

**Terms of Reference:**

**Appointment of a service provider to provide a Finance System for Agrément South Africa**

<b>RFQ Number</b>	ASA 05/01/2023
<b>Date of issue</b>	27 February 2023
<b>Bid Closing date</b>	12 March 2023 @12:00pm
<b>Submissions</b>	<a href="mailto:procurement@agrement.co.za">procurement@agrement.co.za</a>

**Technical inquiries may be directed to:**

Financial Accountant

Khathu Madzivha

[KMadzivha@agrement.co.za](mailto:KMadzivha@agrement.co.za)

**Supply Chain Management inquiries may be directed to:**

Procurement Officer

Moloko Mosha

[Mmosha@agrement.co.za](mailto:Mmosha@agrement.co.za)

## 1. BACKGROUND

Agrément South Africa has been housed and managed by the Council for Scientific and Industrial Research (CSIR) and became a Schedule 3A public entity in terms of the Public Finance Management Act (Act No. 1 of 1999) from 01 April 2017. ASA is tasked with conducting testing, performance and certification of construction industry products and methodologies to ensure quality and durability of such products on behalf of the Department of Public Works And Infrastructure. ASA's mission is to promote government's objectives of economic development, good governance and raising living standards and prosperity in South Africa.

The main objectives are:

- To provide assurance of fitness-for-purpose of non-standard construction related products and systems to specifiers and users.
- To support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry.
- To support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market.
- To support policy makers in minimizing the risk associated with the use of non-standard construction related product or system; and
- To be an impartial and internationally acknowledged South African centre for assessment and confirmation of fitness-for-purpose of non-standard construction related products or systems

The Agrément South Africa is a small sized organization with a staff compliment of approximately 40 employees. The Agrément South Africa head office is located at CSIR Campus, Meiring Naude Road, Brummeria, Pretoria


## 2. INVITATION FOR PROPOSALS


These terms of reference are intended to provide a scope of work and deliverables to appoint a service provider to provide an efficient and fully functional finance system which meets the criteria for eight users.

The outputs of the required system should include the following:

### 2.1.1 General Ledger

- 2.1.1.1 Chart of accounts
- 2.1.1.2 Work flow/approval levels for transaction processing
- 2.1.1.3 Work flow/approval levels for journals
- 2.1.1.4 Month and Year-End Closing

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- 2.1.1.5 Basic Financial Statements
  - 2.1.1.6 Sub-Ledgers (debtors and creditors / cashbook/ and bank)
  - 2.1.1.7 Recurring Transactions
  - 2.1.1.8 Drill Down capability for analysis
  - 2.1.1.9 Detailed General Ledger
  - 2.1.1.10 Detailed Trial Balance
  - 2.1.1.11 Grant or project accounting
  - 2.1.1.12 Regulatory compliance support
- 2.1.2 Procure to pay**
- 2.1.2.1 3-way matching of Purchase Order to Invoice to Payment
- 2.1.3 Supply Chain Management**
- 2.1.3.1 Purchasing: Acquisition of goods & services as well as Bid Management
  - 2.1.3.2 Contract Management
  - 2.1.3.3 Travel Management
  - 2.1.3.4 Supplier Database Management
- 2.1.4 Bank and Cash**
- 2.1.4.1 Cashbook module
  - 2.1.4.2 Bank Reconciliations
  - 2.1.4.3 Cash flow reporting
- 2.1.5 Accounts Payable Module**
- 2.1.5.1 Vendor Master File
  - 2.1.5.2 Purchasing Controls
  - 2.1.5.3 Payable Analysis/ ageing
  - 2.1.5.4 Automated/recurring payments
  - 2.1.5.5 Invoices capture and payment matching
  - 2.1.5.6 Accruals
  - 2.1.5.7 Accounts Payable Reconciliation
- 2.1.6 Accounts Receivable Module**
- 2.1.6.1 Customer Master File
  - 2.1.6.2 Cash receipts
  - 2.1.6.3 Debtors Age Analysis
  - 2.1.6.4 Debt collection

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- 2.1.6.5 Recurring Revenue Management
  - 2.1.6.6 Accounts Receivable Reconciliation
  - 2.1.6.7 Accounting for income received in advance

