



employment & labour

Department:
Employment and Labour
REPUBLIC OF SOUTH AFRICA

TCF 21: 2021/2022

APPOINTMENT OF A SERVICE PROVIDER BANKING SERVICES FOR A PERIOD OF 60 MONTHS.

ISSUE DATE:

11 February 2022

CLOSING DATE AND TIME:

14 March 2022 at 11H00

BRIEFING SESSION

Non Compulsory Briefing session will be held through MsTeams on the 16 February 2022 at 10h00 am.

Prospective bidders may send their questions/queries to SCM.Enquiries@LABOUR.gov.za

NB: The cut-of time to receive enquiries is 72 hours before the closing date.

This is a closed bid and bidding is limited to four (4) banks approved by the National Treasury as required by section 7(2) (a) of the Public Finance Management Act, Act 1 of 1999. Approved banks includes Absa Bank, First National Bank, Standard Bank, Nedbank and Investec (only for investments)

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SBD 1

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE <i>COMPENSATION FUND(CF)</i>					
BID NUMBER:	TCF 21::2021/22	CLOSING DATE: 14 March 2022		CLOSING TIME:	11:00 am
DESCRIPTION	Appointment of a Service Provider for Banking services for the period of 60 months.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
167 Thabo Sehume Street					
The Compensation Fund, Delta Heights Building					
Pretoria, 0001					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	[TICK APPLICABLE BOX]		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]

	☐ Yes ☐ No		☐ Yes ☐ No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?		☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?		☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?		☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?		☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?		☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.			

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA .
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

DATE:

TERMS OF REFERENCE
FOR
THE APPOINTMENT OF A SERVICE PROVIDER FOR
BANKING SERVICES

DEPARTMENT OF EMPLOYMENT & LABOUR



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1. BACKGROUND AND INTRODUCTION

- 1.1. The Compensation Fund (CF) is the schedule 3A Public Entity of the Department of Employment and Labour. As one of the Social Security Institutions, the Fund plays a crucial role in the provision of social safety net to workers in an event of a workplace injury or occupational diseases. In the execution of the mandate given through the Constitution of the Republic of South Africa and the Compensation of Occupational Injuries and Diseases Act (COIDA) No. 130 of 1993 the Fund is continuing to generate revenue and pay out benefits to its beneficiaries.
- 1.2. CF collects revenue generated from assessment of employers for the insurance of their employees, the amount assessed are deposited into the bank account of the CF, the employer will include a reference number to help in identifying the deposit and reconciliation of accounts.
- 1.3. The financial risks exposures of the Compensation Fund tend to be similar to that faced by an insurer that underwrites employer liability business and transacts in pension annuity business. Insurers are regulated by the Prudential Authority in South Africa and are required to quantify the solvency capital requirement in order to determine the financial soundness of insurance companies. This measure will be used as a proxy for the Minimum Reserve Fund (MRF).
- 1.4. The Fund also pays out the claims relating to occupational injuries and diseases to the insured employees and/or their dependents, medical service providers and employers.
- 1.5. We are looking for a banking service provider that will enable us to execute our mandate efficiently and effectively.

2. BUSINESS PROBLEM

- 2.1. The Fund has a large number of registered employers that are insured and pay assessments, these employers are depositing amounts assessed to the bank account of the Fund without proper reference.
- 2.2. Incorrect reference numbers will result in unidentified receipt piling up on suspense accounts, making the reconciliation of accounts almost impossible which results in the overstatement of receivables and liabilities.
- 2.3. We have been exposed to fraudulent payment and intercepted payments of benefits as a result of fraud schemes using sophisticated technology and collusion among employees.
- 2.4. The above resulted in CF seeking the services of a banking service provider who has capabilities of using effective information technology tools of identifying deposits from a large number of employers, and to allocate these to the correct employer accounts.
- 2.5. The banking service provider must be able to ensure daily payments to beneficiaries into validated bank account.
- 2.6. The service provider must be able to provide fraud detection solutions that will prevent the risk before it occurs and detect fraudulent transactions that could not be prevented.
- 2.7. In addition to the above the service provider should be able to able to maintain banking details and provide normal banking services, including online banking services.

3. RISK ANALYSIS

- 3.1. The main risk related to this process is the risk that the service provider will not be able to provide banking services that will enable the CF to identify deposits from employers, and prevent and detect fraudulent and incorrect payment of benefits into validated beneficiaries bank accounts.

4. SCOPE OF BANKING SERVICES WORK AND DELIVERABLES

4.1 Provide effective tools that will prevent and detect fraud

The Fund requires to be protected against all forms of fraud relating to the receipt and payment of cash, and the processing of banking transactions. The bank's commitment to assist the Fund in identifying irregularities (fraud) must be indicated.

Such measures should include the following:

- Online and manual batch verification of banking details, Account Verification - AVS (Who owns the account – then make a payment);
- Verification of Entity Status (Deregistered, Dissolved, liquidated, eligible director);
- Check that the account you are about to pay is not a mule account, not linked to fraud networks, not blacklisted and exited from doing business with banks before;
- Identity verification;
- Implement tools to monitor and report on suspicious activity (including money laundering);
- Incident Investigation;
- Assist in stopping fraud using policies, select risk signals or data attributes with historical fraudulent behaviour and challenge or deny those transactions (i.e. depositing significant amount in new accounts);
- Provide other effective mechanisms of preventing and detecting fraudulent transactions;

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- The service provider should be able to stop suspected fraudulent payments and notify CF;
- Authorisation of EFT's.
- Password control.
- Security of data.

4.2 Maintain banking details

- Develop a single database for all banking details;
 - (a) Perform data cleansing of existing database.
 - (b) Remove all banking details that cannot be verified.
 - (c) Develop a mechanism of verifying all banking details
- Maintain integrity of banking details Masterfile
 - (a) Provide mechanism for the Fund to send details of changes or additions of banking details to the service provider.
 - (b) Put controls in place (including segregation of duties) to verify changes and additions to new banking details.
 - (c) Changes or additions to banking details to be approved by an independent person or process.
 - (d) Control should be put in place (including access controls) to ensure only authorised changes and/or additions are made to the Masterfile.
- Provide a mechanism of retrieving banking details when making payment
 - (a) The successful service provider should ensure the Fund is able to retrieve banking details without compromising the integrity thereof when making a payment.
 - (b) CF employees should not be able to make changes to banking details.
 - (c) Retrieving of banking details must be automated.

