qualifying points on functionality will be evaluated further in accordance with the 80/20 preference point system as follows:

Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE	100

The SACAA will award preference points to bidders who provide an original or certified copy of a valid B-BBEE Verification Certificate or Affidavit issued by the accredited verification agency.

POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points
1	20
2	18
3	14
4	12
5	5
6	6
7	4
8	2

Non-Compliant contributor	0
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8. SUBMISSION OF BID DOCUMENT

Bid submission requires three (3) envelopes.

7.1. Envelope file 1

- All mandatory documents on Phase 1.
- Envelope file 2
- Technical / Functional proposal on Phase 2.
- Envelope file 3
- Pricing schedule and B-BBEE copy or Affidavit in Phase 3.

8 Bid documents shall be hand delivered to SACAA Centurion office, 12 Byls Bridge Boulevard, Building No 2, Byls Bridge Office Park, Centurion ,0062 by 21 July 2025 @ 11:00 a.m.