#### **2.1.7 Budgeting**

- 2.1.7.1 Review past budgets
- 2.1.7.2 Create New Budgets (Monthly, quarterly and annually)
- 2.1.7.3 Forecasting
- 2.1.7.4 Make and track changes to budget
- 2.1.7.5 Allow for 3-year budgets for Annual Performance Plan

#### **2.1.8 Fixed Assets**

- 2.1.8.1 Must have the basic information that is required in terms of GRAP
- 2.1.8.2 (Date, description, serial number, asset number, useful life, amount, condition, location etc)
- 2.1.8.3 Barcode/RFID Tracking
- 2.1.8.4 Maintenance Tracking
- 2.1.8.5 Depreciation Calculation taking into account residual values
- 2.1.8.6 Fixed Asset summary report in line with GRAP standards (Cost, Accumulated depreciation, book value) (Depreciation, Write-off, additions, disposals, etc)

#### **2.1.9 Management Account and Quarter Reports**

- 2.1.9.1 Balance sheet
- 2.1.9.2 Income Statement
- 2.1.9.3 Cash Flow Statements
- 2.1.9.4 Statement of Changes in equity
- 2.1.9.5 Basic Management Accounting Report
- 2.1.9.6 Budget versus Actual Report
- 2.1.9.7 Spent versus Future Forecast Reports
- 2.1.9.8 Assets /Depreciation Reports
- 2.1.9.9 Revenue Reports

2.1.9.10 Cost centre reporting (4 levels) (Unit, Programme, Budget, etc)

2.1.9.11 List of monthly payments

#### **2.1.10 Processing of claims**

2.1.10.1 An added advantage would be if the system had workflow for claims to be processed

#### **2.1.11 General:**

For all the modules, the system shall provide for the following:

2.1.11.1 Different access for different groups of users (Master User, Administrators, Management Committee, Supervisors, Staff).

2.1.11.2 Autosave and logout after a period of inactivity

2.1.11.3 Audit trail availability to capture all actions performed by users

2.1.11.4 Auto backup of data on the server daily (a full cloud hosted solution is preferred)

2.1.11.5 Allow users to generate reports using standard reports or ad-hoc queries

2.1.11.6 All reports to be available for export to Word, Excel, PDF, or other formats

2.1.11.7 Able to generate graphical charts on the report data

2.1.11.8 The solution platform should have an open API capability, to facilitate any future interfaces or integration requirements with other application systems.

#### **2.1.12 Change Management and Training:**

The following materials and information are to be provided to assist with training of users and ensure smooth adoption of the system. The Gallery shall have the right to reproduce unlimited copies of such document for internal use without any additional cost.

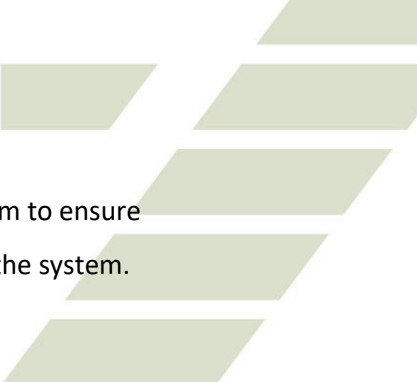
2.1.12.1 Digital training guides

2.1.12.2 Interactive training guides/Training videos

2.1.12.3 Change Framework and Change Project Plan

2.1.12.4 The tenderer shall conduct a minimum of two (2) training sessions (minimum half day duration) for the different groups of users: Administrators, Supervisors

2.1.12.5 The tenderer shall conduct a minimum of two (2) mass presentation briefings and training to all staff on the usage of the system.

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- 2.1.12.6 The Gallery can request for more training sessions with the aim to ensure adequate training are provided to all the relevant staff using the system.