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(d) The service provider should ensure its systems are compatible to the system used by the Fund (SAP FI, SAP ECC and SAP Hanna S4i).

- Provide assurance on the controls of the service provider

(a) The service provider should provide an audit report over internal controls including controls related to information technology.

4.3 Other banking services

A complete and comprehensive banking service to the Fund including the following;

4.3.1 Transactional banking services

(a) Accounts Requirements:

1. Main Account
2. Benefits Bank Account
3. Compensation Benefits Bank Account
4. Pension Bank Account
5. Medical Claims Bank Account
6. SCM Bank Account
7. Bank Charges Bank Accounts
8. Contributions Bank Account
9. Call Account
10. Travelling and Accommodation Credit Card

(b) Accounts:

1. Deposit identifier (general validation)
2. Set-off of credit/debit balances

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3. Overdraft facility on the Primary Account as per Fund's resolution, without any pre-qualifying conditions set for the facility.
4. Access to account balances and able to transact 24 hours a day
5. Bank charges to be debited to the Bank charges bank accounts.
6. For verification purposes, schedules must be provided of how bank charges were calculated on all bank accounts.
7. The interest rate for interest earned on credit balances should be the same (except for the call account which should be higher) for all accounts. All interest to be credited to the main account (except the call account).
8. All transactions debited or credited to any of the bank accounts must contain effective referencing for clear identification.

(c) Current Account services

1. Introduction

The successful Bidder should provide unique client service addressing the requirements of the Fund. The Bidder should provide a commitment to offer customised and sustainable banking services in relation to the Fund's needs through dedicated service managers.

2. Payment /Receipt Services

The Bidder should be able to provide the following service:

- The processing of electronic payments; and
- The processing of electronic receiving.

3. Statements

- The Bidder should provide statements through a secured channel and protocols on all accounts on a daily basis to the Fund in an electronic format and delivered via e-mail in pdf format.
- The Bidder should provide monthly statements of consolidated interest for each account through a secured channel and

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protocols and delivered via e-mail in pdf format.

- A final bank statement must be uploaded into our financial system by 07:00 the following day.

4. Deposit Identifier

- The Bidder to be able to provide a deposit identifier on the Fund's deposits, which incorporates a deposit identifier validation routine in order to facilitate identification and reconciliation of all deposits, made into the Fund's accounts.
- Deposit identifier (12-digit reference number currently utilized by the Fund)/or any other innovative solutions.

5. Bank Charges

- Bank charges for all bank accounts must be directed to the Bank Charges bank account.
- Invoices supported by detailed workings of the calculation of the bank charges must be supplied monthly.
- Service fees and escalations to be provided. All service fees on bank statements must be identifiable so that the Fund can verify the charges for the different services. The bank must be committed to a quantifiable escalation.
- Cash and foreign deposit fees that will be charged on any deposits must be stated.
- Cash shortages / surpluses at the Cash Centre to be communicated immediately to the relevant Fund's officials.
- An ACB debit order facility must be available. Please indicate fees per transaction and minimum monthly charges.
- Charge per transaction for recalls.
- Cost to supply information to the Fund regarding unpaid ACB transactions.
- Bank charges should preferably be debited against the bank account on the last day of each month.

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(d) Interest Received

1. Rate of interest payable on credit balances to be indicated
2. Interest to be credited to the main bank account on the first of each month.

4.3.2 Electronic banking solutions

The requirement is the ability to use real-time systems that provides cash management, payments and receipts solutions. These solutions must have built in efficiencies where there is a clear reduction in costs with regard to the Fund's administration and accounting functions and improved controls with the results being a reduction in operational risk and fraud. The successful bidder should be able to provide the following:

- (a) Facilitate the secure and timeous movement of funds.
- (b) Meet the Fund's requirements in respect of EFT's for all creditor and other payments
- (c) Timeous and secure processing of all transactions.
- (d) Ability to interface with line-of-business applications currently being used
- (e) Stringent authorisation and security controls
- (f) Efficient managing and reduction of risk processes.
- (g) Enhanced data integrity due to stringent validation controls
- (h) To provide on-line real time account balance and transaction enquiries.
- (i) To provide real-time transaction search capabilities.
- (j) Direct on-line stop payment facility.
- (k) To provide transaction history for up to 12 months.
- (l) The period of historic information available on the system must be indicated and be available within 7 working days. Preferable for 12 months and free of charge regardless the time frame

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- (m) A one-day service for electronic transfer of payments / deposits must be available.
- (n) An electronic sweeping facility between accounts must be available.
- (o) Facility to download information on the bank statement into the Fund's current financial management system to facilitate bank reconciliations.
- (p) Bank statements will be downloaded daily from the bank in the file layout format required by the Fund's core Financial System service provider. All bank statement transactions are required to be clearly and correctly referenced in an agreed manner to facilitate the bank reconciliation process. Daily bank statements must be available for importing the next day at no later than 07:00.
- (q) Electronic downloading of deposits with a reference indicator in an agreed file format for electronic receipting purposes.
- (r) An audit trail of all electronic fund transfers or deposits.
- (s) Direct on-line facility to enable transfer of funds electronically between the Fund's bank accounts.
- (t) An electronic enquiry facility to access direct debit rejections with a reason/code explaining the rejection.
- (u) The bank must provide the necessary training to Fund personnel to use the electronic systems. The cost of training must be quoted.

4.3.3 External transaction codes

- (a) Bidders must submit with the tender documents a complete list of their external transaction codes in use.
- (b) This must be supplied in hardcopy and electronic medium in Excel.
- (c) The successful bidder needs to inform the Fund of any new bank codes at least ten working days before implementation by the bank.

4.3.4 Host to Host Electronic Payment Solution

- (a) Required for bulk monthly debit orders.

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- (b) A secure host-to-host solution (that can accommodate the Fund's transactional volumes) for the electronic transfer of the Fund's transactions from the Fund's core financial system to the bank and back needs to be provided.
- (c) The host-to-host solution must be able to transfer electronic transactions from the core financial system to the bank's system and back without downloading the transactions to a user's PC.
- (d) This solution needs to accept transactional files in the standard ACB/BankServ format/s that can easily be created in the core financial system environment.
- (e) The successful bidder needs to provide the programming codes to the Fund's financial management software service provider, if required for any integration.
- (f) A message indicating if the transmission was accepted needs to be returned within one hour of any transaction.
- (g) Details of unpaid debit orders to be provided daily with a reconciliation of accepted/rejected payments
- (h) The system must be able to accommodate payment transactions up to R1 000 000 (one million rand) per transaction line, mixed with other smaller payment transactions in the same file.
- (i) The system must be able to accommodate more than one payment file per day (no overwriting of previously sent file) from various accounts.
- (j) The system must be able to accommodate more than one payment file to the same bank account per day.
- (k) The system must be able to accommodate payments to all other banks in one file
- (l) Security based on different user codes for the different business user groups need to be provided
- (m) Item/transaction limits, day limits, weekly limits, etc needs to be provided per user code.
- (n) An administrative system that will warn the Fund if any of the daily, weekly or monthly limits are close to being exceeded.

- (o) File security via control totals / hash totals needs to be provided.
- (p) A file/directory naming convention should be utilised whereby the files/directory can easily be identified without looking at the contents of the file.
- (q) Use must be made of a system of transmission numbers and sequence numbers that prevent the accidental duplication of a transmission/file (if a file was transferred twice).
- (r) The transactions reflected on the Fund's bank statement needs to be available in real time on a daily basis.
- (s) The bank statement file needs to be in a format that can easily be created in the core financial system environment.

4.3.5 Desktop / Direct Solution

- (a) A desktop based online solution (utilising the internet as a communication medium) needs to be provided.
- (b) This solution needs to have a built-in two stage sign on and approving security mechanism.
- (c) This solution can also be used as the back-up solution to the host-to-host solution.
- (d) The solution needs to prompt the users every 30 days to change access passwords.

4.3.6 Requirements for both the host to host and desktop / direct solution

- (a) Where payments are sent in advance, it must be possible to cancel specific transactions in emergency cases.
- (b) A message / messages indicating rejected/unpaid transactions needs to be returned timeously.
- (c) An online bank inquiry solution needs to be provided. This should be via the desktop/direct solution mentioned above.
- (d) Must be possible to accommodate payments to banking institutions where a universal branch code is utilized.
- (e) Reference fields must be returned on all transactions that are rejected.

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- (f) Branch code verifications as well as CDV checks need to occur immediately after any transactions are transferred.
- (g) Both the host-to-host system as well as the desktop/direct solution must be able to accept transactions between the hours of at least 08:00 and 16:30 on week days, excluding public holidays.
- (h) The Fund needs to be notified of any redirected transactions.
- (i) All payment entries on the bank statement must show a unique reference number. For EFT payments it will be the EFT batch reference / identifiable transaction sequence number.
- (j) Bank Charges and interest must be separately and uniquely coded by the bank. Any subsequent adjustments to these entries must bear the same reference number on the bank statements as the original entry.
- (k) The system needs to provide the following services in respect of electronic payments: same day payments and up to at least 30 days in the future.

4.3.7 Bank Reconciliation

- (a) Bank Reconciliations are performed electronically. Bank statements will be downloaded daily from the bank in the file layout format required by the core financial system service provider and uploaded into the core financial system bank reconciliation module using the transaction identifier /reference number on the statement to determine the type of transaction.
- (b) All bank statement transactions require to be clearly and correctly referenced in an agreed manner to facilitate the core financial system bank reconciliation process.
- (c) Previous day's completed bank statement must be available for electronic downloading by 7:00 each morning.

4.3.8 Sweeping of balances

- (a) Facilities should be available should the Fund require Balances in all Bank Accounts to be automatically swept to the Main Bank account at the close of business daily reducing all bank accounts, except the main bank account, to nil.

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- (b) Different sweeping options should be available regarding minimum and maximum amounts, timing and frequency of sweepings.
- (c) For interest calculation purposes, and for the application of overdraft and other banking limits, balances on all current accounts must be notionally consolidated at all times by the bank within one overall cash management system. Interest should be paid on all daily net credit balances.
- (d) The interest rate to be quoted.

4.3.9 General Services

- (a) A dedicated support team to maintain and service all banking queries. The branch where the account is opened must assign banking officers/relationship manager who are available to handle all aspects of the Fund's accounts, including correspondence, arrangements and queries.
- (b) The bank must be able to manage large volumes of transactions in real time.
- (c) The bank must be able to supply the Fund with information pertaining to debits and credits on this account.
- (d) The bank must provide the necessary training to the Fund's personnel to use the electronic systems. The cost of training must also be quoted.
- (e) The short-term overdraft facilities and lending rate must be stated as well as the cost for the overdraft facility.
- (f) Cash management facilities must be explained.
- (g) The bidder's information technology must be compatible with that of the Fund.
- (h) The bank's commitment to assist the Fund in identifying irregularities must be indicated.
- (i) Audit confirmation letters/certificates.
- (j) Returned/disputed debit orders.
- (k) Confirmation of banking details of creditors.

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- (l) Indicate the availability of branches/agencies in Pretoria for the daily to day activities.

4.3.10 Testing environment

- (a) The successful bidder must provide a testing environment
- (b) The test environment must be available before go live as well as an agreed period thereafter.
- (c) The successful bidder must assign dedicated staff to be prepared to help and be on site during the implementation phase.
- (d) Support services must be provided by the successful bidder for the implementation of its services and thereafter.

4.3.11 Exit Strategy

Should the existing tender's contract not be renewed at the end of the contract period, the bidder will be required to provide services prior to the take-over and during the transition period of the new bidder, at the same terms, conditions and pricing of the last increase, until such time that the Fund closes its existing bank accounts to a maximum period of 6 months.

5 REQUIRED EXPERTISE AND SKILLS

5.1 The Service Provider

- a) The service provider must be a bank registered in South Africa and approved in writing by the National Treasury.

5.2 Service Provider Staff

- a) The service provider should provide personnel expertise of project management, client relationship management, training, technical expertise for system set up, configuration and integration for the successful account onboarding, as well as ongoing maintenance and support for the duration of the contract.

