APPOINTMENT OF A SERVICE PROVIDER FOR SHORT-TERM BROKERAGE SERVICES

WRSCM-2023/2024-0003

1. BACKGROUND TO W&RSETA

The Wholesale and Retail Sector Education and Training Authority (W&RSETA) was established in 2000 in terms of the Skills Development Act (as amended). The public entity aims to facilitate the skills development needs of the Wholesale and Retail (W&R) Sector through the implementation of learning programmes, disbursement of grants and monitoring of education and training as outlined in the National Skills Development Plan (NSDP).

2. OBJECTIVE OF BID

The objective of this bid is to appoint a suitably qualified service providers for the provision of short-term insurance brokerage services to the W&RSETA to safeguard movable assets through a comprehensive insurance cover with a standard comprehensive business all risk insurance for all assets of the W&RSETA for a duration of five (5) years.

Note:
The successful bidder will enter into negotiations with the W&RSETA on an annual basis on premium increases.

3. SCOPE OF SERVICES

The Service Provider will be required to insure the W&RSETA for the following risk areas:

- **Assets**
  - Furniture and Fittings
  - Computer Equipment
  - Office Equipment

- **General risk area covered**
  - Fire (spread of fire)
  - Business All Risks
  - Public Liability
  - Directors & Officers Liability (All Executive and Board Members, Covered in terms of section 78 of the company's act)
  - Cyber Security
  - Product Liability
  - Advertising liability
  - Legal defence costs

- **Insurance against theft**
  - Damage to any of the fixed or moveable assets as contained in the asset register and updated as per stipulated timeframes.

- **SASRIAPag**
  - Fire Commercial and Domestic
  - Cover start date: 01 June 2023 or upon conclusion of the contract. (Whichever comes first)

- Project completed by: Contract expiry date.

Note:

The W&RSETA Asset register with the assets descriptions and value will be provided.

- **Premises Locations:**

1. Centurion, Pretoria (HO)
2. East London, Eastern Cape (EC Provincial Office)
3. Bloemfontein, Free State (FS Provincial Office)
4. Hillcrest, Pretoria (GN Provincial Office)
5. Parktown, Johannesburg (GS Provincial Office)
6. Musgrave, KwaZulu Natal (KZN Provincial Office)
7. Polokwane, Limpopo (LIM Provincial Office)
8. Emalahleni, Mpumalanga (MPU Provincial Office)
9. Kimberley, Northern Cape (NC Provincial Office)
10. Rustenburg, Northwest (NW Provincial Office)
11. Bellville, Cape Town (WC Provincial Office)

Premises 1: Centurion, Pretoria (HO)

Address Line 1	Ground Floor And 1st Floor Hennops House Riverside Office Park
Address Line 2	1303 Heuwel Avenue Cnr. Lenchen & Heuwel Avenues
Farm Registration District	City of Tshwane
Suburb	
City	Centurion
Province	Gauteng
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 2: East London, Eastern Cape (EC Provincial Office)

Address Line 1	3 Surrey Road,
Address Line 2	
Farm Registration District	Buffalo City
Suburb	Vincent
City	East London
Province	Eastern Cape
Building Or Structure	Building
Roof Construction	Corrugated Iron
Wall Construction	Brick and Mortar

Occupied As	Administrative Services

Premises 3: Bloemfontein, Free State (FS Provincial Office)

Address Line 1	8 Barnes Street
Address Line 2	
Farm Registration District	Mangaung Municipalty
Suburb	Westdene
City	Bloemfontein
Province	Free State
Building Or Structure	Building
Roof Construction	Corrugated Iron
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 4: Hillcrest, Pretoria (GN Provincial Office)

Address Line 1	1st Floor Egret Place, Hillcrest Office Park
Address Line 2	189 Lunnon Road
Farm Registration District	City of Tshwane
Suburb	Hillcrest
City	Pretoria
Province	Gauteng
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 5: Parktown, Johannesburg (GS Provincial Office)

Address Line 1	1st Floor Hillside Office Park
Address Line 2	17 Empire Road
Farm Registration District	City of Johannesburg
Suburb	Parktown
City	Johannesburg
Province	Gauteng
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 6: Musgrave, KwaZulu Natal (KZN Provincial Office)

Address Line 1	3rd Floor, Clifton Place
Address Line 2	19 Hurst Avenue
Farm Registration District	eThekwini Metropolitan Municipality
Suburb	Musgrave
City	Durban
Province	KwaZulu Natal
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 7: Polokwane, Limpopo (LIM Provincial Office)

Address Line 1	4th Floor, Thabakgolo Building
Address Line 2	60 Schoeman Street
Farm Registration District	City of Polokwane
Suburb	Polokwane Central
City	Polokwane
Province	Limpopo
Building Or Structure	Building
Roof Construction	Concrete slab
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 8: Emalahleni, Mpumalanga (MPU Provincial Office)

Address Line 1	Suite 201 & 202 Parkmed Centre,
Address Line 2	64 Mandela Street
Farm Registration District	
Suburb	Emalahleni
City	Emalahleni
Province	Mpumalanga
Building Or Structure	Building
Roof Construction	Corrugated Iron
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 9: Kimberley, Northern Cape (NC Provincial Office)