#### **2.1.13 Technical Requirements**

- 2.1.13.1 The application must have as its underlying database Microsoft SQL Server. File based databases will not be accepted.
- 2.1.13.2 The application must have a supported Windows compatible installation.
- 2.1.13.3 The application must be able to operate and be supported in a Microsoft Hyper V virtualized environment.
- 2.1.13.4 The application must be web-based with support for the latest SSL encryption standards (e.g., TLS 1.2 and 1.3) as well as secure cypher suites.
- 2.1.13.5 The application must support a highly available presentation and database layer.
- 2.1.13.6 The application must support customizable role-based access control as a minimum.
- 2.1.13.7 The application must have password complexity and expiry for built-in accounts and support for Active Directory (Native AD or LDAPS) integration for login accounts.
- 2.1.13.8 Passwords in the database should be encrypted when stored.
- 2.1.13.9 Technical support must include application and security updates and alerts for known vulnerabilities on a regular basis.
- 2.1.13.10The application must have built in audit trail functionality for all transactions.
- 2.1.13.11The application must have an alerts and reminders function for critical events that must go to targeted users.
- 2.1.13.12The application must have a seamless electronic interface for exchanging information between the finance functions and HR system (e.g., payroll)
- 2.1.13.13The application must have an easy to use and user-friendly administration function for allowing ASA to perform tasks such as creation/modification/deletion of user accounts, defining access rights, initiation of application level backup and restore, performing of patch update.

#### **2.1.14 User requirements**

- 2.1.14.1 Migration of existing finance system (current systems will be provided upon request for security reasons)

2.1.14.2 User and Administrative training

2.1.14.3 Technical Training

### 3. PROPOSAL REQUIREMENTS

The Proposal must be in the following format:

#### 3.1 Detailed proposal

##### 3.1.1. Detailed approach

Information containing the specific steps, resources and timing associated with the approach for the delivery of the services should be detailed in this section. Detail regarding the migration process should be explained.

##### 3.1.2. Deliverables and turnaround times

This section should include a list of deliverables and the associated turnaround times that are aligned to the services required as set out in paragraph 2.1 above.


#### 3.2 Track record

##### 3.2.1. Quality

The proposal should provide details of the approach on how to ensure and measure a quality service delivery. It should provide details of any industry- recognized quality standard (if applicable) to which it is, or will become, compliant (including a timeframe for compliance, if not already achieved), as well as awards received over the last two years.

##### 3.2.2. References **(It should be noted that proposals will be disqualified if contactable references are not provided)**

The proposal should include at least three (3) contactable references from clients who received similar services over the immediate past 12 months. This should preferably include clients having similar scope of services, industry, and scale as ASA.



The Proposal should include a brief description of the services provided for each client. The Service Provider must ensure that ASA has the appropriate access to the clients listed.

The referees must be contactable, and the contact details provided must include:

- Contact Person
- Organisation / Company name
- Phone Number
- E-mail address
- Cell number (if possible)

#### 3.2.3. Project participants' experience

The Service Provider should submit details describing the relevant experience of its proposed project participants. The information should include a description of the education, knowledge, and relevant experience as well as certifications or other professional credentials that clearly show that the Service Provider is and/or its representatives are qualified to perform the required work. The résumés of the proposed project participants should be submitted. The documentation should thoroughly describe how the proposed program manager has provided expertise for similar contracts and projects. The Service Provider may include any supporting documentation that would support its descriptive narrative.

### **3.3 Price**

- 3.3.1. The Service Provider should provide a pricing schedule which clearly sets out the cost of providing the required services, together with any other charges as per the services required set out in paragraph 2.1 above. All other charges should be explained.
- 3.3.2. The terms provided and the fees quoted for the proposed services should include a proposed escalation in fees over the period of the contract.
- 3.3.3. All assumptions made in drafting the proposal, must be detailed.



3.3.4. The prices quoted should indicate whether they include or exclude value added tax (VAT).

3.3.5. Prices quoted must be valid for at least 90 (ninety) days from the closing date of this bid.

#### 4. EVALUATION

The bids shall first be evaluated for functionality. The functionality component consists of two areas on which the proposals shall be evaluated, namely a technical component and a track record and experience component. A minimum score of 70% must be obtained on functionality before a proposal is considered for further evaluation.