6. PROJECT DURATION

The project is expected to be conducted within five (5) years after signing of the contract.

7. PAYMENT OF SERVICES

The service provider will be paid for the service rendered as per the agreed project plan and the pricing proposal (per project plan and agreed upon milestones).

8. MANAGEMENT OF THE ASSIGNMENT

The service provider will furnish satisfactory evidence of its capability to provide professional and timely services. To meet this requirement, the service provider must:

- 8.1 Provide the proof that the platform will work in our network infrastructure (Architectural blueprints).
- 8.2 Provide proof team have expertise to perform that task.
- 8.3 Provide the assurance that the confidentiality of data will be secured all the time.
- 8.4 Provide skills transfer and training.

9. PRICING PROPOSAL

The service provider should cost the Fund according to the below costing template

Section	Description	Estimated Annual Quantities	Basis of Charge	Unit Price (Excl. VAT) Rand value or % as applicable	VAT	UNIT PRICE (Including VAT) Rand value or % as applicable
1.	Transactional Banking Fees					
1.1	Handling Fees					
1.1.1.	Fixed fee per debit item	2300	Per Item			
1.1.2.	Cash Deposit Handling Fee	R100 Million	% per Rand Value			
1.1.3.	Enhanced Deposit Identifier Fee (Check Digit Verification)	60 000	Per Item			
1.1.4.	Fees for R/D cheques	60	Per Item			
1.1.5.	Fees for post-dated cheques	24	Per Item			
1.1.6.	Cost for stop payments	24	Per Item			
1.1.7.	Fees for bank guaranteed cheques	10	Per Item			
1.1.8.	Other banking service fees: Special Clearance	50	Per Item			
1.1.9.	Transfer to branches of Main Banker	200	Per Item			
1.1.10	Transfer to branches of other banks	50	Per Item			
1.1.11.	Consolidated Payments	24	Per Item			
1.1.12.	Correcting an error on Deposits	120	Per Item			
1.1.13.	Debit Orders	24	Per Item			
1.1.14.	Special clearance	120	Per Item			
1.1.15.	Cheques	200	Per Item			
1.1.16.	Return of unpaid cheques (inward unpaid) per cheque	200	Per Item			
1.1.17.	Cash withdrawal: Counter	100	Per Item			
1.2.	Bank Statements					
1.2.1.	Hard Copies (4 accounts)	48	Per Item			
1.2.2.	Electronic Format Download (4 accounts)	48	Per Item			

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1.2.3.	Auditors Report	1	Per Item			
1.2.4.	Banks report per code	1	Per Item			
1.2.5.	Copies of the documents	12	Per Item			
1.2.6.	Certificate of balance	1	Per Item			
1.2.7.	Long outstanding queries raised after 3 months or more.	12	Per Item			
1.2.8.	Statement recreates (Archives)	3	Per Item			
1.3.	Bulk Filing					
1.3.1.	Image Enquiry	1	Per Item			
1.3.2.	Imaging of Deposit Slips and unpaid cheques on request	12	Per Item			
1.3.3.	Tracing of Unidentified Deposits	120	Per Item			
1.4.	Stationery					
1.4.1.	Deposit books- Pre-printed, carbonized in triplicate- 50 pages with 12 digit codes	50	Per Item			
1.5.	Interest Rates					
1.5.1.	On Credit Balances- Interest payable on daily current account credit balances	Average daily balance R 50 million	Prime Linked %			
1.5.2.	Overdrawn Balances- Interest payable on daily current account debit balances		Prime Linked %			
1.5.3.	Interest statement charges	1	Per Item			
1.6.	Guarantees					
1.6.1.	Issuance Cost	2	Per Item			
1.6.2.	Monthly Fee- R, or	2	Per Item			
1.6.3.	Monthly Fee- %	2	Per Item			
2.	Electronic Banking					
2.1.	Cash Management System (Desktop PC or Laptop Based)					
2.1.1.	Installation- Once Off Fees (per user) 18 Per Item					
2.1.2.	Core financial system/Financial Management System integration (Once-off) Integration	1	Per Item			
2.1.3.	Operator Fees- Per Operator / System Manager / Administrator	18	Total 12 monthly Instalments			
2.2.	Transaction Fees					
2.2.1.	Credits (Payments against available funds)	36 000	Per Item			

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2.2.2.	Payments exceeding R5 million 80 Per Item		Per item			
2.2.3.	Immediate interbank payment transaction fee	12	Per Item			
2.2.4.	Account holder verification	20	Per Item			
2.3.	Banking notification and reminder charges		Per Item			
2.3.1.	E-mail	250	Per Item			
3	Payments & Collections Via Host-to-Host connectivity (Including ACB Fees)					
3.1.	Registration / Implementation Fee 1 Once-Off		Once Off			
3.2.	Minimum Monthly EFT Fee- Host to Host	12	Per Month			
3.3.	EFT Transactions- Credits					
3.3.1	One-Day Credits	33 000	Per Item			
3.3.2	Charge per Transaction > R 5million	50	Per Item			
3.3.3	Two-day Credits	14 000	Per Item			
3.4.	EFT Transactions- Debits					
3.4.1. 2	Day Value Debits (Same Bank)	41 000	Per Item			
3.4.2. 2	Day Value Debits (Other Banks)	55 000	Per Item			
3.4.3.	Same Day Value Debits	10000	Per Item			
3.4.4.	Charge per Transaction > R 5million	50	Per Item			
3.5.	Penalties					
3.5.1.	Unpaid	600	Per Item			
3.5.2.	Re-Directs	50	Per Item			
3.6.	Automated Aggregate Limit Usage					
3.6.1.	On every transmission (Aggregate limit enquiry- Specify)	12	Per Transaction			
3.6.2.	Daily	365	Per Day			
3.6.3.	On Request	2	Per Item			
3.6.4	Additional Charges in Respect of Error Processing- If aggregate value limit is exceeded	1	Per Item			
3.6.5.	Additional Charges in Respect of Error Processing- If data is technically incorrect	40	Per Item			
3.6.6.	Additional Charges in Respect of Error Processing- If submitted after the agreed cut-off time	1	Per Item			

