



**National
Research
Foundation**

e-Procurement (Click and Order) feasibility study

YOU ARE HEREBY INVITED TO SUBMIT A PROPOSAL

RFP Number: NRF/SCM C1/2022-23

PROPOSAL DESCRIPTION

Feasibility study of e-Procurement (Click and Order) for adoption in an NRF context

REQUEST FOR PROPOSAL (SBD SECTION 1A)

RFP Number	NRF/SCM C1/2022-23
Closing date and time (as per NRF systems)	22 February 2023 at 11:00am
Compulsory Briefing session (virtual)	10 February 2023 at 14:30m https://zoom.us/j/93383707960?pwd=M0hicTFqcUE5OFYyRmFqTFEwTTlwUT09

OBJECTIVES, REQUIREMENTS AND SYNOPSIS

Vision: Simple, immediate, economical, compliant *click and order* procurement for the NRF.

In this context e-Procurement refers to the feasibility of the possibility of an *immediate* adoption of a Click and Order process, bearing in mind that adoption is planned to occur in the medium to long-term, once necessary acceptance and approvals obtained. The term *Click and Pay* is also used in this context.

Objective and scope: The NRF are considering *fast-tracking* the implementation of e-Procurement and requires technical assistance to determine whether feasible or not i.t.o. cost-effectiveness to commence implementation immediately (as opposed to doing so in the medium to long-term), including:

- Identify and formulate relevant decision-making framework for a feasibility study of this nature, namely whether feasible to fast-track or not.
- Research the success, or otherwise of e-procurement implementations in similar organisations (including similar public entities).
- Investigate and document existing NRF procurement processes, and understand and document the potential for improvement.
- Identification of theoretical e-procurement possibilities, including a theoretical roadmap phased-in commencing with a pilot/quick win through to full electronic processing taking into account the possibilities:
 - Inherent in exiting NRF ERP system Microsoft D365, failing which,
 - Other leading software, failing which,
 - Any other proposals/options
- Provide broad cost estimates for each phase on a total cost of ownership basis.
- Liaise with National Treasury to determine their ICT plans for public entities and the impact / expectations on the NRF.
- A clear and decisive recommendation accompanied by a presentation, with a detailed justification, on whether to commence immediately with such e-procurement or not, and if so when (phased appropriately if feasible, such as initial quick win/s) and under what circumstances based on a value for money approach (e.g. benefits exceed costs) with a detailed risk management analysis focusing on more efficient procurement (faster, easier, less bureaucratic) as the primary motivators.

Methodology: The default methodology is described in **Annexure B: Methodology**. In summary such default methodology includes internal interviews, benchmarking with five entities, analysis of the existing MS D365 application including prior expectations, a best practice feasibility framework, and where applicable, a high level implementation road map.

Augmented methodology proposals will be considered conditional on the suite of proposals including at least one proposal including the above methodology.

Context: The current and proposed environments are included in **Annexure C: Contextual Considerations**. In summary:

- **Automation trajectory:** Both the NRF and the legislature's proposed trajectory is to leverage automation to the extent it is quicker and more economical.
- **Integration of strategic sourcing:** To avoid technology regress, the adoption of expensive software and the time investment to adopt and operate is to be integrated with national initiatives, smart procurement methodology, as well as possibly leveraging supplier initiatives to make available bespoke software platforms such as travel management software, supplier developed e-Catalogues and so on.

Appetite for leading SCM software

The NRF's strategic trajectory includes the application of leading software, if cost-effective, and at a future stage to be at the leading edge of software development

Indication of future national technology requirement

Technology adoption is not only promoted but may become mandatory in terms of proposed legislation, such as requirements (and possibly implications thereof) to employ technology to:

- Simplify procurement processes and better leverage economies of scale
- Link to registers and databases initiated nationally
- Employ technology to implement procurement methods, including emergency methods
- Data retention

The existing and proposed enhancements to the Central Supplier Database (CSD), the registers and databases envisaged in proposed legislation and other initiatives by regulatory bodies may influence public entity technology design and adoption. It is therefore part of the scope of this project to engage National in this respect.

Existing ERP system

The NRF has recently implemented Microsoft D365 with a nominal SCM application in the first phase. Further minor developments continue, including a Procurement App soon to be released; details to be provided at the briefing session.

Impact of compliance

As a Schedule 3A public entity, the NRF is highly regulated, which regulations continue to change on a frequent basis. A public entity does not therefore have the same freedom as a private entity, and such compliance has major speed, cost, compliance and audit trail implications.

Impact of compulsory transversals

The Draft Procurement Bill have indicated legislative intent to make use of transversals compulsory, implying a lot more products and even services may be added. The regulated transversal process is time-consuming as supplier consent via National Treasury, according to National Treasury Regulations, are required. Such requests are manual.

Delineation of e-procurement for purposes of this project

The focus of this project is quicker, more economical and simpler procurement processes commencing immediately This intent is best captured in the “Click and Buy” concept, which is often associated with e-catalogues and underlying agreements such as framework agreements. As such this is distinguished from a full potential e-Procurement application. Details of this distinction and focus are contained in **Annexure E**.

Nature of this proposal

The RFP (Request for Proposal) process serves as the final invitation in order to appoint a service provider. The nature of this RFP is classified as a FPHTR (Fixed Price, Highest Technical Rated) RFP.

Compulsory Virtual Briefing session (Zoom)

- **Date:** Friday, 10 February 2023
- **Time:** 14h30
- **Confirmation of attendance:** Bidders intending to respond to this request for proposal are required to attend this session and as such to provide the email addresses, positions and names of representatives on or before 10h00 on Friday 10 February 2023 to Ms. Vuyelwa Vabaza via email to vl.vabaza@nrf.ac.za. No proposals will therefore be considered from bidders unable to attend.

Pricing

Fixed price as Objective Criteria. B-BBEE scoring required purely for annual verification agency process.

Responsibility

The service provider will be responsible for all work, including setting up appointments internally and externally.

RESPONSE DETAILS			
ELECTRONIC SUBMISSION TO: bids@nrf.ac.za Emailed PDF file name format is “Bid Number / Supplier Name” Refer Annexure A for guidance on electronic submissions.		ONE ENVELOPE APPROACH: This is a One Envelope approach, namely the price and quality can be submitted simultaneously in one document.	
Bidding procedure enquiries or enquiries on the proposed system may be directed in writing via:		Technical enquiries on the existing system may be directed in writing via:	
Section	Supply Chain Management	Section	Business Support
Contact person	Vuyelwa Vabaza	Contact person	Lebogang Mosoma
E-mail address	vl.vabaza@nrf.ac.za	E-mail address	lf.mosoma@nrf.ac.za

SUPPLIER INFORMATION			
Name Of Bidder			
Postal Address			
Street Address			
Telephone Number			
Code		Number	
Cell Phone Number			
Code		Number	
Facsimile Number			
Code		Number	
E-Mail Address			
VAT Registration Number			

SUPPLIER INFORMATION					
Tax Compliance Status	Tax Compliance System PIN			Central Supplier Database No.	MAAA
B-BBEE Status Level Verification Certificate		Tick Applicable Box. <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE Status Level Sworn Affidavit	Tick Applicable Box. <input type="checkbox"/> Yes <input type="checkbox"/> 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]					
Are you the accredited representative in South Africa for the goods /services/works offered?		<input type="checkbox"/> Yes <input type="checkbox"/> No [If yes enclose proof]		Are you a foreign-based supplier for the goods/services/ works offered?	<input type="checkbox"/> Yes <input type="checkbox"/> No [If yes, answer the questionnaire below]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
Is the entity a resident of the Republic of South Africa (RSA)?					<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the entity have a branch in the RSA?					<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the entity have a permanent establishment in the RSA?					<input type="checkbox"/> Yes <input type="checkbox"/> No
Does the entity have any source of income in the RSA?					<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the entity liable in the RSA for any form of taxation?					<input type="checkbox"/> Yes <input type="checkbox"/> 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.					

TERMS AND CONDITIONS FOR BIDDING (SBD 1 SECTION B)	
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. Bid pages are bound to minimise risk of lost pages.

TERMS AND CONDITIONS FOR BIDDING (SBD 1 SECTION B)

1.3	This bid is subject to the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations, 2022, the General Conditions Of Contract (GCC) with its special conditions of contract, and, if applicable, any other legislative requirements.	
1.4	The successful bidder will be required to fill in and sign a written contract form (SBD7.1).	
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 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.	
3. TWO ENVELOPE SYSTEM		No
4. VALIDITY PERIOD FROM DATE OF CLOSURE		90 days
5. BRIEFING SESSION OR SITE VISIT DETAILS: N/A		
6. THE BIDDING SELECTION PROCESS		
<u>Stage 1 – Compliance to submission requirements</u>		
Bidders warrant that their proposal document has, as a minimum; the specified documents required for evaluating their proposals as set out in the Returnable Document List and conform to all the terms, conditions, and specifications as set out in this document.		
<u>Stage 2 – Evaluation of Bids against Technical Specifications</u>		
Bidders achieving the minimum threshold in the specification to enter the Price/Preference scoring stage:		
<u>Stage 2A – Evaluation of Bids against Specifications including Quality</u>		
The NRF evaluates each bidder's written response to the specifications issued in accordance to published		

TERMS AND CONDITIONS FOR BIDDING (SBD 1 SECTION B)

evaluation criteria set out in this document.