Details of the functionality scoring and how the points shall be allocated are as follows:

Functionality	Points
<b>Technical – Services offered and technical approach and deliverables including turnaround times</b>	<b>70</b>
Refer to the minimum criteria table (Annexure B) for the technical evaluation criteria. It should be noted that the proposals must cover all of the criteria as indicated in Annexure B.  All criteria – 70 points  If any if the critical criteria have not been met – Zero points   If evidence of the criteria is not provided in these submissions or presentations (On request) no points will be allocated.	70
<b>Level of support-post implementation</b>	<b>30</b>
Dedicated support services/line (5 points if there is support services/ line and zero if there is none).	5
Dedicated support official (5 points if there is an official and zero if there is none) Minimum 5 years' experience (2 points) Above 5 years (5 points)	5
Presentations – Content, live demonstration	10
Proof of similar projects with contactable references: 3 or more similar projects supported with contactable references (5 points) 5 or more similar projects supported with contactable references (10 points)	10

Functionality	Points
Total for Functionality	100

The following formula will be used to convert the points scored against the weight:

$$P_s = \left( \frac{S_o}{M_s} \right) \times 100$$

Where:

$P_s$  = Percentage scored for functionality by bid under consideration

$S_o$  = Total score of bid under consideration

$M_s$  = Maximum possible score

Service providers will be expected to achieve a minimum threshold score of 60% in order to proceed to Phase 2.

#### 6.1.1 Phase 2: Calculation of points

Please note for acquisitions below or equal to R50 Million, ASA evaluates these in terms of the 80/20 preference point system where:

80 points are allocated for price and 20 points will be awarded based on the specific goals.

Points for price will be calculated for all shortlisted service providers in accordance with the following formula:

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

Where:

$P_s$  = Points scored for the price of the quotation under consideration

$P_t$  = Price of the quotation under consideration

$P_{\min}$  = Price of lowest acceptable quotation

Preference points for the specific goals will be allocated as follows:

NO.	SPECIFIC GOALS ALLOCATED POINTS	PREFERENCE POINTS ALLOCATION	SUPPORTING EVIDENCE TO BE SUBMITTED
1.	SMMEs	10 points	- A B-BBEE certificate /sworn affidavit as supporting evidence
2.	>50% Black female ownership	5 points	- CSD report or, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners
3.	>50% Black youth ownership	5 points	- CSD report, - Company registration certificate, as issued by the CIPC, clearly indicating the percentage shareholding of all owners, or - Identification Documentation of all owners

The final points will be calculated as follows:

CRITERIA	WEIGHTING POINTS
Price	80
Specific goal	20
<b>TOTAL</b>	<b>100</b>

ASA also reserves the right to conduct an investigation of the bidder's financial position, previous contracts carried out, availability of skills or knowledge, existing workload, etc.

A recommendation for award will then be formulated for approval by the relevant delegated authority.

## 5. TERMS OF CONTRACT AND SERVICE LEVEL AGREEMENT

Before the bid is awarded, the successful bidder shall be required to enter into a Service Level Agreement (SLA) with Agrément South Africa (ASA). The SLA shall form the contractual basis for the delivery of the service as well as how performance shall be measured. Contract extensions are at the sole discretion of ASA.

## 6. FINAL APPROVAL

ASA reserves the right not to accept the lowest bid. ASA also reserves the right to reject any or all of the proposals, and/or not to appoint any service provider at all.

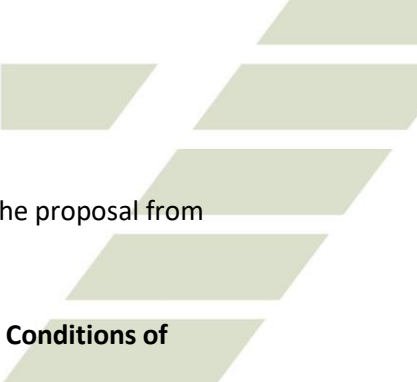
## 7. PRICE SCHEDULE

Please refer to **Annexure A** for the price schedule to be completed.

