

TERMS OF REFERENCE

REVIEW OF THE ECGB'S REMUNERATION, REWARDS AND INCENTIVES TO INFORM POLICY

1. INTRODUCTION AND BACKGROUND

- 1.1 The Eastern Cape Gambling Board (ECGB) is a statutory body established by the Eastern Cape Gambling Act, 1997 (Act No.1 of 2016) (as amended) (the Act).
- 1.2 The mandate of the ECGB is to regulate and control all gambling activities within the Eastern Cape Province. This includes the issuing and revocation of gambling licenses, exclusion of problem gamblers, and protection of the public against unscrupulous gambling practices and control of illegal gambling activities in the Province.
- 1.3 The ECGB Board is embarking on a process of reviewing its remuneration incentives which are provided for in the existing Integrated Performance Management System (IPMS) Policy and the Remuneration and Rewards Policy and therefore looking for a service provider / remuneration specialist to conduct this review.
- 1.4 The organisation consists of 64 positions in the organisational structure.
- 1.5 The ECGB is using Paterson Job Evaluation System and salaries are based on Total Cost to Company (TCTC) approach.
- 1.6 The TCTC packages include the medical aid and provident fund contributions.
- 1.7 In addition to the TCTC package, the ECGB offers the following incentives (variable pay):
 - performance bonus based on an employee's individual performance
 - pay progression based on an employee's individual performance
 - 13th cheque based on organizational performance

2. OBJECTIVE

- 2.1 The objective of this Request for Quotation (RFQ) is to appoint a service provider that will conduct the review of the IPMS policy and the Remuneration and Rewards Policy.
- 2.2 These two policies provide guidance on the payment of fixed and variable pay, and the objective of the review is for the service provider to consider the performance based incentives available to staff within the organisation and the effectiveness of performance targets (individual performance vs organisational performance) and advise the board on the best incentives that the board could adopt for executive management, management and staff below management level.
- 2.3 The objective is to also benchmark:-
 - the executive remuneration of ECGB vs ECGB industry peers in the gambling industry (gambling boards), DEDEAT Eastern Cape public entities and the Department of Public Service and Administration (DPSA) and;
 - the remuneration gaps between executives and lowest paid employee within the ECGB.



3. KEY DELIVERABLES

- 3.1 The service provider is required to conduct a comparison and benchmarking exercise of the executive remuneration with other executives of the ECGB peers namely the gambling boards nationally and the DEDEAT entities within the Eastern Cape.
- 3.2 The service provider is required to conduct an analysis of the remuneration gaps between the executive pay and the lowest paid employee and recommend the best approach in reducing the gaps.
- 3.3 The service provider must conduct a benchmark on the variable pay which mainly consists of performance-based incentives as stated in 1.7 above and advise the Board on the performance-based incentives that can be adopted for these levels - executive management, other management, and all staff below management, and inform the policy position for ECGB. This benchmark should be conducted with the Department of Public Service (DPSA), ECGB peers namely the gambling boards nationally and the DEDEAT entities within the Eastern Cape. In conducting this benchmark, Treasury Regulations and / or instructions must be considered and must inform the policy.
- 3.4 The service provider must further conduct an analysis of the current measurable performance targets which are based on organisational performance vs individual performance and the effectiveness of the applicable rewards and advise on the suitable approach.
- 3.5 A minimum of four (4) gambling boards and four (4) public entities to benchmark from is required for all benchmarks stated in 3.1 - 3.3.
- 3.6 In undertaking the exercise, the following must be done
 - 3.6.1 Hold Introductory meetings including the presentation of a project plan to the Management Committee, HR & REMCO and all staff.
 - 3.6.2 Consultation meetings with management, and HR & REMCO and staff where necessary
 - 3.6.3 Feedback sessions/preliminary report on recommendations to management
 - 3.6.4 Presentation of a final report with recommendations to staff, management, HR & REMCO and the Board. **The report shall be accompanied by a reviewed IPMS Policy and Remuneration & Rewards policy based on the proposals and recommendations that come out of the review.**
- 3.7 The required engagements can be done through a virtual platform except the presentation of final report to the HR & REMCO and the Board which might be done in physical meetings (if required).
- 3.8 The service provider therefore needs to produce a report with the process followed, benchmarks conducted, recommendations and proposals for the ECGB's performance incentives and as well as an approach to reducing the remuneration gaps between executives and the lowest paid employee in the organisation. The report shall be accompanied by the reviewed Remuneration and Rewards Policy and the IPMS Policy which incorporate the proposed amendments.