Stage 2B – Due Diligence Interviews or Proof of Delivery/Concept against Specifications

The NRF may conduct interviews and/or require presentations with shortlisted bidders for them to present further information or provide further proof to the evaluation committee. In these cases, the National Research Foundation provides the areas of concern to the short listed bidders to address in their presentations with this document and, where necessary, may provide further areas of concern to the short listed bidders at this stage.

Stage 2C – Due Diligence Research

The National Research Foundation confirms the recommended bidder(s)'s reference letters with referees to confirm the recommendation(s).

Stage 3 – Price/Preference Evaluation

Basis of fair competition:

The NRF compares each bidder's pricing proposal on an equal and fair comparison basis equitable to all bidders, taking into account all aspects of the bid's pricing requirements including the application of fair pricing tests as set out below in the section "Insufficiency of Funds".

Ranking of the bidders pricing:

The NRF ranks the qualifying bids on price with lowest priced Bid receiving the maximum points (either 80 or 90) and the remainder ranked in relation to the lowest priced bid. The NRF adds the bidders' claimed preference points as verified to the submitted preference claim form (SBD 6.1) to provide the final ranking for the award decision.

Stage 4 – Checking Tax Compliance

Stage 4 – Taxpayers Resident in South Africa

The NRF notifies the recommended bidder in writing where their tax compliance check reflects that they are non-compliant and provides the recommended bidder seven (7) working days to submit written proof from SARS of their tax compliance status or proof that they have made an arrangement with SARS to meet their outstanding tax obligations. Failure to deliver such written evidence of compliance results in the rejection of that recommended bid.

Stage 5 – Award and Contract Signing

The NRF nominates the bidder with the highest combined score for the contract award subject to the bidder having supplied the relevant administrative documentation.

7. ACKNOWLEDGEMENT OF READING EACH PAGE

TERMS AND CONDITIONS FOR BIDDING (SBD 1 SECTION B)

The bidder warrants by signature in this document that the bidder has read and accepts the document in its entirety through reading each page.

8. CENTRAL SUPPLIER DATABASE REGISTRATION

Bidders are requested to register on the Central Supplier Database and to include in their bid their Master Registration Number (Supplier Number) in order to enable the NRF to verify the supplier's tax status on the Central Supplier Database.

9. CLARIFICATION

If the respondent wishes to clarify aspects of this request or the acquisition process, they contact the officials listed under the enquiries section above. The National Research Foundation does not provide the origin of the request to any party.

10. RESPONSE PREPARATION COSTS

The NRF is not liable for any costs incurred by a bidder in the process of responding to this Bid Invitation, including on-site presentations.

11. ONE ENVELOPE SYSTEM

A One Envelope system is employed.

12. COLLUSION, FRAUD AND CORRUPTION

Any effort by Bidder/s to influence evaluation, comparisons, or award decisions in any manner will result in the rejection and disqualification of the bidder concerned.

13. FRONTING

The NRF, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes where applicable, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in the bid documents. The onus is on the bidder to prove that fronting does not exist, should the National Research Foundation establish and notify the bidder of potential breaches of any of the fronting indicators as contained in the Department of Trade and Industry's "Guidelines on Complex Structures and Transactions and Fronting". Failure to do so within a period of 7 days from date of notification will invalidate the bid/contract and may also result in the restriction of the bidder to conduct business with the public sector for a period not exceeding 10 years, in addition to any other remedies the NRF may have against the bidder concerned.

14. DISCLAIMERS

The NRF has produced this document in good faith. The NRF, its agents, and its employees and associates do not warrant its accuracy or completeness. The NRF makes no representation, warranty, assurance, guarantee or endorsements to any provider/bidder concerning the document, whether with regard to its accuracy, completeness or otherwise and the NRF shall have no liability towards the responding service providers or any other party in connection therewith.

15. CANCELLATION OF THE RFQ PRIOR TO AWARD

	<u>Procurement not required:</u> The NRF cancels the Bid Invitation prior to making an award if due to changed circumstances there is no need for the specified procurement in the document.
	<u>No acceptable bids:</u> The NRF cancels the RFQ Invitation prior to making an award if it receives no acceptable bids i.e. that do not meet the minimum requirements set out in this document.
	<u>Invalid Bid Procedure:</u> The NRF cancels the RFQ Invitation prior to making an award if a material irregularity occurred in the bid process.
	<u>Insufficiency of Funds at date of Award:</u> The NRF cancels the RFQ Invitation prior to making an award if the funds are no longer available to cover the total estimated contract value at the date of the evaluation.
	<u>Offered Prices are within a fair price range:</u> The NRF cancels the RFQ Invitation where the offered price is defective as being too low Where these tests reflect pricing outside of the established fair price range, the evaluators may recommend price negotiation and no other component. The NRF starts negotiation with the winning bidder or, where that bidder refuses negotiation, with the next ranked bidder in the price/preference ranking until a market related price is achieved.

INDUCTION, INTERDEPENDENCIES, PERIOD AND ELIGIBILITY

INTRODUCTION TO THE NRF

The National Research Foundation Act, Act 23 of 1998, as amended, establishes the National Research Foundation ("NRF") as the juristic person that makes this bid invitation and will contract with the awarded bidder. The Public Finance Management Act classifies the organisation as a Schedule 3A Public Entity.

INTERDEPENDENCIES

None known. NRF are planning possible concurrent processes including a construction compliance guideline and construction strategy guideline.

CONTRACT PERIOD

This assignment commences a week after appointment for a twenty month period. The bidder is encouraged to work concurrently as the exercise is dependent upon the availability of the staff during peak periods.

ELIGIBILITY, DETAILED SPECIFICATION ETC.

1.1. **Eligibility:** The bidder is to supply brief confirmation, and where evident from the context, appropriate proof. All eligibility criteria are Go-No Go, namely failure to meet any of the criteria denotes failure to progress to the point scoring round.

Intention/Outcome/output	Eligibility (Go-No Go)	Bidder to confirm whether in compliance or not and to list the relevant proof contained in bid response
Experience of at a feasibility study for e-Procurement (public or private sector)	Written case study of 2 to 3 pages of conducting a feasibility study in which the lead consultant (proposer) is the effective cause of the value proposition	
External corroboration of being effective cause of feasibility study	Contact details of reference of entity where feasibility study was conducted, including position, name, email address, telephone number/s. By participating in this proposal the proposer provides consent for NRF staff to conduct a due diligence and to ask and request any relevant details.	
Methodology	Proposed methodology. To be incorporated into project plan (refer section below "Project Plan inclusion threshold").	
Internal corroboration: Lead consultant's CV	CV of lead consultant detailing ICT experience including reference to e-Procurement feasibility study	
Planning including relevant resource allocation and availability	Project plan including: 1. Appointment date indicated by "x". All further dates are	

	<p>calculated in days from 'x'.</p> <ol style="list-style-type: none"> 2. Key milestones (refer elsewhere for milestones to be included). 3. Staff to be involved in project (CVs to be provided of such staff) 4. All key activities. 5. Hours to be spent on each activity. 		
Understanding of SCM and compliance requirements for e-Procurement in the Public Sector	Minimum of at least two pages of your understanding of SCM in the public sector (minimum of one page), including a section on prescripts which will require to be automated including where applicable CSD, SBDs, B-BBEE and system implications (minimum of one page).		
Feasibility hypothesis	Minimum of at least one page providing a working hypothesis of whether an e-Procurement is feasible at the NRF commencing 1 st April 2023. The working hypothesis should be limited to one paragraph and all the underlying rationale / assumptions are to be provided thereafter. The focus on the quality of the underlying rationale / assumptions. Use of methods may be included as an underlying assumption.		
Defensible feasibility decision-making framework	Minimum of at least one page providing details of the best practices feasibility framework to be adopted. Such framework may include references, and should include a focus on S.M.A.R.T namely Specific, Measurable, Achievable, Relevant and Timebound. Efficiency and		

