

SOUTH AFRICAN



***CIVIL AVIATION
AUTHORITY***

REQUEST FOR QUOTES (RFQ)

FOR THE PROVISION OF INSURANCE BROKER SERVICES

1. INTRODUCTION

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

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

The SACAA, as prescribed by the Civil Aviation Act as well as the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) is a Schedule 3A public entity.

2. BACKGROUND ON THE PROJECT/ REQUIREMENTS

2.1. The SACAA is a medium-sized organization employing approximately 600 employees. To maintain and keep abreast with best practices on employees' benefits, the SACAA is embarking on the process to review group risk benefit for its employees.

SACAA's business recognizes and supports the total reward model as part of the overall employee value proposition and as such group risk benefit is a critical and integral part of the benefit structure in the organization.

2.2. SACAA has employees based in the following two (2) separate offices/ Provinces:

2.2.1. Cape Town offices;

2.2.2. Midrand offices (Ikhaya Lokundisa I and II)

3. PURPOSE

3.1 SACAA invites all suitable, experienced, and registered benefit insurance brokers to submit proposals to review and secure adequate group risk benefit insurance for SACAA employees that meet the following criteria;

3.1.2 The service provider must provide SACAA with other crucial options of benefits to keep SACAA competitive in line with new employee benefits in the market trends.

3.1.4 To provide a cocktail of benefits as options from the current trends to suit and accommodate different categories of employees.

3.1.5 The service provider must make proposals to the SACAA of new benefits with view to change and bring flexibility to employees.

- 3.2 The insurance broker will be required to act as an agent / intermediary/ between SACAA and the local and international insurance market in accordance with specific criteria
- 3.3 The emphasis will be on technical proposals made to SACAA on the most cost-effective placement, maintenance, and administration of the insurance portfolio in the insurance market, taking into consideration the mitigation of business and financial risks exposure.

4. DURATION OF SERVICE

The appointed service provider will be required to start immediately after signing the contract and provide services for a period of three (3) years, subject to the annual review of the service provider's performance.

5. SCOPE OF WORK AND SPECIFIC REQUIREMENTS

5.1 The appointed service provider will be required to perform the following:

The services to be rendered by the broker should include advisory and general services related to the placement, maintenance, and administration of the insurance portfolio. The services should incorporate at least the following insurance actions:

5.2 Key Requirements

The broker is expected to meet the following requirements

- 5.2.1. Take over account from the current service provider/insurance broker.
- 5.2.2. Review existing Funeral and Death Benefit (Group Risk) cover, limits & sums insured.
- 5.2.3. Establish uninsured risks, exposures, and internal self-assurance capacity (provide value-add input/perform assessments on risks).
- 5.2.4. Conduct insurance market exercise, conduct pre-renewal meetings to discuss excess structures and alternatives for renewal.
- 5.2.5. Provide quotes for comprehensive Funeral and Death benefit insurance cover for various categories
- 5.2.6. During the term of the contract, the service provider must issue underwriting questionnaires to SACAA at least three (3) months before the expiry of existing covers.
- 5.2.7. The appointed service provider must negotiate and obtain group risk benefit

insurance covers that are most advantageous to SACAA, with minimal exclusions. The appointed service provider may be required to provide proof of such negotiations.

- 5.2.8. Perform full third-party claims service.
- 5.2.9. Presentation of renewal terms and recommended options.
- 5.2.10. Compilation of comprehensive insurance procedure manual as well as full summary on cover(s), limits, conditions and exclusions.
- 5.2.11. Provide advisory services to SACAA on Group Risk benefit insurance portfolio.
- 5.2.12. Claims logging and tracking.
- 5.2.13. Group Risk claims reports with recommendations.
- 5.2.14. The service provider must arrange for the issuing of the necessary policy documents by the underwriter on behalf of SACAA, within a month of renewal.
- 5.2.15. Provide training and or workshop to SACAA staff on the management of group risk insurance risks and relevant group risk insurance procedures as well provision of insurance tracking claim tool.
- 5.2.16. Monthly/Quarterly reporting with recommendations.
- 5.2.17. Provide account summary and handover process at the end of the contract.

5.3 Expected Conduct of the appointed bidder

- ✓ To conduct its business activities with the utmost good faith, honesty, integrity and transparency and consistently uphold the interests and needs of SACAA as a client before any other consideration.
- ✓ To ensure that any information acquired by the Broker from SACAA will not be used or disclosed without consent from SACAA.
- ✓ To obtain all material information from SACAA relevant to the assessment and acceptance of any risks by an insurance underwriter and communicate the information to the underwriter.
- ✓ To comply with all legislation relating to the financial services industry; in particular, the Broker must only offer advice and render intermediary services in respect of financial products for which the Broker is authorized in terms of the legislative framework.
- ✓ Specify territorial limits and requirements on insurance cover outside South Africa considering that some of the employees may travel overseas for work/training and or any event as authorized by the authority.
- ✓ The Broker must be an authorized Financial Services Provider, and the Broker representative must ascribe to the Code of Conduct for financial services providers

as promulgated in terms of the Financial Sector Conduct Authority (FSCA).

- ✓ The bidder should only include their broker fee per annum on their proposal.
- ✓ Keep SACAA up to date with the latest amendments to the Legislation on Insurance (if required through workshops).

6. EVALUATION PHASES

Bidders will be evaluated in accordance with the Supply Chain Management Policies as well as the Procurement Policy Framework, 2000 (Act No. 5 of 2000) and the Preferential Procurement Regulations of 2022. The evaluation criteria will consist of the following three (3) phases:

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

Bids received will be verified for completeness and correctness. SACAA reserves the right to accept or reject a bid based on the completeness and correctness of the documentation and information provided. The set of bidding documents must be completed and submitted. (SACAA reserves the right to request information/additional documents if there are any missing from the bidder(s) submission).

