

Annexure A

PROVISION OF PAYROLL ADMINISTRATION SERVICES AT SANAS FOR A PERIOD OF FIVE (3) YEARS.

1. PAYROLL

To deliver accreditation, SANAS contracts independent contractors to perform assessments at the customer's premises. Currently SANAS has **900 registered assessors** on the current payroll. For this service, SANAS pays a daily rate as well as reimburses out of pocket travel costs as follows:

- 1.1. Daily rate is subject to 25% PAYE
- 1.2. Travel per km
- 1.3. Local and foreign subsistence
- 1.4. Parking and tolls.

SANAS currently **employs 75 permanent employees**, and these individuals earn a monthly salary. Salaries are calculated total cost to company and are structured as follows:

- 1.5. 100% Employer medical aid contribution
- 1.6. 100% Employer provident fund contribution calculated at 15% of pensionable earnings
- 1.7. Pensionable earnings are calculated on a range of 70%-100%
- 1.8. Travel allowance (only for certain individuals)

Employees also claim out of pocket expenses, and these are reimbursed in the same manner as the contracted assessors.

Payroll for assessor and staff claims are processed ad hoc during the month whereas permanent salaries are paid monthly. SANAS remunerates its independent non-executive Directors on a per meeting basis. Such remuneration is paid per National Treasury guidelines.

2. OBJECTIVES

The main objective of the administration of payroll services is to:

- 2.1. Process payrolls
- 2.2. Production of reports and payslips
- 2.3. Payment of salaries
- 2.4. Data capture
- 2.5. 3rd party payments
- 2.6. SARS returns and payments

3 SCOPE OF WORK

3.1 Data capture

- 3.1.1 Permanent changes such as new employees, resignations
- 3.1.2 Variable input and biographical changes (personal details, earnings, deductions)
- 3.1.3 Salary movements, Cost of living increases, pro-rata payments, bonus payments
- 3.1.4 Audit and check input

3.2 Payroll processing

- 3.2.1 Process payroll; weekly and monthly
- 3.2.2 Validate input
- 3.2.3 Input corrections
- 3.2.4 Produce and print payroll reports
- 3.2.5 Issue pays slips
- 3.2.6 Dispatch payroll reports
- 3.2.7 Make payroll payments
- 3.2.8 Process additional payroll runs on request
- 3.2.9 Debit SANAS account with all payroll payments

3.3 Payroll administration

- 3.3.1 Audit and verify payroll reports
- 3.3.2 Balance payroll
- 3.3.3 Pay 3rd parties (non-SARS payments)
- 3.3.4 Provide supporting documents to 3rd parties
- 4.3.5 SARS e-filing EMP201 and payments/EMP501 submissions

3.4 Tax year-end

- 3.4.1 Balance mid and year end payments to SARS
- 3.4.2 Produce dummy tax certificates through payroll
- 3.4.3 Test SARS electronic files
- 3.4.4 Produce live SARS electronic files for Easyfile
- 3.4.5 Produce and print final tax certificates on Easyfile
- 3.4.6 Prepare payroll for new tax year

3.5 System administration

- 3.5.1 Statutory releases
- 3.5.2 New system releases
- 3.5.3 System backups
- 3.5.4 Backup of financial history and data storage
- 3.5.5 Product releases

3.6 System support services

- 3.6.1 Parameter / rule changes
- 3.6.2 Tax table updates

3.7 Payroll support services

- 3.7.1 Enquiries (e.g. auditors, SARS, employees, Directors, assessors etc).
- 3.7.2 On request, produce non-standard reports/files

3.8 Technical Services: Bidder's responsibilities

- 3.8.1 Software to be hosted and updated with all upgrades timeously by bidders
- 3.8.2 Regular backups
- 3.8.3 Server monitoring
- 3.8.4 Firewall management
- 3.8.5 Appropriate levels of security deployed across infrastructure
- 4.8.6 Data recovery

3.9 Client access: Access mandate to be signed

3.9.1 SANAS will provide:

3.9.1.1 Access to the historical data (if required)

3.9.1.2 Any other information and access, subject to SANAS' confidentiality requirements, as required

4 DURATION

The duration of the contract is 3 years from the date of commencement. The administration of payroll is expected to commence on 1 June 2025.

5 PRICING SCHEDULE

Prices should be provided as per below schedule

Implementation Cost

| | |
|-----------------------------------|-----------------|
| Number_of Hours (A) | |
| Rate per Hour (B) | <u>R / hour</u> |
| Total Implementation cost (A X B) | <u>R</u> |

Administrative cost per payslip (inclusive of all services):

| | Year 1 | Year 2 | Year 3 |
|--------------------------------|--------|--------|--------|
| Rate (x) | R | R | R |
| Assumed Volume* (y) | 250 | 250 | 250 |
| Total per month (z) (x × y) | R | R | R |
| Total Per Year (z x 12) | R | R | R |
| Total for 3 years | | | |

*For evaluation purposes, prices will be evaluated based on an assumed volume of 250 payslips per month.