	economy to be included in the proposed methodology with details of status quo compared to proposal, with detailed cost calculations such as salary costs of personnel as benefits compared to total costs of ownership of the system over a 15 year period.										
<p>Project plan inclusion threshold</p> <p>The project plan to include the following milestones:</p> <ol style="list-style-type: none"> 1. Commencement of work after appointment 2. Demonstration at two public entities (one 3A entity and one 3B entity; details to be provided at briefing and/or upon appointment) 3. Provisional feasibility study 4. Final feasibility study. 5. Roadmap implementation In the event the feasibility recommends immediate implementation, an additional milestone to be added namely a high level one page project plan for such a roadmap for implementation. <p>Each milestone is to summarise the percentage of project completion. The percentage allocated to the prefinal draft report is to be no less than 10% and to the final report, being not less than 10%.</p> <p>Points allocation</p> <p>The bidder with the highest score is awarded this contract. In the event of no bidders claiming and thus scoring any points, the bidders with the highest quality in the Go-No section will be awarded the contract.</p> <p>The points are allocated as follows:</p> <table border="1"> <thead> <tr> <th>Expertise</th><th>Points</th><th>Verification</th></tr> </thead> <tbody> <tr> <td>Feasibility study (public sector specific)</td><td>1</td><td>Provide name and contact details public sector entity.</td></tr> <tr> <td>More than one feasibility study conducted for e-Procurement implementation</td><td>1 additional point for each additional feasibility study conducted (private sector) and 1.5 additional point for each feasibility study conducted in the public sector.</td><td>Same as "Experience of Procurement feasibility" plus "External corroboration" sections of Eligibility criteria section above.</td></tr> </tbody> </table>			Expertise	Points	Verification	Feasibility study (public sector specific)	1	Provide name and contact details public sector entity.	More than one feasibility study conducted for e-Procurement implementation	1 additional point for each additional feasibility study conducted (private sector) and 1.5 additional point for each feasibility study conducted in the public sector.	Same as "Experience of Procurement feasibility" plus "External corroboration" sections of Eligibility criteria section above.
Expertise	Points	Verification									
Feasibility study (public sector specific)	1	Provide name and contact details public sector entity.									
More than one feasibility study conducted for e-Procurement implementation	1 additional point for each additional feasibility study conducted (private sector) and 1.5 additional point for each feasibility study conducted in the public sector.	Same as "Experience of Procurement feasibility" plus "External corroboration" sections of Eligibility criteria section above.									

Roadmap prepared for e-Procurement implementation	1	Copy of roadmap provided	
Implementation of an e-Procurement module	1.5 Public sector 1 Private sector (Maximum score 4.5)	Provide name and contact details of public sector entity.	
Commitment to early completion of contract (linked to penalties for failure to complete as committed).	By 30 st April 2023 3 By 30 th May 2023 2 By 30 th June 2023 1	Written confirmation. Delays beyond committed dates and key milestones will result in 20% penalty for each month delayed (R100 000 per month) and/or contract cancellation	

DOCUMENTS REQUIRED

Electronic bid documents for evaluation and contract signing

1

Refer **Annexure A**.

RETURNABLE DOCUMENTS REQUIRED

The bidder is to complete this table and to supply the necessary page references to the supporting documentation. **A bidder failing to adequately provide any of the mandatory documents is automatically disqualified.**

Legislative/Technical Documents

Compliance

(M – Mandatory)	<u>BIDDER</u> Submitted	<u>NRF</u> Meets Specification Minimum	Bid Section Reference	<u>BIDDER</u> Reference to Bidder's document
<u>Bidder Eligibility</u>				
Procurement Invitation (SBD 1), signed and completed.	M	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	Section A
Bidder's Disclosure (SBD 4), signed and completed.	M	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	Other SBDS
Preference Claim form (SBD 6.1), signed and completed.	M	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	Other SBDS

(M – Mandatory)	BIDDER	NRF	Bid Section	BIDDER
	Submitted	Meets Specification Minimum	Reference	Reference to Bidder's document
Specification Eligibility				
Evidence that the bidder meets the requirements	M	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	Detailed Specification
Pricing	Compliance			
Pricing (SBD 3.1) in this document is to be completed.	M	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	Pricing Schedule

SBD 3.1: PRICING						
Pricing Special Conditions						
1	<u>Fixed price:</u> The fixed price is R500 000. This includes any costs incurred by the service provider for travel, accommodation and so on. Whilst activities may occur outside Gauteng, these can be conducted virtually. The NRF will pay any costs of its own staff.					
2	<u>Milestone payments.</u> Payment may be made upon completion of key milestones based on the percentage completion if the percentage completion percentage is reasonable. The percentage allocated to the prefinal draft report is to be no less than 10% and to the final report, being not less than 10%					
PRICING SCHEDULE (SBD3.1) PRE-POPULATED – DO NOT ADJUST						
	QTY	DESCRIPTION	SECTION	UNIT OF MEASURE	UNIT PRICE (inc. VAT)	TOTAL PRICE (inc. VAT)
Feasibility study						
	1	e-Procurement (Click and Order/Pay) feasibility study		Quantity	500 000	500 000
TOTAL CONTRACT VALUE (Inc. VAT)					R 500 000	
GENERAL CONDITIONS OF CONTRACT						
This bid is subject to the General Conditions of Contract on the National Treasury website						

GENERAL CONDITIONS OF CONTRACT

<http://www.treasury.gov.za/> (subject to Special Conditions in this contract which take preference)

MANAGEMENT OF PERFORMANCE LEVELS

1. The contracted bidder recognises that its failure to meet the performance levels has material adverse impact on the operations of NRF and that the damage from the contracted bidder's failure to meet any performance level is not susceptible to precise determination.
2. The NRF excuses the contracted bidder from failing to comply with the performance levels to the extent that non-performance or delayed performance is solely and directly attributable to an act or omission of the NRF or its staff or circumstances of force majeure as referred to in this Agreement.
3. If the contracted bidder fails to meet any performance level:
 - a) The contracted bidder and the NRF shall jointly investigate and report on the root causes of the performance level failure;
 - b) The contracted bidder shall promptly correct the failure and begin meeting the set performance levels;
 - c) The contracted bidder shall advise the NRF as and to the extent requested by the NRF of the status of remedial efforts being undertaken with respect to such performance level failure; and
 - d) The contracted bidder shall take preventive measures to prevent the recurrence of the performance level failure.
4. Both parties are responsible for monitoring and measuring the performance of the contracted bidder against the performance levels set in this document. The NRF deems failure by the contracted bidder to measure performance with respect to the contract specifications for any measurement period as a failure to meet the stipulated performance levels.

PERFORMANCE LEVELS STATEMENT

Service/Goods being Measured	Measurement Methodology	Penalty
Quality	Detailed specification, illustrations and guidance.	Rework at supplier's expense. If rework exceeds the contract period, the penalties for delay, provided in the next section, are applicable.
Delivery	Key milestones	5% for each month delayed. In the event of a three month delay NRF reserves the right to cancel the contract and appoint another supplier with any excess costs being for the defaulting bidders account.

OTHER SBDS

SBD 4 - BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the constitution of the republic of south africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the register for tender defaulters and / or the list of restricted suppliers, that person will automatically be disqualified from the bid process.

2. BIDDER'S DECLARATION

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 if so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

<p>.....</p> <p>.....</p> <p>.....</p>	
2.3	<p>Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?</p> <p style="text-align: right;">YES/NO</p>
2.3.1	<p>If so, furnish particulars:</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>3. DECLARATION</p>	
<p>I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:</p>	
<p>In order to give effect to the above, the following questionnaire must be completed and submitted with this Bid:</p>	
<p>3.1 I have read, and I understand the contents of this disclosure</p> <p>3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;</p> <p>3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.</p> <p>3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.</p>	
<p>3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.</p>	
<p>3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.</p>	
<p>3.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission</p>	

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill, and knowledge in an activity for the execution of a contract.