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3.7.	Account Holder Verification					
3.7.1.	Tenderer's bank validation	3 400	Per Item			
3.7.2.	Other bank's validation	4 600	Per Item			
4	Electronic Statements					
4.1.	Initial Registration Fee	1	Once-Off			
4.2.	Fixed Monthly Fee	12	Per Month			
4.3.	Per Statement Record	720 000	Per Line Item			
4.4.	Add Additional Account- Per additional account added to an existing Electronic Statement Delivery System	2	Per Item			
5	Branch Deposit Identification					
5.1.	Initial Registration Fee- Once-Off	1	Once-Off			
5.2.	Fixed Monthly Fee	12	Per Month			
5.3.	Price per Deposit- Free Format	3 600	Per Item			
5.4.	Price per Deposit- CDV	2 400	Per Item			
6.	Electronic Deposit Identification					
6.1.	Initial Registration Fee- Once-Off	1	Once-Off			
6.2.	Fixed Monthly Fee	12	Per Month			
6.3.	Price per Deposit- CDV	60 000	Per Item			
6.4.	Price per Deposit- CLDATM Reference CDV	3 000	Per Item			
6.5.	Price per Deposit- CLDATM Reference Free Format	400	Per Item			
7.	Maintenance, Support & Training					
7.1.	Maintenance & Support- Per Hour or part thereof, including travel time	10	Per Hour			
7.2.	Training- Per Hour or part thereof, including travel time (After implementation)	10	Per Hour			
7.3.	Help Desk Enquiries	60	Per Item			
7.4.	Transaction tracing (Client Support)	60	Per Request			
7.5.	Password reset at helpdesk	15	Per Request			
7.6.	Self-Assisted password reset	15	Per Reset			
7.7.	Re-Issue of Invoices	1	Per Item			
8	Traffic Fine Payment					
8.1.	Initial Registration Fee- Once-Off	1	Once-Off			
8.2.	Fixed Monthly Fee	12	Per Month			
8.3.	Receipt of Traffic Fines	20 000	Per Item			
9.	Computer Hardware:					

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9.1	Any additional computer hardware or software required that must be procured by the Fund in order for the proposed banking systems to interface with the Fund's Core Financial Management System and / or to operate at the required level of efficiency (host to host)		Rand Value			
9.2	Monthly Operating Cost	12	Per Month			
10.	Credit Card Merchant					
10.1	Once off installation fee	18	Once off			
10.2	Stand-alone terminal rental per month (per machine)	18	Per Month			
10.3	Mobile terminal rental per month (per machine)	1	Per Month			
10.4	Periodic upgrade of terminals	1	Per Occasion			
11.	Commission ~ (also indicate the %)					
11.1	Credit Cards	R25 million	R p.a.			
12.	Provide effective tools that will prevent and detect fraud					
12.1	Online and manual batch verification of banking details, Account Verification - AVS (Who owns the account - then make a payment)	500 000	Per item			
12.2	Verification of Entity Status (Deregistered, Dissolved, liquidated, eligible director)	500 000	Per item			
12.3	Check that the account you are about to pay is not a mule account, not linked to fraud networks, not blacklisted and exited from doing business with banks before.	500 000	Per item			
12.4	Identity verification.	500 000	Per item			
12.5	Implement tools to monitor and report on suspicious activity (including money laundering).	5 000	Per item			
12.6	Incident Investigation.	5 000	Per item			
12.7	Assist Stopping fraud using policies, select risk signals or data attributes with historical fraudulent behaviour and challenge or deny those transactions.	500 000	Per item			

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12.8	Provide other effective mechanisms of preventing and detecting fraudulent transactions.	500 000	Per item			
12.9	The service provider should be able to stop suspected fraudulent payments and notify CF.	500 000	Per item			
12.10	Authorisation of EFT's.	5 000	Per item			
12.11	Password control.		Rand value			
12.12	Security of data.		Rand Value			
13	Maintain banking details					
13.1	Develop a single database for all banking details	2 400 000	Per item			
13.2	Maintain integrity of banking details Masterfile	2 400 000	Per item			
13.3	Provide a mechanism of retrieving banking details when making payment	2 400 000	Per item			
13.4	Provide assurance on the controls of the service provider		Rand value			

- The bid price (based on line item) must be quoted in South African currency and must include value added tax. Bidders must provide a clear pricing schedule detailing the cost of providing the service (including disbursement charges).
- The bidders are required to comply with the prescribed pricing schedule stated above for the purpose of price evaluation. Every line item, even if the charge is zero, must be completed.
- All prices shall be tendered, excluding and including VAT (where applicable), but including customs or excise duty and any other duty, levy, or other applicable tax.
- If discrepancy between unit price excl. VAT and unit price incl. VAT, the incl. VAT amount will stand firm and will be taken as the actual amount.
- Quantities stated in the pricing schedule are based on historical volumes
- All prices shall be tendered in accordance with the units specified in this schedule.

- All prices tendered must include all expenses, disbursements and costs (e.g. transport, overheads, accommodation etc.) that may be required in and for the execution of the work described in the Specification, and shall cover the cost of all general risks, liabilities and obligations set forth or implied in the Contract as well as overhead charges and profit (in the event that the tender is successful).
- All prices tendered will be final and binding.
- The above mentioned rates will therefore be the maximum acceptable rates and failure to comply herein will lead to automatic disqualification.

Note: Price including VAT, for the project as a whole shall not be exceeded.

10. BID SUBMISSION REQUIREMENTS

The bidder has to submit a bid response documentation pack and it must be delivered at the correct physical or postal address and within the stipulated date and time as specified in the "Invitation to Bid" cover page, and the bidders are expected to submit the following:

- Copies in two separate batches (1) Technical (2) Price proposal
- One original, 3 exact copies of the original technical and price proposal

11. BID EVALUATION

The bid evaluation process consists of several stages that are applicable according to the nature of the bid as defined in the table below.

Stage	Description	Applicable for this bid
Phase 1	Administrative Pre-Qualification Requirements	Yes

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Phase 2	Technical Mandatory Requirements	Yes
Phase 3	Evaluation on Functionality	Yes
Phase 4	Presentation	Yes
Phase 5	Evaluation on Price and BBBEE	Yes

The bidder must qualify for each stage to be eligible to proceed to the next stage of the evaluation.