## 8. CONDITIONS

**All bidders responding to this Request for Proposals must meet the following conditions:**

- a) The proposal must include a **cover letter** clearly stating the name of the firm as well as the name, address, and telephone number of the bidder's representative;
- b) A **CSD Registration Report** downloaded from the Central Supplier Database (CSD) of National Treasury as proof of registration on the CSD. No bids will be considered if the bidder is not registered on the CSD;
- c) The bidder must address each of the requirements as stated in sections 2 and 3 above;
- d) An incomplete proposal shall result in the bidder being disqualified;
- e) The bidder shall furnish such additional information that ASA may require;
- f) ASA shall not be liable for any cost incurred in the preparation of the proposal;
- g) ASA may invite bidders for an oral interview prior to the approval of a bid.
- h) ASA shall not be liable for the costs incurred by the bidder in connection with such interview;

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- i) Any false declaration of information shall result in the exclusion of the proposal from consideration;
  - j) The bidder must complete the attached **SBD4, SBD 6.1 and General Conditions of Contract**.

## **9. COPYRIGHT AND INTELLECTUAL PROPERTY RIGHTS.**

In consideration of the fees paid, the service provider expressly assigns to ASA any copyright arising from the works the consultant produces while executing this contract. The consultant may not use, reproduce or otherwise disseminate or authorise others to use, reproduce or disseminate such works without prior consent from ASA.

## **10. FINAL APPROVAL**

ASA reserves the right not to accept the lowest bid. ASA also reserves the right to reject any or all of the proposals, and/or not to appoint any service provider at all.

## **11. PROCEDURE FOR SUBMISSION OF PROPOSALS**

12.1 All proposals must be submitted electronically to [procurement@agrement.co.za](mailto:procurement@agrement.co.za).

12.2 Respondents must use the RFQ number as the subject reference number when submitting their bids.

12.3 All documents submitted electronically via e-mail must be clear and visible.

12.4 All proposals, documents, and late submissions after the due date will not be evaluated.

**NB: NO HARD COPIES OR PHYSICAL SUBMISSIONS WILL BE ACCEPTED**

## 12. VALIDITY PERIOD OF PROPOSAL

Each proposal shall be valid for a minimum period of **three (3) months** calculated from the closing date.

## 13. APPOINTMENT OF SERVICE PROVIDER

14.1 The contract will be awarded to the bidder who scores the highest total number of points during the evaluation process, except where the law permits otherwise.

14.2 Appointment as a successful service provider shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement, ASA reserves the right to appoint an alternative supplier.

14.3. Awarding of contracts will be announced on the National Treasury website, and no regret letters will be sent to unsuccessful bidders.

## 14. ENQUIRIES AND CONTACT WITH ASA

15.1 Any enquiry regarding this RFQ shall be submitted in writing to ASA at [Kmadzivha@agrement.co.za](mailto:Kmadzivha@agrement.co.za) with **RFQ No: ASA 05/01/2023** "Appointment of a service provider to provide a finance system for Agrement South Africa.

15.2 Any other contact with ASA personnel involved in this Quotation is not permitted during the RFQ process other than as required through existing service arrangements or as requested by ASA as part of the RFQ process.

## 15. MEDIUM OF COMMUNICATION

All documentation submitted in response to this RFQ must be in English.

## 16. COST OF PROPOSAL

Tenderers are expected to fully acquaint themselves with the conditions, requirements, and specifications of this RFQ before submitting proposals. Each bidder assumes all risks for resource commitment and expenses, direct or indirect, of proposal preparation and participation throughout the RFQ process. ASA is not responsible directly or indirectly for any costs incurred by tenderers.

## **17. CORRECTNESS OF RESPONSES**

- 18.1 The bidder must confirm satisfaction regarding the correctness and validity of their proposal and that all prices and rates quoted cover all the work/items specified in the RFQ. The prices and rates quoted must cover all obligations under any resulting contract.
- 18.2 The bidder accepts that any mistakes regarding prices and calculations will be at their own risk.

## **18. VERIFICATION OF DOCUMENTS**


- 19.1 Bidders should check the numbers of the pages to satisfy themselves that none are missing or duplicated. ASA will accept no liability concerning anything arising from the fact that pages are missing or duplicated.
- 19.2 Only one electronic copy of the proposal must be submitted via email to [MMosha@agrement.co.za](mailto:MMosha@agrement.co.za). If the bidder sends more than one proposal, the first submission shall take precedence should it not have been recalled/withdrawn in writing by the bidder.