<p>for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.</p>		
<p>I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.</p> <p>I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.</p>		
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>.....</p> <p style="text-align: center;">Signature</p> <p>.....</p> <p style="text-align: center;">Position</p> </td> <td style="width: 50%; border: none;"> <p>.....</p> <p style="text-align: center;">Date</p> <p>.....</p> <p style="text-align: right;">Name of bidder</p> </td> </tr> </table>	<p>.....</p> <p style="text-align: center;">Signature</p> <p>.....</p> <p style="text-align: center;">Position</p>	<p>.....</p> <p style="text-align: center;">Date</p> <p>.....</p> <p style="text-align: right;">Name of bidder</p>
<p>.....</p> <p style="text-align: center;">Signature</p> <p>.....</p> <p style="text-align: center;">Position</p>	<p>.....</p> <p style="text-align: center;">Date</p> <p>.....</p> <p style="text-align: right;">Name of bidder</p>	
PREFERENCE POINTS CLAIMED (SBD 6.1)		
<p>This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.</p>		
<p>NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022</p>		
<p>1. GENERAL CONDITIONS</p> <p>1.1. The following preference point systems are applicable to invitation to tender:</p> <div style="margin-left: 40px;"> <p>1.1.1. the 80/20 system for requirements with a Rand value of up to R 50 000 000 (all applicable taxes included); and</p> <p>1.1.2. The 90/10 system for requirements with a Rand value above R 50 000 000 (all applicable taxes included)</p> </div> <p>1.2. To be completed by the organ of state</p> <div style="margin-left: 40px;"> <p>1.2.1. The applicable preference point system for this tender is the 80/20 preference point system.</p> </div> <p>1.3. Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:</p> <div style="margin-left: 40px;"> <p>1.3.1. Price; and</p> <p>1.3.2. Specific Goals</p> </div>		
<p>1.4. To be completed by the organ of state:</p> <p>The maximum points for this tender are allocated as follows:</p>		

The maximum points for this bid are allocated as follows:	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and Specific Goals must not exceed	100

1.5. Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6. The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

2.1. **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;

2.2. **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;

2.3. **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

2.4. **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and

2.5. **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$80/20 \qquad \qquad \qquad \text{or} \qquad \qquad \qquad 90/10$$

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \qquad \qquad \qquad \text{or} \qquad \qquad \qquad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

Pmin = Price of lowest acceptable bid

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

NRF WILL USE THE B-BBEE CERTIFICATE OF SWORN AFFIDAVIT FOR SPECIFIC GOALS

The specific goals allocated points in terms of this tender: B-BBEE level	Number of points allocated (90/10 system)	Number of points allocated (80/20 system)	Number of points claimed (90/10 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)
1		20		
2		18		
3		14		
4		12		
5		8		
6		6		
7		4		
8		2		
Non-compliant contributor		0		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm

4.4. Company registration number:

4.5. Type of company/firm

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

GENERAL CONDITIONS OF CONTRACT

In this document words in the singular also mean in the plural and vice versa, words in the masculine mean in the feminine and neuter, words “department” means organs of state inclusive of public entities and vice versa, and the words “will/should” mean “must”.

The National Research Foundation cannot amend the National Treasury’s General Conditions of Contract (GCC). The National Research Foundation therefore appends Special Conditions of Contract (SCC) providing specific information relevant to a GCC clause. Special Conditions specific to this bid contract are in this document.

Bidders are deemed to have read the General Conditions of Contract. Whenever there is an unintended conflict, the provisions of the Special Conditions of Contract shall prevail over the General Conditions of Contract.

BID SUBMISSION CERTIFICATE FORM - (SBD 1)

I hereby undertake to supply all or any of the goods, works, and services described in this procurement invitation to the NRF in accordance with the requirements and specifications stipulated in this Bid Invitation document at the price/s offered.

My offer remains binding upon me and open for acceptance by the NRF during the validity period indicated and calculated from the closing time of Bid Invitation.

The following documents are deemed to form and be read and construed as part of this offer / bid even where integrated in this document:

Invitation to Bid (SBD 1)	Specification(s) set out in this RFQ Invitation inclusive of any annexures thereto
Bidder’s responses to this invitation as attached to this document	Pricing Schedule(s) (SBD3.1) including detailed schedules attached
Declaration of Interest (SBD4)	General Conditions of Contract and special/additional conditions of contract as set out in this document
Preference (SBD 6.1) claims for specific goals in terms of the Preferential Procurement Regulations 2022, supported by a valid certified B-BBEE certificate.	

I confirm that I have satisfied myself as to the correctness and validity of my offer / bid in response to this Bid Invitation; that the price(s) and rate(s) offered cover all the goods, works and services specified in the Bid Invitation and cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

BID SUBMISSION CERTIFICATE FORM - (SBD 1)

I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me in terms of this Bid Invitation as the principal liable for the due fulfilment of the subsequent contract if awarded to me.

I declare that I have had no participation in any collusive practices with any Bidder or any other person regarding this or any other Bid.

I certify that the information furnished in these declarations (SBD 3.1, SBD 4, SBD 6.1,) is correct and I accept that the NRF may reject the Bid or act against me should these declarations prove to be false.

I confirm that I am duly authorised to sign this offer/ bid response.

NAME (PRINT)

CAPACITY

SIGNATURE

WITNESS 1

NAME

SIGNATURE

WITNESS 2

NAME

SIGNATURE

DATE

ANNEXURES

Index of Annexures	
A	Electronic Bid Submission guideline
B	Methodology
C	Environmental factors
D	Methods toolkit
E	Clarifying scope in light of a universe of e-Procurement modules

ELECTRONIC BID SUBMISSION – GUIDELINE FOR BIDDERS

This document serves the purpose of providing the bidder with guidelines and prescripts on how to submit their bids to the NRF via e-mail.

Note (Single envelope): Ignore sections addressing a dual – envelope system.

Conditions for electronic submissions: This section does not apply to soft copies requested on manual submissions. It applies when email submissions are permitted. In circumstances where they are advisable, the business unit needs to ensure that they have appropriate controls and processes in place, such as:³

- Valid process of ensuring that bidder's electronic signatures complies with legislation such as The Electronic Communications and Transactions Act, 25 of 2002 (the ECT Act),
- System records exact time and date of submission in a manner that provides appropriate probity to stakeholders such as auditors,
- System to prevent unauthorised access and system to show if infringement,
- System of authorised persons to set / change dates for opening data received,
- System allows simultaneous communication,
- System of record-keeping meets legislative requirements such as The National Archives and Records Service of South Africa Act (Act. No. 43 of 1996, as amended).

1. PRESCRIPTS

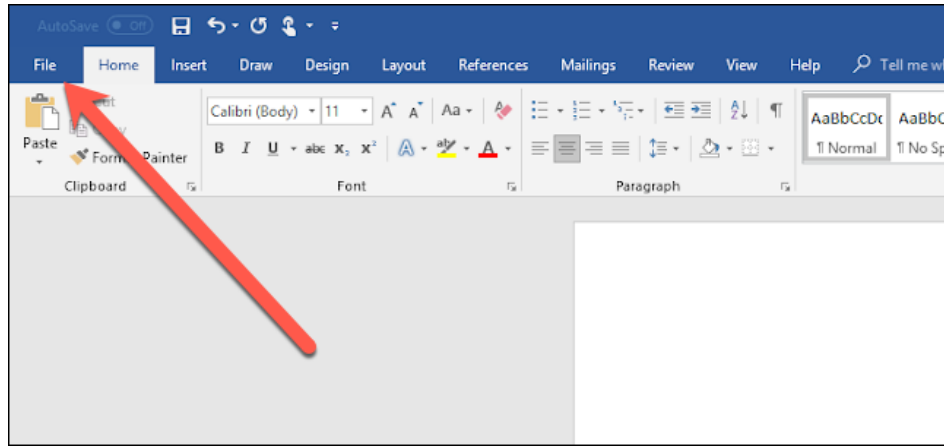
- All files must be submitted in pdf format unless otherwise stated.
- Pricing submission (including any SBDs where bidder's price is quoted) must be password protected and submitted as a separate file.
- **Two envelope system:** All bidders document must be submitted to the email address specified on the NRF bid document and however the password to the password protected pricing file must be submitted as a separate file and emailed as specified in the bid document.
- The NRF email size limit is 20 MB, bidder must ensure that their submission is no bigger than this limit.
 - Your files must be Zipped to ensure that your submission is in line with the email size limit
- Timeline for submitting password to NRF
 - The password for pricing file must **not** be submitted before the bid closes.
 - The password may be submitted 1 minute after bid closure and no later than 2 days post bid closure. Failure to submit within 2 days may lead to bid being unable to be evaluated thus rendering them unresponsive.
- The subject of your email quote verbatim the bid name in the exact words provided in the NRF bid document.

2. GUIDELINES

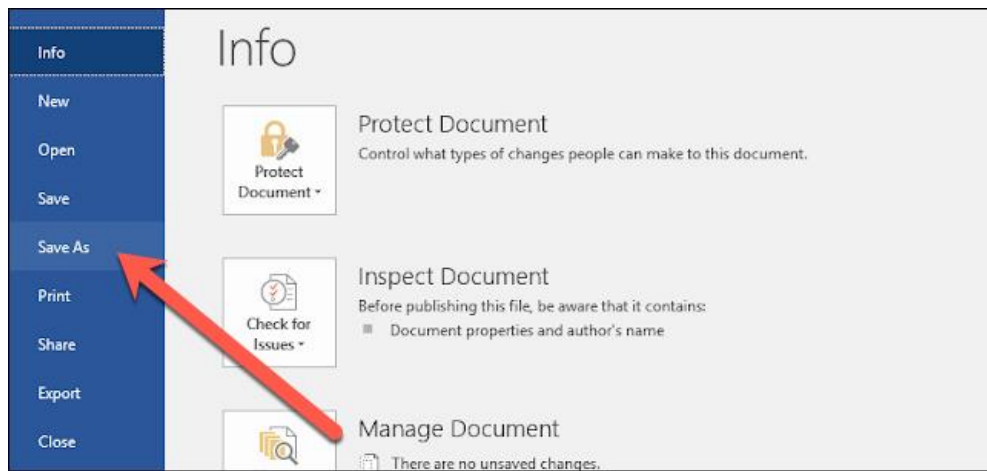
Converting to pdf

- If you have the desktop version of Microsoft Word, the easiest way to convert your document to PDF is right in Word itself.
- Open the document you want to convert, and then click the "File" tab.