PHASE 1: ADMINISTRATIVE PRE-QUALIFICATION REQUIREMENTS

If the Bidder failed to comply with any of the administrative pre-qualification requirements, or if Compensation Fund is unable to verify whether the pre-qualification requirements are met, then Compensation Fund reserves the right to –

- (a) Reject the bid and not evaluate it, or
- (b) Accept the bid for evaluation, on condition that the Bidder must submit within 7 (seven) days any supplementary information to achieve full compliance, provided that the supplementary information is administrative and not substantive in nature.
- (c) All bids will be measured against the administrative pre-qualification requirements. Only bids that comply with the criteria mentioned below will be considered for further evaluation.
- (d) The Service providers must be registered with the Central Supplier Database.
- (e) Provide Tax Compliance Status- Pin issued by SARS
- (f) Valid COIDA Letter of Good Standing.
- (g) The service provider must submit a valid BBBEE Certificate or a valid Sworn Affidavit attested by Commissioner of Oath
- (h) Completed and Signed Standard Bidding Documents (SBD forms)
- (i) Compliance with relevant Laws and Regulations

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- (j) Supporting evidence from the banks in relation to Liquidity, money laundering, client data in compliance with Reserve Banks Act, Basel I and II, financial action task force, EU regulatory requirements. (Attach copy of documents)

NB: Please note that failure to provide any of the above requirements within (7) days after the notice will lead to automatic disqualification of the service provider's bid proposal.

PHASE 2: TECHNICAL MANDATORY REQUIREMENTS

Purpose: Technical Mandatory requirements are the absolute minimum requirements to fulfil the Business Objective.

- a) The service provider must be a bank registered in South Africa approved by National Treasury in terms of section 7(2)(a) of the PFMA

Please note that failure to provide any of the technical mandatory documents/requirements within seven (7) days after the notice will lead to automatic disqualification of the service provider's bid.

PHASE 3: EVALUATION ON FUNCTIONALITY

- a. An evaluation panel will be established by the Fund, made up of members of the Bid Evaluation Committee. Bids will be evaluated strictly according to the bid evaluation criteria set out below.
- b. A minimum threshold of 70% for the technical elements must be scored; otherwise the bid will be regarded as non-responsive and be disqualified. Bids that do not meet or better the technical threshold score of 70 % will not be evaluated further.
- c. Each Service provider's technical proposal will be evaluated as per the criteria below in respect to evaluation matrix, prospective service bidders will be rated from 1 to 5. In order to ensure meaningful participation and effective comparison, bidders are requested to furnish detailed information in substantiation of compliance to the evaluation criteria

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1=Poor; 2=Fair; 3= Good; 4=Very Good; 5=Excellent

Technical scorecard				
	Criteria	Sub criteria	Scoring Guide	Weight
1	Lead/Principle Banker is recommended to have 12 years of banking work experience in public sector.	A CV must be provided indicating the previous roles and responsibilities which the potential project lead has occupied. Traceable contact details must be provided.	16+ years of experience=5 15-13 =Years of Experience =4 12 Years of Experience=3 11-9 =Years of Experience =2 - Less than 9 years=1 NB: A CV must be provided indicating the previous roles and responsibilities which the potential project lead has occupied. Traceable contact details must be provided	25
2	15 years of a Certified Compliance Officer	A CV and certified copy of Compliance certificate accreditation must be provided indicating the previous roles and responsibilities	20+ years of experience=5 19-16 =Years of Experience =4 15 Years of Experience=3 14-12 =Years of Experience =2 - Less than 12 years=1 NB: A CV must be provided indicating the previous roles and responsibilities which the potential compliance officer has occupied. Traceable contact details must be provided	25
3	Footprint	The extent of their national and regional (branches)footprint in South Africa including rural areas.	Availability of Branches per Province 100-81 = 5 Availability of Branches per Province 80-61 = 4 Availability of Branches per Province 60-41 = 3 Availability of Branches per Province 40-21 = 2 Availability of less than 20 Branches per Province = 1	10
4	Technical Responsiveness	Service providers to complete the below technical responsiveness	Score 100-94 points = 5 Score 93-85 points = 4 Score 84-75 points = 3 Score 74-60 points = 2	40

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Technical scorecard				
	Criteria	Sub criteria	Scoring Guide	Weight
		Questionnaire below	Score Less than 60 points = 1	
		Total technical score		100
		Minimum threshold for technical proposal		70

NB: All bidders with a score less than 70% out of 100% on technicality will not be considered for the next stage\phase.

	Technical Responsiveness	Indicate compliance with an "X"			For proof of compliance provide bid document reference page number. Yes No
		Yes	No	Points	
5.2.1.	Baseline requirements				
5.2.1.1.	Certificate of registration as a Bank in terms of the Banks Act, No 94 of 1990 as well as a company profile.			1	
5.2.1.2.	Most recent published credit rating report by Fitch, with a rating of BB and higher.			1	
5.2.1.3.	Internet banking must be "real-time"			1	
5.2.1.4.	Previous day's completed bank statement must be available for electronic downloading by 7:00 each morning			1	
5.2.1.5.	Inward Debit order system solution must be available.			1	
5.2.2	Provide effective tools that will prevent and detect fraud				
5.2.2.1.	Online and manual batch verification of banking details, Account Verification - AVS (Who owns the account - then make a payment).			2	
5.2.2.2	Verification of Entity Status (Deregistered, Dissolved, liquidated, eligible director)			2	
5.2.2.3.	Check that the account you are about to pay is not a mule account, not linked to fraud networks, not blacklisted and exited from doing business with banks before.			2	
5.2.2.4.	Identity verification.			2	
5.2.2.5.	Implement tools to monitor and report on suspicious activity (including money laundering).			2	
5.2.2.6.	Incident Investigating.			2	
5.2.2.7.	Assist Stopping fraud using policies, select risk signals or data attributes with historical fraudulent behaviour and challenge or deny those transactions (i.e. depositing significant amount in new accounts).			2	
5.2.2.8.	Provide other effective mechanisms of preventing and detecting fraudulent transactions.			2	