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

Document	Comments	Compulsory requirement
Proof of registration on the Central Supplier Database (CSD) of National Treasury	Prospective bidders must be registered on the Central Supplier Database (CSD) prior to submitting bids. Please indicate / supply the supplier number.	Yes
SBD 4 (Bidders Disclosure)	Completed and signed	Yes
Submit copy of valid registration license certificate with Financial Sector Conduct Authority (FSCA).	Proof must be provided	Yes
Confirmation of Broker's Professional Indemnity Cover	Proof must be provided	Yes

6.2 Phase 2: Functionality/ Technical Evaluation

SUB-CRITERIA	DESCRIPTION	POINTS	
		MIN	MAX
Approach and Methodology	<p>Detail recommended workflow / process map to be adopted and implemented at SACAA. Turnaround time should be linked to the process map.</p> <ul style="list-style-type: none"> Well defined process map = 10 points Moderate process map = 5 points Poor or non-submission = 0 points 	5	10
	<p>Claims handling process, turnaround time for attending to submitted claims.</p> <ul style="list-style-type: none"> Less than 2 working days = 20 points 3 to 5 working days = 15 points More than 5 working days = 0 points 	15	20
	<p>Also indicate availability on ad hoc, thus how soon would the company respond to ad hoc requests.</p> <ul style="list-style-type: none"> To 1 to 3 working days = 10 points 4 to 5 working days = 7.5 points More than 6 working days = 0 points 	7.5	10
	<p>How long would it take, to take over the contract from the current service provider and to implement the system.</p> <ul style="list-style-type: none"> Implementation within a month (please specify) = 10 points Between one to two months = 7.5 points More than two months = 0 points 	7.5	10
Relevant experience of key personnel assigned to all services.	<p>Resumé of key account manager who will directly work on SACAA's account.</p> <ul style="list-style-type: none"> More than ten (10) years' experience = 15 points Seven (7) to ten (10) years' experience = 10 points 	10	15
Company's experience in brokering services.	<ul style="list-style-type: none"> More than ten (10) years' experience = 20 points Eight (8) to ten (10) years' experience = 15 points Less than 8 years' experience = 0 points 	15	20

Relevant and contactable references where the bidder was rendering similar services to State Owned Entity (SOE).	Each reference letter should be in a letterhead (with contact and signature of the contact) of the SOE department where the bidder has rendered similar services. <ul style="list-style-type: none"> • Five (5) or more letters of reference, in the last 5 years = 15 points • Three (3) or four (4) letters of reference, in the last five years = 10 points • One (1) or two (2) letters of reference, in the last five years = 3 points 	10	15
TOTAL		70	100

Any bidder scoring less than 70 points will not be considered for further evaluation. The evaluation team may call the shortlisted bidder (s) for presentation, should they need further clarification on the bidder’s proposals.

6.2 Additional Information to Bidders

SACAA reserves the right to clarify any information with any prospective bidder regarding their response to this RFQ at SACAA’s discretion within a reasonable period.

6.4 Phase 3 - Price and Specific Goal Evaluation

Bidders who comply with the requirements of this bid will be evaluated according to the preference point scoring system as determined in the Preferential Procurement Regulations, 2022 pertaining to the Preferential Procurement Policy Framework Act, (Act No 5 of 2000). For this bid 80 points will be allocated for Price and 20 points for Specific Goal.

This tender will be evaluated using the 80/20 preferential point system. The following PPPFA formula will be used to evaluate price:

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

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

P_t = Rand value of bid under consideration.

P_{\min} = Rand value of lowest acceptable bid.

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

Points for this bid must be awarded for:

- (a) Price; and
- (b) Specific Goal.

The maximum points for this RFQ are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOAL	20
Total points for Price and SPECIFIC GOAL	100

POINTS AWARDED FOR A SPECIFIC GOAL

In terms of the Preferential Procurement Regulations 2022, points will be awarded for specific goal in accordance with the table below:

SPECIFIC GOALS	Number of points
100% Black ownership	20
51% Black ownership	10
50 - 30% Black ownership	5
0% Black ownership	0

- 6.4.1 The evaluation of Price and Specific Goal will be based on broker’s fee for the duration of the contract.
- 6.4.2 All prices proposed must be fixed per annum covering all direct and indirect costs related to the provision of short-term insurance brokerage fee. SACAA will not pay any additional costs once the contract is awarded.
- 6.4.3 To facilitate like for like comparison, bidders must submit pricing in accordance with the price schedule below and not utilize a different format. Deviation from this pricing schedule may result in a proposal being declared non-responsive.
- 6.4.4 Quotation/Cover Limits/ Premiums for types of cover required as per 5.4 above, will be submitted only by the appointed bidder.

6.4.5 The price for this RFQ should be quoted in South African Rands and submitted as per below:

Description	Year 1	Year 2	Year 3
Fixed Annual Brokerage Service Fee			
VAT @15%			
Total Broker's Fee incl VAT			

NON-COMPULSORY BRIEFING SESSION

There will be no briefing session and any service provider that may seek further clarity can send their queries to Ms Itumeleng Matjie at Matjiei@caa.co.za to seek any clarity on the bid document. All requests must be submitted by email.

6.5 Submission of Proposal

Proposals must be submitted electronically via email to caaquotes@caa.co.za. The bid submission requires a three (3) envelope system as per Section 6 of the evaluation criteria above. **Closing date and time for submission of bid is 22 January 2025 @17h00pm**

6.5.1 Electronical file 1

All mandatory documents on Phase 1.

6.5.2 Electronical file 2

Technical proposal.

6.5.3 Electronical file 3

The pricing schedule