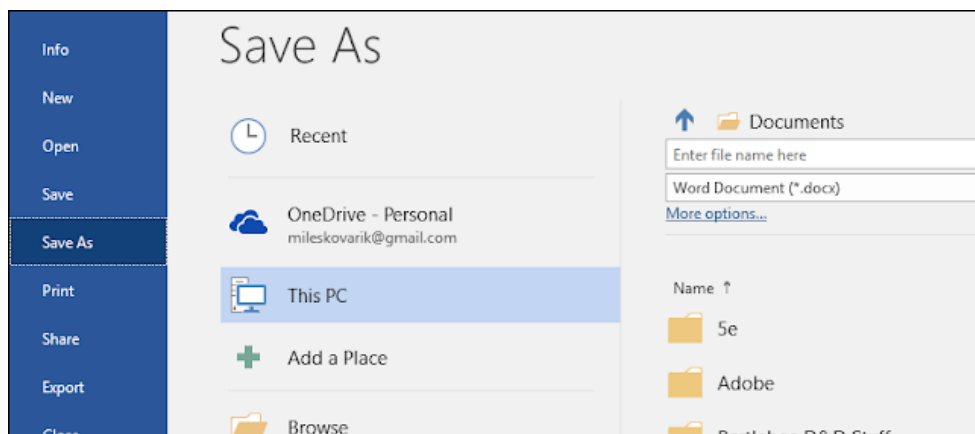
³ SANS 10845-1 paragraph 4.7



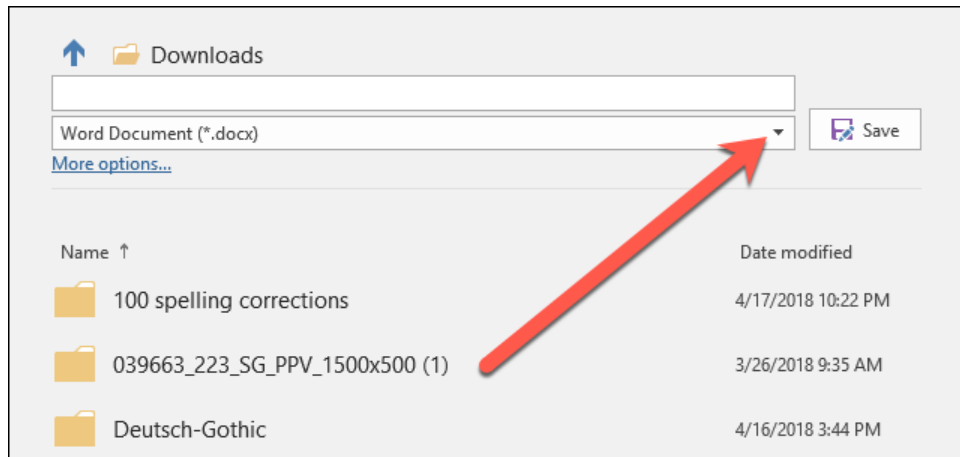
- On the backstage screen, select “Save As” from the list on the left.



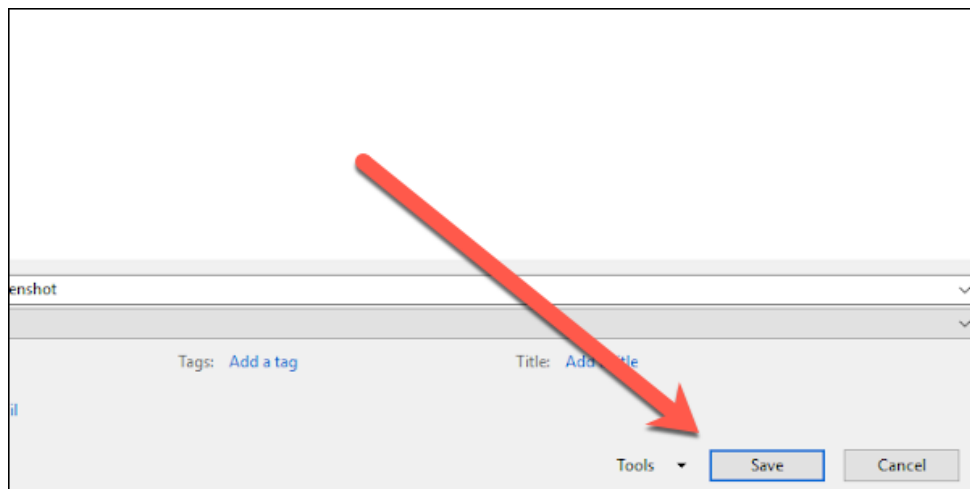
- On the Save As screen, select where you would like the PDF to be saved (OneDrive, This PC, a particular folder, or wherever).



- Next, click the dropdown arrow on the right side of the “Save as type” box, and select “PDF (*.pdf)” from the dropdown menu.



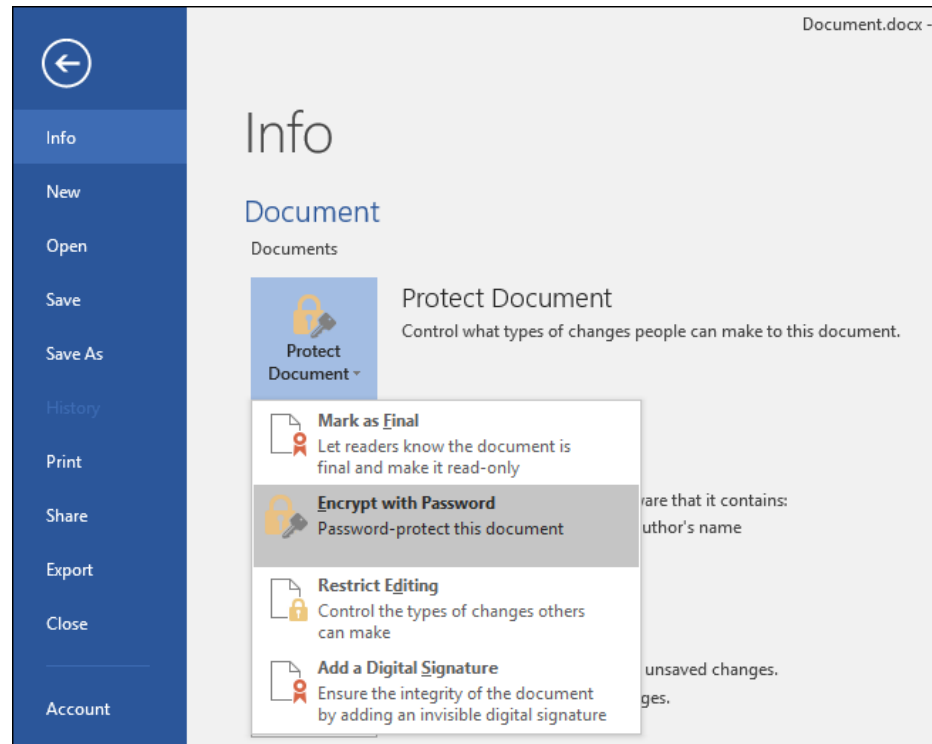
- If you want to, you can change the filename at this time. When you're ready, click the "Save" button.



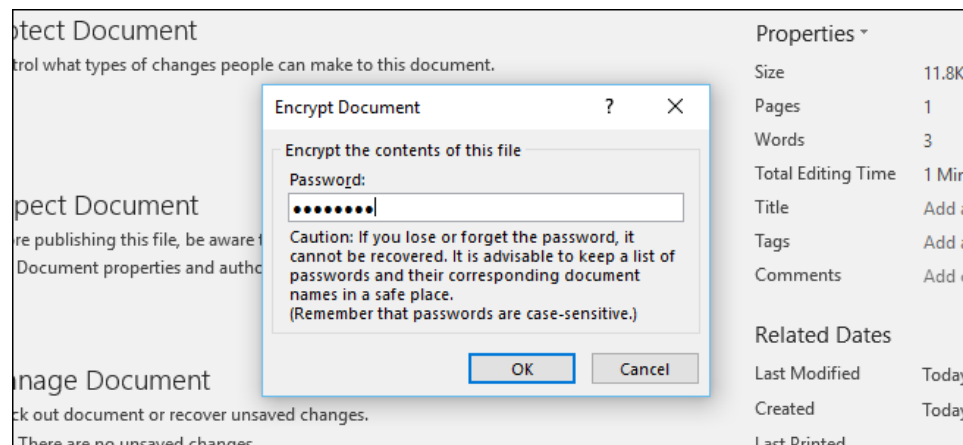
- After saving the PDF, you'll be returned to your Word document, and the new PDF will open automatically in your default PDF viewer.