## **19. ADDITIONAL TERMS AND CONDITIONS**

- 20.1 A tenderer shall not assume that information and/or documents supplied to ASA, at any time prior to this request, are still available to ASA, and shall consequently not make any reference to such information document in its response to this request.
- 20.2 Copies of any affiliations, memberships and/or accreditations that support your submission must be included in the tender.
- 20.3 An omission to disclose material information, a factual inaccuracy, and/or a misrepresentation of fact may result in the disqualification of a tender, or cancellation of any subsequent contract.
- 20.4 Failure to comply with any of the terms and conditions as set out in this document will invalidate the proposal.

## **20. ASA RESERVES THE RIGHT TO**

- 21.1 Extend the closing date.
- 21.2 Verify any information contained in a proposal.
- 21.3 Request documentary proof regarding any tendering issue.
- 21.4 Appoint one or more service providers, separately or jointly (whether or not they submitted a joint proposal).

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- 21.5 Award this RFQ as a whole or in part.
  - 21.6 Cancel or withdraw this RFQ as a whole or in part.

## **21. DISCLAIMER**

This document is only a RFQ is a request for proposals only and not an offer document. Answers to this RFQ must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of this proposal, tenderers shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this RFQ. ASA makes no representation, warranty, assurance, guarantee or endorsements to tenderer concerning the RFQ, whether with regard to its accuracy, completeness or otherwise and ASA shall have no liability towards the tenderer or any other party in connection therewith.



## 22. Annexure A – PRICING SCHEDULE

The price needs to be provided for each category below:

Description	(R) Once-off	(R) Recurring
Cost of the System: (Please provide separate costing for the below) Finance		
Cost of support services		
Training costs		
Cost of user manuals/guides		
Cost of Migration		
Cost of ad hoc consulting		
System installation costs		
Other (specify)		

## 23. Annexure B – Technical Evaluation

Description	Critical Requirements
<b>2.1.10 Technical Requirements</b>	
2.1.10.1 The application must be SQL relational database based, preferably Microsoft SQL Server. File based databases will not be accepted.	✓
2.1.10.2 The application must have a supported Windows-compatible installation.	✓
2.1.10.3 The application must be able to operate and be supported in a Microsoft Hyper V virtualized environment.	✓
2.1.10.4 The application must be web-based with support for the latest SSL encryption standards (e.g TLS 1.2 and 1.3) as well as secure cypher suites.	✓
2.1.10.5 The application must support a highly available presentation and database layer should the need arise.	✓
2.1.10.6 The application must support customizable role-based access control as a minimum.	✓
2.1.10.7 The application must have password complexity and expiry for built-in accounts and support for Active Directory (Native AD or LDAPS) integration for login accounts.	✓
2.1.10.8 Passwords in the database should be encrypted when stored.	✓
2.1.10.9 Technical support must include application and security updates and alerts for known vulnerabilities on a regular basis.	✓
2.1.10.10 The application must have built in audit trail functionality for all transactions.	✓
2.1.10.11 The application must have an alerts and reminders function for critical events that must go to targeted users.	✓
2.1.10.12 The application must have a seamless electronic interface for exchanging information between the finance functions and HR functions (e.g. payroll).	✓
2.1.10.13 The application must have a easy to use and user friendly administration function for allowing ASA to perform tasks such as creation/modification/deletion of user accounts, defining access rights, initiation of application level backup and restore, performing of patch update.	✓
<b>2.1.11 User requirements</b>	
2.1.11.1 Migration of existing finance systems (current systems will be provided upon request for security reasons)	✓

Description	Critical Requirements
2.1.11.2 User and Administrative training	✓
2.1.11.3 Technical Training	✓
2.1.12.1 - Chart of accounts	✓
2.1.12.2 - Work Flow/approval levels for journals	✓
2.1.12.3 – Sub-Ledgers (Debtors and Creditors/Cashbook)	✓
2.1.12.4 - Detailed General Ledger	✓
2.1.12.5 Procure to pay	✓
2.1.12.6 – Bank and Cash	✓
2.1.12.7 – Accounts Payable module	✓
2.1.12.8 – Accounts Receivable module	✓
2.1.12.9 Budgeting module	✓
2.1.12.10 Fixed Assets module	✓
2.1.12.11 Management accounts and Quarterly reports	✓