- 3.9 In developing the project plan, the service provider should be mindful of the set timelines per below table.

Presentation of project plan by SP	17-Feb-23
Preliminary report	10-Mar-23
Final report	17-Mar-23

4. BID EVALUATION PROCEDURES

The following are key criteria that will be used in appointing the successful service provider:

- a. **THRESHOLD:** Bids will be evaluated on **80/20** principle as prescribed in the Preferential Procurement Policy Framework Act Regulations 4 of 2022.
- b. Bids will be considered and evaluated in a two staged approach.
- c. During the first stage, bidders will only be evaluated on functionality, and only qualifying service providers who meet the minimum requirements for functionality will be allowed to proceed to the second stage where scoring will be done on 80 points for price and 20 points for B-BBEE Status Level of Contribution.
- d. Bidders are required to submit their bids in two envelopes with the first envelope outlining the functionality. The first envelope must be clearly marked Stage 1; Functionality.
- e. Furthermore, bidders are required to include their pricing in a second sealed envelope marked Stage 2; Price, which must also include their B-BBEE status level of contribution.
- f. Only bidders who meet the minimum of **75 points** on functionality during the evaluation of Stage 1 will proceed for scoring in Stage 2.

STAGE 1: FUNCTIONALITY EVALUATION

FUNCTIONALITY	MAXIMUM POINTS
A. Company's experience on salary benchmarking/remuneration & rewards projects/contracts in an organisation of similar size and type 4+ salary benchmarking / remuneration & rewards contracts = 35 points 3 salary benchmarking / remuneration & rewards contracts = 25 points 2 salary benchmarking / remuneration & rewards contracts = 15 points letters of reference Bidders are required to submit the completed and signed template of references (attached hereto as Annexure A) with contactable numbers in order to score points.	35
B. Senior Team member experience on salary benchmarking projects/remuneration & rewards contracts. Senior Team member / Project Manager 4+ salary benchmarking / remuneration & rewards contracts = 15 points 3 salary benchmarking / remuneration & rewards contracts = 10 points 2 salary benchmarking / remuneration & rewards contracts = 05 points A detailed CV of the Senior Team Member/Project Manager must be submitted. The CV's must entail/detail the salary benchmarking / remuneration & rewards projects of the Project Manager, furthermore, the claimed projects above must have contactable numbers and names.	15
C. Methodology Bidders are required to provide and submit with their bid documents: - project implementation plan with appropriate milestones - number of engagements with management and staff as well as proposed timeframes to be clearly specified The more likely the bidder is to be able to execute the contract successfully based on the methodology, the more points will be allocated.	35

D. Location of bidder's office 15 points for technical office situated in the Eastern Cape Province. <i>Proof of address required (e.g., Title deed, Valid Lease agreement, Municipal account)</i> <i>Failure to submit the required proof of address will result in no points allocated.</i>	15
TOTAL POINTS	100

STAGE TWO: Preferential points system

PREFERENTIAL PROCUREMENT REGULATIONS OF 2022 WILL APPLY: Preferential Procurement Regulations of 2022

Price and points for specific goals will be calculated as described in the Preferential Procurement Regulation 2022.

NB: Tenderers are to submit proof of the specific goals claimed.

Table 2: Points available per criteria in Stage 2

CRITERIA		POINT SYSTEM
Price		80
Specific goals:		20
50% or >50% Black Ownership	5	
50% or >50% Black female ownership	5	
SMME (i.e., EME or QSE)	5	
Eastern Cape based bidder	5	
	<u>20</u>	
Total		100

5. IMPORTANT SUBMISSION GUIDELINES

All proposals will be adjudicated in terms of the Supply Chain Management Policy of the ECGB and in accordance with the Public Finance Management Act. In addition to those (the conditions) stipulated in any other section of the request for proposals, the service providers should be especially aware of the following terms and conditions:

- 5.1 The Eastern Cape Gambling Board reserves the right not to make any appointment from the submitted proposals.
- 5.2 The Eastern Cape Gambling Board does not bind itself to accept the proposal with highest score.
- 5.3 The Eastern Cape Gambling Board reserves the right to cancel this request for proposal (RFP) and pursue an alternative course of action at any time without incurring any liability towards any service provider.
- 5.4 The Bidders are advised that the submission of proposals gives rise to no contractual obligations on the part of ECGB.
- 5.5 Proposals submitted by electronic transmission or faxed will not be accepted.
- 5.6 All proposals submitted shall become the property of ECGB and shall not be returned.
- 5.7 CSD reports will be used to verify all company/organization's details and tax status pin codes must be provided.
- 5.8 Bidders are required to complete, sign and submit all SBD forms/bid documents. **If the bidder does not meet this requirement, it will be automatically disqualified**
- 5.9 Proposals received after the specified time and date i.e. _____ at **11h00 am** will **NOT** be considered and accepted.
- 5.10 No services shall be rendered or goods delivered before an official ECGB Purchase Order has been issued.
- 5.11 The ECGB may request written clarification or further information regarding any aspect of proposals submitted. Service providers must supply such requested information in writing within the stipulated timeframe after the request has been made, or their proposal may be disqualified.
- 5.12 Service providers shall not qualify their proposals with their own conditions.

- 5.13 The name(s) and contact details of the person or persons(s) in your organisation responsible for this proposal.
- 5.14 A service level agreement shall be signed with the successful service provider.
- 5.15 The ECGB will not be held responsible for any cost incurred by the service provider in the preparation and submission of this proposal.
- 5.16 The ECGB reserves the right to terminate the contract if not satisfied with the work or the deliverables as stated above are not going to be met. Only bidders that meet the requirements of the request for proposal specification shall be considered during the adjudication process.
- 5.17 Bidders that bid as joint venture must have a signed business agreement by both parties. If the service provider does not meet this requirement it will be automatically disqualified.

6. PRICING

Price must be in South African currency and must be inclusive of VAT. Bidders are further required to include any travelling costs and disbursements in their pricing. Price will be evaluated based on 80 points and applicable formula of calculating points.

7. WHERE TO SEND THE PROPOSAL

Please send your original proposal and a copy saved on USB/flash disk to:

REVIEW OF REMUNERATION, REWARDS, AND INCENTIVES (To be marked clearly on envelope)
Eastern Cape Gambling Board
Quenera Park, Quenera Drive
Beacon Bay
East London
5206

8. Contact Details

Name: Ms. Thandi Malotana
E-mail: procurement@ecgb.org.za
Tel no.: 043 - 702 8307

PREPARED BY:


N. NTOYAKHE
HR MANAGER

DATE: 02/02/2023

REVIEWED BY:


Z. MQOBOLI
CHIEF FINANCIAL OFFICER

DATE: 02 February 2023

APPROVED


R.M. ZWANE
CHIEF EXECUTIVE OFFICER

DATE

ANNEXURE A

ECGB RFQ - Details of previous similar work experience

- The respondent / tenderer must complete part A of this form separately for each reference submitted.
- The respondent / tenderer must forward Part B of this form for completion and signing to be completed by the referee, then bind the signed and completed Annexure form with the tender submission.
- It is required that the referee to include their signature & company stamp in the space provided for these.
- It is required that the referee include their contact details to enable verification of the reference. The ECGB will not give scores for incomplete forms.
- The referee to please provide a score (0 - for poor services received, 3 - for satisfactory services received, 5- for good services received)

PART A - To be completed by respondent / tenderer for RFQ submission

Company name of Respondent / tenderer:		
Name of client / referee:		
Location of project (private or public entity)		
Contract start date: date/month/year		
Contract end date: date/month/year		
Brief description of similar / relevant work experience.		
Details of client / referee for verification purposes:	Name:	
	Company name:	
	Contact details (Cell and Office numbers):	

Annexure B - Continued

ECGB RFQ - Details of previous similar work experience

PART B - To be completed by referee

Client / Referee Name:

Please verify that the information provided by the respondent in Part A is correct.		☐ No ☐ Yes		Comments					
Comment alongside if necessary:									
Please indicate and rate whether the respondent has performed the attributes/tasks listed below.		Has the service been rendered (Yes / No)	<table border="1"> <tr> <td>Poor</td> <td>Average</td> <td>Good</td> </tr> <tr> <td>1</td> <td>3</td> <td>5</td> </tr> </table>	Poor	Average	Good	1	3	5
Poor	Average	Good							
1	3	5							
Did the service provider implement their last project successfully?									
Was the solution delivered in the required time frame?									
Was conformance to a project management standard adhered to?									
Was the skill competency of the team relevant and adequate to deliver on the solution?									
Were all meetings' schedules adhered to?									
Were you satisfied with the technical support provided during the project?									

Referee name:.....

Designation:.....

Date:

Tel:

Cell:

.....
Client / Referee signature

Company Stamp:
