



BUSINESS UNIT: CORPORATE SERVICES

**APPOINTMENT OF A SERVICE PROVIDER FOR PROVIDING
SUPPORT AND MAINTENANCE OF THE LIQUOR
MANAGEMENT SYSTEM (eLMS) FOR 12 MONTHS**

TERMS OF REFERENCE (TOR)

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1. BACKGROUND INFORMATION

1.1. Abbreviation, Acronyms and Definitions

TOR	Terms of Reference
KZNLA	KwaZulu-Natal Liquor Authority
KZN	Province of KwaZulu-Natal
SP	Service Provider
SCM	Supply Chain Management
CEO	Chief Executive Officer
CFO	Chief Financial Officer
AG	Auditor-General of South Africa
PFMA	Public Finance Management Act, 1999 (Act No 29 of 1999) as amended
B-BBEE	Broad-Based Black Economic Empowerment
SLA	Service Level Agreement
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) as amended

1.2. Background

The KwaZulu-Natal Liquor Authority (Herein referred to as KZNLA) was established on 01 August 2012, with a legislative mandate to control and regulate the retail sale and micro manufacture of liquor in the province of KwaZulu-Natal. The liquor regulatory function in the past resided directly with the Department of Economic Development and Tourism. However, all matters pertaining to liquor policy and legislation remain with the Department whilst the Liquor Authority is the implementing Agency.

1.3. Purpose of the project

To appoint a suitably qualified service provider to provide support and maintenance of the Liquor Management System (eLMS) for a period of 12 months

1.4. Purpose of the Terms of Reference

It is the intention of the KZNLA to enter into a formal agreement with the successful Service Provider to provide the services described hereunder.

The Terms of Reference (TOR) would serve to guide the process of selecting and appointing a qualified service provider by ensuring a match between KZNLA's requirements and the knowledge and experience of the service provider.

These TORs and the service provider's proposal will form the basis of the service level agreement (SLA) to be entered into between the parties.

2. CONTRACT OBJECTIVE AND SCOPE OF WORK

2.1. Background

- The KZNLA makes use of a custom-developed workflow system to process liquor license applications. The system is developed on the K2 Platform and uses Microsoft SQL Server 2008 database in the backend.
- The incumbent must be fully competent in the following programming languages: K2 Developer, K2 Designer and Java.
- The incumbent must be fully competent in database administration using the following database management systems: SQL Server.

2.2. Scope of work

To support and provide maintenance on the following Liquor license applications:

- Transfer of Licence
- Removal of a licence
- Transfer of financial interests
- Appointment of manager
- Structural alterations
- Offsite storage
- Tasting
- Copies of documents
- Appeals
- System integration with Banks
- Auto Verification of payment

Type of Applications

- Accommodation
- Restaurant
- Club
- Night Club
- Gaming Premises
- Sports Ground
- Pub
- Tavern
- Theatre
- Liquor Store
- Grocer's Wine
- Micro-Manufacture

3. COMPETENCE REQUIREMENTS

The service provider should meet the following competency requirements:

- a) Be competent in the professional practice and a minimum of 5 years in systems development, maintenance and support. Provide a **1-page CV** for each team member.
- b) Preferably be a certified professional in K2 Developer and K2 Designer.
- c) Be well versed in the best practices of the profession; and
- d) Has provided similar services to a minimum of 3 institutions.

4. SPECIAL CONDITIONS

- a) The period of the contract will 12 months from the date of signing the service level agreement (SLA).
- b) The appointed service provider will be bound to the Code of Conduct and Confidentiality as per the KZNLA policies in the course of their duties.
- c) The KZNLA reserves the right to reject any proposal found to be inadequate or non-compliant to the Terms of Reference.
- d) Service providers should possess knowledge of the public entity's activities.
- e) The successful provider must sign a Service Level Agreement (SLA) with the Chief Executive Officer (CEO) and reporting on the activities of the contract will be made to the ICT Manager for KZNLA.

5. TIME FRAMES

The term of the contract will be for 12 months from the date of signing the support SLA.

6. REPORTING

The successful service provider will be directly accountable to the ICT Manager

7. REQUIREMENTS

7.1. Project/ Technical Proposal

Service providers will be required to submit a **SEPARATE technical** and **financial** proposal.

7.2. Technical proposal

The technical proposal should comprise the following elements:

- Understanding of the assignment and scope of work
- Experience of the service provider including relevant track record through verifiable reference letters, reputation and experience of conducting similar work. A minimum of 3 reference letters where similar projects have been completed.
- Applicable professional certification.
- Be well versed in the best practices of the profession; and
- One-page CV's of key members outlining professional experience in similar projects

7.3. Financial proposal

- The financial offer must contain a budget breakdown.
- The budget breakdown will include a cost estimate for the contract period of 12 months.

8. EVALUATION CRITERIA

- All quotations will be assessed in terms of functionality (quality) and cost. In order to be deemed technically compliant, service providers must achieve a minimum score of 70% on the functionality points available as per the Evaluation Grid attached as Annexure A.
- Those service providers who are deemed to be technically compliant will thereafter be assessed in terms of price and preference points on an 80/20 preference points system. Financial proposals will also be assessed in terms of reasonableness of costs in relation to prevailing fee guidelines, consistency with the technical proposal submitted and value for money.

9. NON-APPOINTMENT

The KZNLA reserves its rights either NOT to make an appointment and/or appoint the service provider with the lowest price. The KZNLA also reserves its right to negotiate the final price of those proposals deemed technically compliant.

For enquiries contact :

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ANNEXURE A - EVALUATION GRID FOR FUNCTIONALITY

Name of project:		Weight	Initial assessment	Revised assessment
APPOINTMENT OF A SERVICE PROVIDER FOR PROVIDING SUPPORT AND MAINTENANCE OF LIQUOR MANAGEMENT SYSTEM (eLMS) FOR 12 MONTHS				
Understanding of the assignment and scope of work		10		
Companies Experience on workflow system 5 to 10 years = 10 points 11 to 15 years = 12 points Over 15 years = 15 points		15		
Company referrals 3 relevant letters = 10 4 to 5 relevant letters = 12 Over 5 relevant letters = 15		15		
Team expertise				
	K2 Developer and K2 Designer expert certification	25		
	5 to 10 years' experience = 10 11 to 15 years' experience = 12 15 or more years' experience = 15	15		
Total Score		80		