Password protecting files

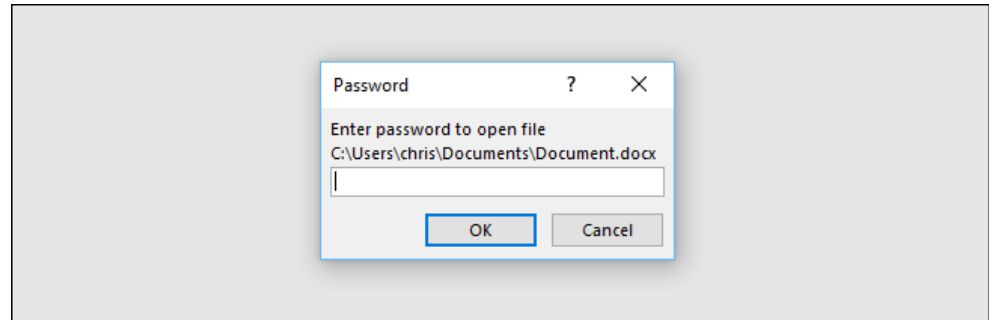
- To password protect an Office document, first open it in Word, Excel, PowerPoint, or Access. Click the "File" menu at the top-left corner of the screen. On the Info pane, click the "Protect Document" button and select "Encrypt with Password."
- The button is only named "Protect Document" in Microsoft Word, but it's named something similar in other apps. Look for "Protect Workbook" in Microsoft Excel and "Protect Presentation" in Microsoft PowerPoint. In Microsoft Access, you'll just see an "Encrypt with Password" button on the Info tab. The steps will otherwise work the same.
- NOTE: If you only want to restrict editing of the document, you can choose "Restrict Editing" here, but as we said, that is not very secure and can easily be bypassed. You're better off encrypting the entire document, if you can.



- Enter the password you want to encrypt the document with. You'll want to choose a good password here. Weak passwords can be easily guessed by cracking software if someone gains access to the document.
- **Warning:** You'll lose access to the document if you ever forget your password, so keep it safe! Microsoft advises you write down the name of the document and its password and keep it in a safe place.



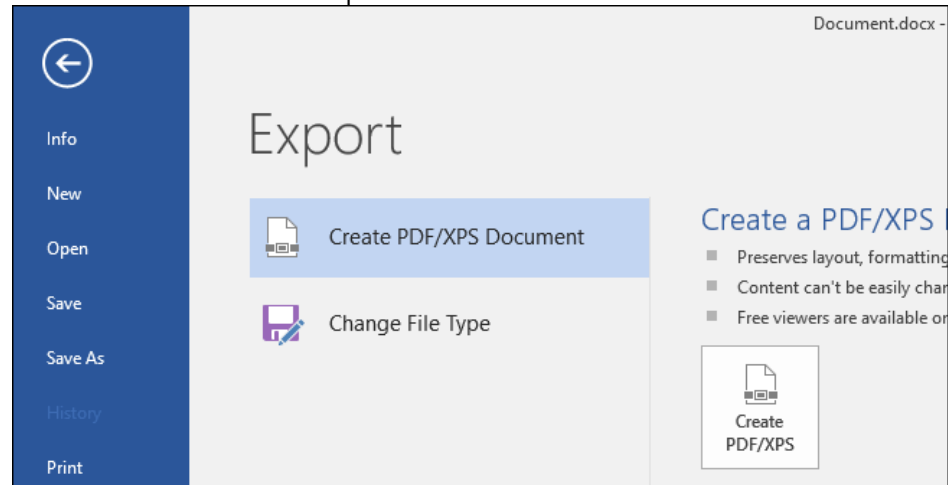
- When a document is encrypted, you'll see the "A password is required to open this document" message on the Info screen.
 - The next time you open the document, you'll see an "Enter password to open file" box. If you don't enter the correct password, you won't be able to view the document at all.



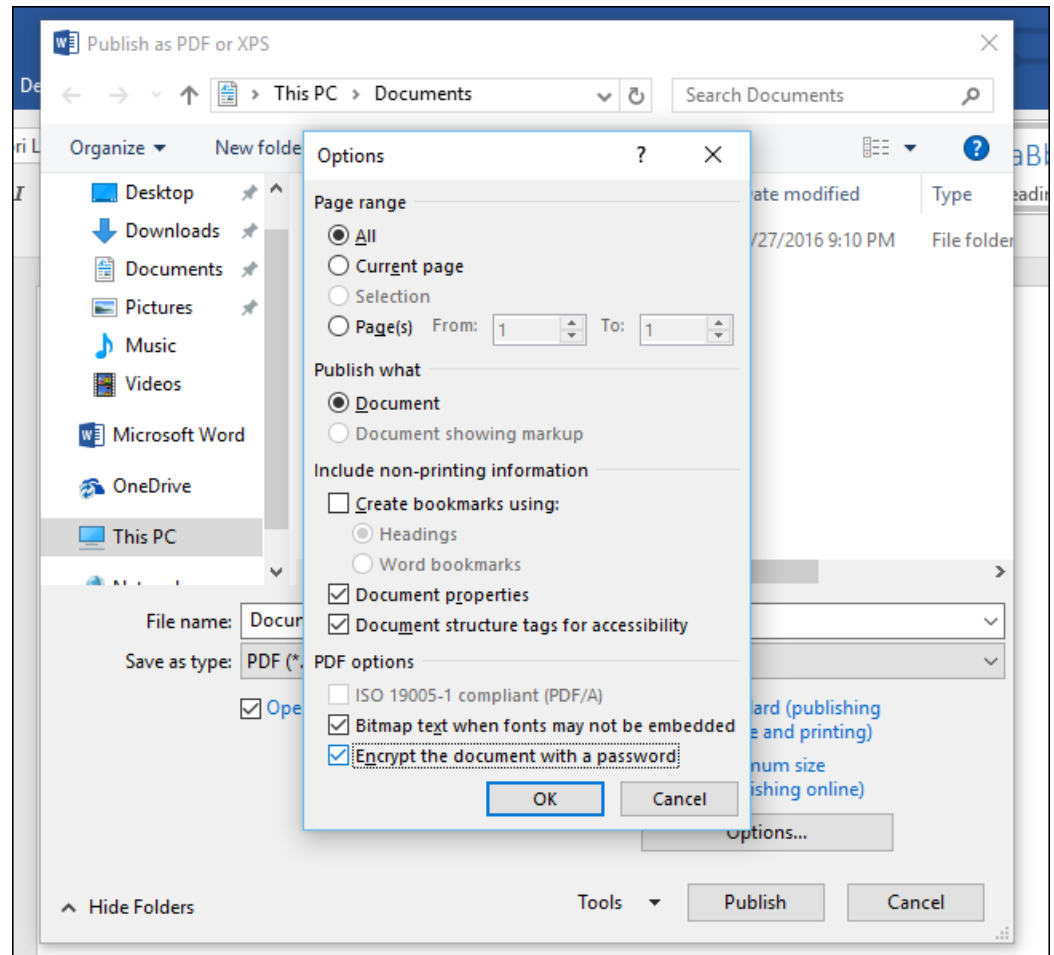
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- To remove the password protection from a document, click the “Protect Document” button and select “Encrypt with Password” again. Enter a blank password and click “OK.” Office will remove the password from the document.

How to Create a Password Protected PDF File

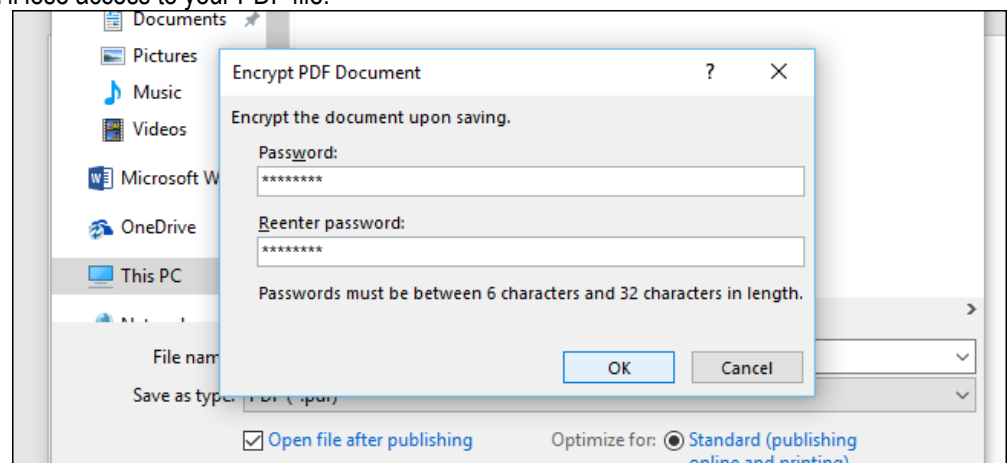
- You can also export an Office document to a PDF file and password protect that PDF file. The PDF document will be encrypted with the password you provide. This works in Microsoft Word but not Excel, for some reason.
- To do this, open the document in Microsoft Word, click the “File” menu button, and select “Export.” Click the “Create PDF/XPS” button to export the document as a PDF file.