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5.2.2.9.	The service provider should be able to stop suspected fraudulent payments and notify CF.			2	
5.2.2.10.	Authorisation of EFT's.			1	
5.2.2.1.	Password control.			1	
5.2.2.1.	Security of data.			1	
5.2.3	Maintain banking details				
5.2.3.1.	Develop a single database for all banking details			2	
5.2.3.2.	Maintain integrity of banking details Masterfile			2	
5.2.3.3.	Provide a mechanism of retrieving banking details when making payment			2	
5.2.4.	Transactional banking				
	Main bank account:				
5.2.4.1.	Must accept all the Funds deposits and must include a reference / description.			1	
5.2.4.2.	Money market account/ accounts linked to the Main account to enable transfer of funds as and when required.			1	
5.2.4.3.	Overnight/bridging facilities linked between the Fund's current and money market account/s in the event of an overdraft.			1	
5.2.4.4.	Any adjustment must show original reference.			1	
5.2.4.5.	Facility to be available for periodic balance sweeping into main account.			1	
5.2.4.6.	Bank charges or interest accrued to be directed to the main bank account from other bank accounts.			1	
5.2.4.7.	Deposits received by the Bank's Cash Centre at any time during the day must be deposited and reflect on the same day.			1	
5.2.4.8.	Bidder undertakes to inform the Fund of any new bank codes at least ten (10) working days before the code is implemented by the bank			1	
5.2.4.9.	In the case of unidentified cash the Bank is to provide the Fund with information about depositor in the absence of a deposit identifier or customer account.			1	
5.2.5	Other bank accounts:				
5.2.5.1.	No acceptance of deposits without identifier.			1	
5.2.5.2.	Validation of identifier.			1	
5.2.5.3.	Rejection of Invalid deposits (Deposits without identifier).			1	
5.2.5.4.	Any adjustment must show original identifier.			1	
5.2.5.5.	Bank charges and interest to be re-directed to the main bank account.			1	
5.2.6	Expenditure				
5.2.6.1.	All payment entries to show a unique reference number.			1	
5.2.6.2.	Any adjustment to payment entries must show original reference.			1	
5.2.6.3	The service provider must facilitate the following mode of payments: written instructions and EFT.			1	
5.2.7	Bank reconciliations:				

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5.2.7.1.	Bank statements to be downloaded daily must be in the file layout format as required by the Fund's financial system service provider.			2	
5.2.7.2.	All bank statement transactions require to be correctly referenced to facilitate the financial system service provider reconciliation process.			2	
5.2.7.3.	Bank statements must be sent electronically in PDF format and hard copies must be delivered to the Fund on a monthly basis within 5 working days after month end.			2	
5.2.7.4.	Unpaid items must be debited individually on the Bank Statements and bear the same unique identifier reference as the original deposit.			2	
5.2.8.	Host-to-Host Solution (Inward debit order facility)				
5.2.8.1.	Secure host-to-host solution that can accommodate the Fund's core financial system and transactional volumes.			2	
5.2.8.2.	Transfer electronic transactions from the financial system services provider to the bank's system without downloading the transaction to a user's PC.			1	
5.2.8.3.	Accept files in the standard ACB/BankServ format / a format that can easily be created in the financial system service provider's environment.			1	
5.2.8.4.	Accommodate an item limit up to R1 000 000 mixed with other smaller items in the same file.			1	
5.2.8.5.	Accommodate more than one payment file per day (no overwriting of previously sent file).			1	
5.2.8.6.	Accommodate inward debit order transactions to all banks in one file.			1	
5.2.8.7.	Security based on different user codes for the different business user groups.			1	
5.2.8.8.	Item/Transaction limits, day limits, weekly limits, etc. per user code.			1	
5.2.8.9.	File security via control totals and hash totals.			1	
5.2.8.1.	File/directory naming convention whereby the files/directory can easily be identified without looking at the contents of the file.			1	
5.2.8.1.	Use of a system of transmission and sequence numbers that prevent the accidental duplication of a transmission file (if the file was sent twice).			1	
5.2.8.1.	Message indicating if the transmission was accepted needs to be returned within one hour.			1	
5.2.8.1.	An administrative system that will warn the Fund if any of the daily or weekly limits are close to being exceeded.			1	
5.2.8.1.	Report on all successful transfers.			1	
5.2.8.1.	Report on all unsuccessful transfers together with identifiers indicating vendor name and value.			1	

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5.2.8.1.	Prompt the users regularly to change their password to the solution			1	
5.2.9	Desktop/Direct Solution (Internet banking solution)				
5.2.9.1.	Desktop based online solution (utilising the internet as a communication medium) for payments.			1	
5.2.9.2.	Built in two stage sign on and approving security mechanism.			1	
5.2.9.3.	Online bank inquiry solution.			1	
5.2.9.4.	Accommodate payments to banking institutions where a universal branch code is utilised.			1	
5.2.9.5.	Report on all successful transfers.			1	
5.2.9.6.	Prompt the users regularly to change their password to the solution			1	
5.2.9.7.	Where payments are sent in advance it must be possible to recall specific transactions.			1	
5.2.9.8.	A message / messages indicating rejected/unpaid transactions returned the next day or as soon as available.			1	
5.2.9.9.	Reference fields returned on all transactions that are rejected.			1	
5.2.9.1.	Branch code verifications as well as a CDV checks occur immediately after any transactions are sent.			1	
5.2.9.1.	General internet e-mail not to be used as mode of transmission / instruction between the Fund and the bank for desktop/direct solutions.			1	
5.2.9.1.	Able to accept payment transactions between the hours of at least 08:00 and 16:30 on week days, excluding public holidays.			1	
5.2.9.1.	Fund to be notified of any redirected transactions.			1	
5.2.9.1.	All entries on the bank statement must show a unique reference and event number.			1	
5.2.9.1	Bank Charges and interest must be separately and uniquely coded by the bank. Any subsequent adjustments to these entries must bear the same reference number on the bank statements as the original entry.			1	
5.2.9.1.	System must provide the following payment services: from same day to at least 30 days transmission in advance.			1	
5.2.10	Card Machines (Speed point / Merchant services)			1	
5.2.10.1.	To facilitate debit and credit card payment facilities at each cashier and to include the necessary router for the credit card machine to function correctly.			1	
5.2.10.2.	Periodic upgrade of credit card machines			1	
5.2.10.3.	Stand-alone terminals with router included in installation.			1	
5.2.10.4.	Mobile terminal with router included in installation.			1	
5.2.11	Treasury:				
5.2.11.1.	Bidder to provide an interest and bank charges statement to be available on a monthly basis within 5 working days after month end. It must be available in hard copy and electronic PDF format. Hard copy to be delivered and PDF format to be sent electronically.			1	