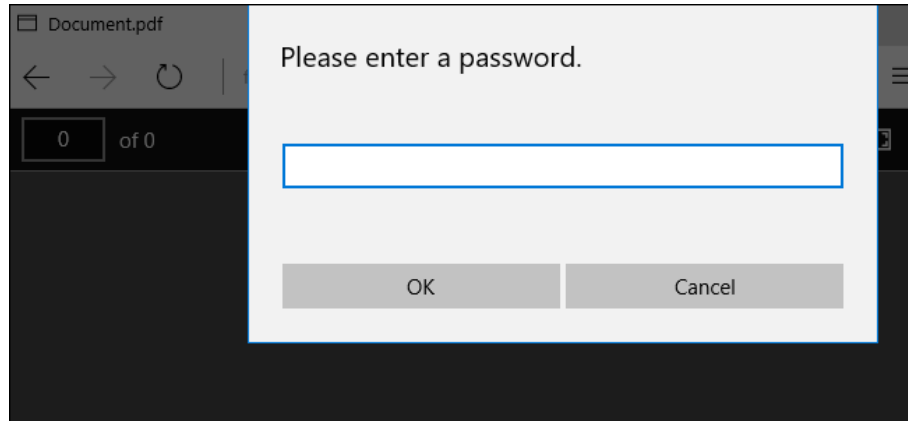
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- Click the “Options” button at the bottom of the save dialog window that appears. At the bottom of the options window, enable the “Encrypt the document with a password” option and click “OK.”



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- Enter the password you want to encrypt the PDF file with and then click “OK.”
- When you’re done, enter a name for the PDF file and click the “Publish” button. Office will export the document to a password-protected PDF file.
- **Warning:** You won’t be able to view the PDF file if you forget the password. Be sure to keep track of it or you’ll lose access to your PDF file.



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- You’ll have to enter the PDF file’s password when you open it. For example, if you open the PDF file in Microsoft Edge–Windows 10’s default PDF viewer–you’ll be asked to enter the password before you can view it. This also works in other PDF readers.



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Zippping your files.

- Put all the files into a new folder
- Right-click on the folder to be sent
- Select "Send To" and then click "Compressed (Zipped) folder"
- The files will start compressing
- After the compression process is complete, attach the compressed file with the extension .zip to your email.

Keeping passwords safe.

We recommend that you store the password either as a note on a hardcopy document which is then filed or stored safely or a softcopy that is saved in the bid response folder once the bid has been submitted or in line with your document management policy.

METHODOLOGY

1. **Expectations:** Interviews with a representative sample of SCM staff, including the CFO, Corporate SCM, two business units as well as one Business Unit ICT section to obtain details of expectations, ideas, status quo and opportunities for quick wins. This includes use of software employed for external service providers such as travel management services, as well as brief market scan of e-Procurement platforms available for adoption such as stationery.
2. **Benchmarking (Schedule 3A public entities)** A case study including an analysis of the extent that a similar Schedule 3A entity, has implemented e-procurement with details of the success, costs and details of such implementation
3. **Benchmarking (Schedule 3B public entity):** A case study including an analysis of the extent that a sister entity has implemented e-procurement with details of the success, costs and details of such implementation.
Benchmarking (Province): A case study detailing the process, progress and planning of a potential e-Procurement implementation at a province in order to obtain details of best practices, risks, opportunities, network of experts and any other information relevant for both a feasibility and roadmap, including reasons to change costing model/s and/or ERP software platform/s.
4. **Benchmarking (Provincial public entity):** A case study detailing the process, progress and planning of a potential e-Procurement implementation at a provincial public entity in order to obtain details of best practices, risks, opportunities, network of experts and any other information relevant for both a feasibility and roadmap.
5. **Benchmarking (Private sector D365):** A case study including an analysis of the extent of the potential of D365 in the private sector with details of the success, costs and details of such implementation in a nominated private sector company.
6. **Benchmarking (Major public entity):** A case study including an analysis of the cost-effectiveness of a major public entity with details of the success, costs and details of such implementation.
7. **Analysis of D365:** Understanding and documenting the existing system, together with details of historical aspirations and cost estimates.
8. **Feasibility framework:** The identification of leading feasibility frameworks, and the choice of a specific leading framework to determine feasibility criteria to systematically inform decisions of this nature and/or hosting vendor software, and the application thereof for this project.
9. **Roadmap:** High level roadmap should the feasibility framework process yield a positive recommendation, failing which to be regarded as not applicable to this project.

Augmented methodology proposals will be considered conditional on the suite of proposals including at least one proposal including the above methodology.

CONTEXTUAL CONSIDERATIONS (SWOT)

Strengths and Opportunities

- **Automation appetite:** The NRF has approved leading edge automation post-2025. The timing is being reviewed in light of Digital Transformation initiatives, and there exists an appetite to move such automation forward with immediate effect should a feasibility study demonstrate it will be simpler, more economical and faster.
- **Software discretion:** The NRF is permitted to implement its own ERP systems, compared to say entities such as government departments who need to work via SITA.
- **Methods integration:** The use of catalytic methods, such as umbrella agreements, provide an appropriate platform to synergise two different approaches (internal ERP software and methods). Refer **Annexure D: Methods Toolkit** for a high level summary of a number of such methods.
- **Leveraging other software platforms: External service providers platforms:** Potential exists to leverage other platforms as standalone processes or to integrate same such as:
 - Travel Management Services
 - e-Catalogues such as stationery
- **Precedent:** It appears that the NRF is not the first public entity to consider and/or consider adopting e-Procurement; and as such can leverage such experience.
- **Prescriptive requirements:** Legislative intent⁴ appears to make automation compulsory if simpler and more cost effective according to National Treasury's Draft Procurement Bill.⁵
- **ERP implementation:** The NRF recently placed SCM on the MS D365 ERP platform. An existing platform is therefore available, and potential may exist within the MS D365 module/s to configure key requirements.

Weaknesses and Threats

- **Regulatory prescripts:** SCM is highly regulated. Regulatory authorities, such as CIDB, National Treasury have a track record of providing numerous prescripts each year, most of which will require system changes, and the cost of compliance may be untenable for individual entities not sharing common e-Procurement applications, and even the lack of integrated databases.⁶

⁴ Section 2(b)(v) of the Draft Procurement Bill provides a primary object of "uses technology to simplify procurement processes and better leverage economies of scale" and Section 15 "Institutions must, to the extent possible, use information and communication technology to implement any of the procurement methods in this Act" and seeks authority in Section 12(1)(g) for the Minister to "make regulation regarding... the use of information and communications technology in procurement."

⁵ Whilst highly commendable, it also appears paradoxical in light of the ongoing prescripts which create numerous hurdles to technology adoption in practice, refer next section "Regulatory prescripts" contained in *Weaknesses and Threats*.

⁶ The Draft Procurement Bill as an example seeks to empower the regulatory authority/ies to create databases

- **Window of opportunity may be removed:** The quickest win for e-Procurement often centres around COTS (Commercial Off The Shelf) goods, and the CPB (Central Purchasing Body), being National Treasury have indicated in the Draft Procurement Bill their intention to make their transversal agreements compulsory. If promulgated this may remove the key benefit.⁷
- **NRF's level of complexity may not be reduced to simplicity:** The level of complexity of NRF procurement, occasioned by the unique NRF mandate, which includes research and innovation, is of such a nature that standardisation may not be practical, particularly when combined with complex methods, such as Competitive Dialogue, complex pricing models such as dynamic pricing, and complex contracting arrangements such as use of advanced suite of infrastructure contracts such as FIDIC and NEC.
- **Cost-effectiveness of e-Procurement:** It appears that in order to extract value from an e-Procurement process that significant investment is required, and it is not clear that value is commensurate. A key example is one of South Africa's largest provinces who appear to have changed their existing e-Procurement platform as the pay per value model was too expensive.⁸
- **Strategic sourcing best practices may not be permitted:** The matching of appropriate methods to categories and of maximising methods that are simpler and result in economies of scale may not be approved by the regulatory authorities.⁹
- **Harmonisation of developmental objectives:** A common complaint of e-Procurement platforms in developed countries is the level of sophistication and infrastructure required by service providers. In light of South Africa's differential level of development, and particularly its focus on developing SMMEs, it is unclear to what extent the gap will be bridged in this respect if innovative workarounds are not in place.