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5.2.11.2.	Electronic invoices supported by detailed workings of the calculation of the bank charge must be supplied monthly, within 5 working days after month end.			1	
5.2.11.3.	Cash management scheme netting of balances to be available.			1	
5.2.11.4.	Upon request make available depositor contact information in imagining or email. Information should be available for at least 12 months.			1	
Total technical score				100	

PHASE 4: PRESENTATION

Technical Scorecard			
	Sub-Criteria	Scoring Guide	Weight
1.	Presentation	The service provider must be able to provide a presentation to illustrate understanding of requirements of the tender. The presentation on the professional role that each proposed member of the team will play, cross-referenced to each deliverable in the scope of work, and cross-referenced to each specified technical evaluation element set out in the technical scorecard a) Understanding of the requirementsSatisfactory understanding – 4 b) Limited understanding – 3 c) No understanding - 1 Presentation of the Project Plan: a) Detailed project plan with deliverables and timeframe - 5 b) Deliverables not aligned with the	50% 50%

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		requirements - Satisfactory project plan - 3 c) Deliverables not aligned – Limited project plan -1	
	Total technical score		100%

All bidders who score less than (70% out of 100%) on Presentation will not be considered for further evaluation on Price and BBBEE.

PHASE 5: PREFERENCE POINTS SYSTEM (PRICE AND BBBEE).

Only Bidders that have met the 70% points threshold in Phase 4 will be evaluated in Phase 5 for price and BBBEE. Price and BBBEE will be evaluated as follows:

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 80/20-preference point system terms of which points are awarded to bidders on the basis of:

i. Stage 1 – Price Evaluation (80 Points)

The following formula will be used to calculate the points for price:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

- P_s = Points scored for price of bid under consideration
- P_t = Price of bid under consideration
- P_{min} = Price of lowest acceptable bid

ii. Stage 2 – BBBEE Evaluation (20 Points)

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a. **BBBEE Points allocation**

A maximum of 20 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and

B-BBEE Certificate/ Sworn affidavit

The Service provider must submit proof of its B-BBEE status level of contribution.

Bidder(s) who do not claim Preference Points will be scored zero for B-BBEE and cannot be excluded from the tender process.

The Service provider must submit proof of its B-BBEE status level of contribution.

12. RULES OF BIDDING / GENERAL CONDITIONS OF CONTRACT

- a) The bidder must provide a unique reference number (e.g. binder/folio, chapter, section, page) to locate substantiating evidence in the bid response. During evaluation, COMPENSATION FUND reserves the right to treat substantiation evidence that cannot be located in the bid response.
- b) 4 Copies of the Original Proposal must be submitted.
- c) The Fund will enter into a contract with a single company for the delivery of the work set out in these terms of reference.
- d) The shortlisted companies may be required to conduct a presentation to the CF at no cost to the Compensation Fund.
- e) Tax Compliance status pin must be submitted by all South African companies submitting bids as part of a consortium or joint venture.
- f) Foreign company providing proposals must become familiar with local conditions and laws, and take them into account in preparing their proposals
- g) Bids must be submitted in South African Rands, on a fixed price basis.
- h) The cost of preparing bids and of negotiating the contract will not be reimbursed.
- i) The Fund is not bound to accept any of the bids submitted.
- j) The Fund reserves the right to withdraw or amend these terms of reference by notice in writing to all parties who have received the terms of reference.

10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000



THE APPOINTMENT OF A SERVICE PROVIDER FOR BANKING SERVICES

- k) The Fund reserves the right to call interviews with short-listed bidders before final selection.
- l) The Fund reserves the right to negotiate price with the preferred bidder.
- m) Company may ask for clarification on these terms of reference up to close of business 72 hours before the deadline for the submission of bids. Any request for clarification must be submitted in writing by email and will be replied to in writing by email. SCM.enquiries@LABOUR.gov.za.
- n) The Fund reserves the right to return late bid submissions unopened.
- o) The Fund reserves the right not to evaluate bids that are not submitted in the format specified in these terms of reference. Failure to submit the bids in the specified format will invalidate your bid.
- p) A company may not contact the Fund or any member of the bid committees, on any matter pertaining to their bid from the time when bids are submitted to the time the consultant contract is awarded. Any effort by a bidder to influence bid evaluation, bid comparisons or bid award decisions in any matter, may result in rejection of the bid concerned.
- q) The deadline for submission of bids is 11h00 AM on the 4 March 2022
- r) The required service must commence one week after the official order has been placed and contract signed.
- s) No incomplete tenders, late tenders and tenders received telegraphically or per facsimile shall be accepted.

- t) The personnel of the civil company shall adhere to security regulations of the Fund. This entails issues like locking all valuables and computer equipment, remove of any computer equipment from the Department's premises.
- u) The Compensation Fund reserves the right to conduct supplier due diligence prior to final award or at any time during the contract period. This may include site visits and presentations.
- v) A two envelope system must be used, with one envelope containing only the price proposal and the other envelope containing the technical proposal, one (1) CD with content of each file, tax compliance status pin, and all other tender documents.

Bids must be submitted by hand to:

The Compensation Fund

167 Thabo Sehume,

Delta Heights Building,

Pretoria CBD, 0001

w) Bids must be clearly marked:

- I. Bid Number
- II. Banking Services
- III. Compensation Fund: Supply Chain Management
- IV. Attention: Acquisition Management

13. GENERAL CONDITIONS OF CONTRACT

The general conditions of contract as enclosed in the standard bidding documents apply.

14. BRIEFING SESSION

- a) A Non-compulsory Briefing Session will be held through Ms. Teams on the 16 February 2022 at 10h00 AM

SCM.Enquiries@LABOUR.gov.za

NB: The cut-of time to receive enquiries is 72 hours before the closing date.

15. ENQUIRIES

SCM.Enquiries@LABOUR.gov.za