⁷ An instance of such a category includes Travel & Accommodation. At one stage the regulatory authority indicated their intention of centralizing same, and then did not. Even very large software projects planned for organs of state face challenges, with the regulatory authorities key example of the failure of the proposed Integrated Financial Management System during the previous decade, apparently costing hundreds of millions according to some press reports?

⁸ Anecdotal. Third hand information. Details available at the briefing session upon request.

⁹ The Draft Procurement Bill seeks to legislate methods and associated procedures, refer for example Sections Section 91(1)(a), 27(1) and 93. The initial list of methods to be approved in the Draft Procurement Bill do not appear to make any allowance for the type of sophisticated methods required for complex procurement, and variants such as different stages for multi-stage procurement such as the use of two-stage panels, may be at least 50 years behind the rest of the developed world. The old adage of pouring new wine (advanced methods, advanced systems) into old wineskins (outdated methods) may be applicable.

ANNEXURE D

METHODS TOOLKIT

In order to maximise the full potential of e-Procurement, it is supported by underlying agreements which are obtained through specific methods, and as such any proposed system should be integrated into the use of such agreements/methods. The use of such methods provides initial efficiencies and economies.

A number of options are included below with initial views on the possible application to e-Procurement.

METHODS TOOLKIT ANALYSIS MATRIX

Method ¹⁰	System implications	Comment
Framework Agreement (incl. Master and Term Agreements) ¹¹	Provision is made for call-offs ("orders"), which may be designed to integrate into the ordering system	In the long-term suppliers could apply for inclusion in Open Framework Agreements via the system
Panel Agreement	Single stage panel agreements follow the same process as Framework Agreements above. Double stage panel agreements limit the pool of potential suppliers to the list of accredited panel members in a closed system.	
Transversal Agreement	Existing system is manual and very-time-consuming, and possibility of integration is moot.	If and when such transversals become compulsory it would be ideal if the step of supplier approval is removed from Treasury Regulations, and/or supplier approval is initiated from the procuring entity and not from the central purchasing body (CPB). If such changes are made, long-term initiatives would include database access similar to an e-Catalogue type of arrangement.
Purchasing Cooperative ¹²	No e-Procurement module. Virtually nothing. The same relationship with suppliers remain in place.	Mention of PURCO contract during quotation process should get PURCO rate ¹³ Formal participation in

¹⁰ Definitions, examples and templates available upon request.

¹¹ Whilst Master and Term Agreements are separate from Framework Agreements, they are often regarded as synonymous. For the purposes of this document they are combined for practical purposes, including LTAs (Long Term Agreements).

¹² The NRF is a member of a purchasing cooperative known as PURCO

¹³ PURCO purchases are a small fraction of NRF spend. Estimated spend may be between R10m to R20m annually (R10m calculation based on sharing the rebate PURCO receives of 2%, assuming NRF gets half, namely 1% based on a R100 000 rebate). Categories may include gas cylinder, photocopier paper, toilet paper, some forms of travel e.g. rates for air travel.

Method ¹⁰	System implications	Comment
	Furthermore PURCO appear to have no plans for e-Procurement.	PURCO contracts will result in possible Framework Agreement possibilities.
e-Catalogue (vendor embedded or governed by Framework Agreements)	No e-Procurement module. Virtually nothing as the onus is on the supplier in terms of bid invitation requirements. This variation is a supplier e-Catalogue which NRF staff access via the internet and/or via vendor embedded software e.g. Waltons Stationery. All the cost and risk is on the supplier.	NRF's three TMCs employ identical outsourced software for their operations; and some business unit have direct access e.g. SAIAB, SARAO and iThemba LABS.
P-Cards (Purchasing cards)	No e-Procurement module. Use of cards (real or virtual) for petty cash type expenditure	Such a system is different to the e-Procurement system. The R2000 petty cash limit is too low to invest considerable resources based on the benefits. It works for organisations that are not regulated, such as one key university which may allow up to R30 000 per transaction for certain categories.
Dynamic Purchasing Systems ¹⁴ (including "electronic catalogue")	Fully electronic process is a pre-requisite.	The EU are very cautious about adoption. Unlikely that South Africa will legislate this method in the next few years. ¹⁵

The common denominator of the above methods is that they are largely successful in a COTS (Commercial Off the Shelf) context, making automation relatively easier.

In the context of where the vast bulk of NRF's expenditure goes, as well as the NRF's strategic trajectory, the automation will be limited, noting that National Treasury itself acknowledges such differences, including:

- Procurement over the advertisement threshold, currently R1m
- Consultants (noting different treatment of different categories by the World Bank)
- Infrastructure (noting different treatment of different contract types by international bodies) including ongoing development
- Public Private Partnerships

¹⁴ The legislated EU term and understanding are employed being a fully electronic form of a particular category of Framework Agreements. This is a Model 3 Framework Agreement, which is an Open Framework Agreement which means any prospective service provider can apply for the right to supply at any time. The term "electronic catalogue" is not be taken literally, it is a specific EU term which designates a particular fully electronic bidder response in any electronic form, noting the EU's complex project of attempting to standardise such responses in a common electronic form; something which is probably decades away from a South African context., should the EU succeed in agreement on such a common electronic platform.

¹⁵ Noting that the intention of National Treasury in the draft Procurement Bill is to legislate methods, which then bans all other methods unless specific exemption is granted (which based on prior experience such exemption may be generally unlikely).

- Piggy-back agreements
- Innovation (including pre-commercialisation (PCP), innovation partnerships (IP_ and public procurement of innovation methods (PPI), which may include use of highly flexible and complex procurement processes such as Competitive Dialogue.

ANNEXURE E

CLARIFYING SCOPE IN LIGHT OF A UNIVERSE OF E-PROCUREMENT MODULES

Potential module	NRF focus (this phase) under R1m	Comments
e-Planning and/or e-Prepare	n/a	Demand Management Plan also excluded
e-Sourcing	n/a at this stage	Excluding use of platforms such as National Treasury's disbanded gCommerce (where applicable) as well as integrating to NRF's one day delayed CSD database
e-Catalogue	Yes	Click and buy ideally from external provider or embedded vendor software; or separate phases. Goods are COTS (Commercial off the shelf), and services, if any, are standardised.
e-Notification	n/a	This is not an electronification (manual to electronic) project; relevant to a number of the modules that follow.
e-Tendering (e-Access, e-Submission)	n/a	As above noting that the Draft Procurement Bill (Refer Annexure) continues to permit manual submissions.
e-Access (publication of relevant documentation)	n/a	
e-Submission	n/a	
e-Attestation (due diligence e.g. qualification criteria)	n/a	Buyer's responsibility to ensure in place from say e-catalogues and market research. In the longer-term the EU processes may be relevant for South Africa (refer threshold directive for terminology and details)
e-Compliance (legislative) ¹⁶	TBA	Ideally the method e.g. framework agreement addresses compliance upfront and not each time orders

¹⁶ NRF term, namely compliance with all legal requirements

Potential module	NRF focus (this phase) under R1m	Comments
		occur, making this potentially n/a for this method. Different methods may require different forms of compliance at different stages. Refer Methods Annexure.
e-Awarding (refer e-Evaluation later)	n/a	
e-Contract	n/a	
e-Request	n/a at this stage	Internal processes either manually or electronically are already in place
e-Order	Yes	Click and Buy combines numerous “modules” together
e-Invoicing	n/a from purchaser perspective	Some process for Click and Buyer to ensure adequate audit trail
e-Payment	Yes	Click and Buy combines numerous “modules” together
e-Evaluation	n/a	If addressed by upfront process such as a one stage Framework Agreement
e-Auction	Possible, not probable	Probably not at this stage (e.g. e-Bay)
e-Award	n/a	Click and Buy combines numerous “modules” together
e-Archiving	Yes	Credible electronic audit trail
e-Contract Management ¹⁷	n/a at this stage	National Treasury have indicated an intention to include all contract management milestones in a central repository

Sources: References and detailed documentation provided upon request

Whilst certain functions below may form part of e-procurement, they are ancillary to e-Procurement, including:

- Digital transformation including full integration and/or elimination of manual processes to electronic processes
- Electronic compliance
- Performance reporting
- Contract design and/or contract standardisation
- Contract management

¹⁷ NRF terminology. Contract Management is not strictly an SCM function, included for completion – Refer comment column