Address Line 1	Monridge Office Park,
Address Line 2	2 Kekewich Drive
Farm Registration District	Sol Plaatje Local Municipality
Suburb	Monument Heights
City	Kimberly
Province	Northern Cape

Building Or Structure	Free Standing Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 10: Rustenburg, Northwest (NW Provincial Office)

Address Line 1	155a Kruger Street
Address Line 2	
Farm Registration District	Bojanala Platinum District Municipality
Suburb	Rustenburg
City	Rustenburg
Province	North West
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

Premises 11: Bellville, Cape Town (WC Provincial Office)

Address Line 1	2nd & 3rd Floor Waterside Office Park,
Address Line 2	Tyger Waterfront, Carl Cronje Drive
Farm Registration District	City of Cape Town
Suburb	Bellville
City	Cape Town
Province	Western Cape
Building Or Structure	Building
Roof Construction	Tiles
Wall Construction	Brick and Mortar
Occupied As	Administrative Services

The W&RSETA will update the insurance company three months in advance regarding relocation of offices and assets they are moving. The insurance Company should in return update the contract and send confirmation to the W&RSETA within one month after the receipt of the WRSETA notification.

Additional Information:

- In order to allow bidders to respond adequately to the bid, a schedule listing all assets will be provided.

- The above exercise is aimed at ensuring uniformity in the response received from each prospective bidders and obtain structured framework for the evaluation of proposals.

DELIVERABLES

ADMINISTRATION

- The service provider will be required to obtain short-term insurance cover from the insurance industry based on the needs of the W&RSETA, the prevailing market conditions at the time and the insurance products that are available to mitigate or partly mitigate the risks as identified;
- The service provider must continuously negotiate beneficial policy conditions for the W&RSETA with the insurer;
- The service provider must arrange for the issuing of the necessary policy contracts by the insurer, on behalf of the W&RSETA, as and when required;
- The service provider must administer and facilitate the claims management process from submission to finalisation and reporting stage;
- The service provider must be able to provide a fully functional online system to the W&RSETA which will enable the W&RSETA Insurance administrator to log and submit claims, and to track the status of claims;
- The service provider must act in the W&RSETA's best interest in all dealings with the appointed insurers and prospective underwriters;
- The service provider's employees appointed to work on the W&RSETA account must fully understand their obligations under the General Code of Conduct issued in terms of FAIS, and any other guidelines that may be issued by a regulatory body having jurisdiction over the service provider;
- The service provider must ensure that the third party service provider appointed by an insurer and/or underwriter to render a service following the occurrence of an insured event is compliant with the taxation laws of the Republic of South Africa. In particular, ensure that third party service providers who render services following the occurrence of an insured event invoice the service provider for the services rendered. The service provider shall in turn invoice the W&RSETA for the services rendered by such third party service providers; and attach the invoice of the third party service providers to its invoice.

REPORTING

The following monthly reporting must be provided:

- Monthly insurance schedule.
- Reconciliation of all claims data and contributions paid pertaining to the risk schemes.
- Monitoring of data movements in respect of the activities on the short-term insurance portfolio and claims register.
- Performance Report recording any failures to achieve service levels, the cause of the failures and a summary of steps taken to resolve the failures and avoid them in the future.
- A reconciliation of:
    - Claims received and registered;
    - Claims submitted to the insurance company;
    - Outstanding claims documents and the reasons thereof;
    - Payments made on claims, including verifying the correctness of the payment calculation by the insurance company;

- Repudiated claims, and
- Measures taken by the service provider through a third-party supplier to address repudiated claims, including progress made on any litigation process in connection with a repudiated claim

The following quarterly reporting must be provided:

- On-going evaluation of uninsured risks and possible options for addressing them;
- Updating the W&RSETA on the current state of the insurance market in terms of general economic realities, solvencies, capacity, profitability, rates and market activity (such as mergers, amalgamations, take-overs and joint ventures) and the possible impact of such matters on the W&RSETA's renewal strategy and insurance portfolio;
- Updating W&RSETA on legal developments within the short-term insurance industry and informing W&RSETA on insurance product developments, and the risk mitigation developments;
- Ongoing analysis of loss statistics to identify trends to assist W&RSETA in future loss prevention and more effective management of risk; and
- Advising W&RSETA regarding any reserve accounts with the insurer(s)

The following annual & on-going reporting must be provided:

- Annual reviewing the W&RSETA 's short-term insurance portfolio with W&RSETA officials.
- Online claims tracking system

3.1 SUPPORT

The service provider must provide:

- Training programmes, materials, processes, and guidelines
- One-on-one dedicated Claims Consultant

3.2 TRANSITION

The service provider must:

- Deliver a transition plan to the W&RSETA, which sets out how it will take over the services from the previous service providers and how it will set-up its service delivery capability to deliver the services, as per their agreement, and
- Assist with the handover to a new service provider at the expiration or earlier termination of the Agreement.

3.3 ADVICE TO W&RSETA

The service provider must provide financial advice on the short-term insurance portfolio in the event that the W&RSETA requests such advice and must assist the W&RSETA with the interpretation of insurance policy documents and matters incidental thereto, including the interpretation of insurance rules and regulations.

4. EXPECTED OUTCOMES AND DELIVERABLES

Deliverables as set out in the scope of service.
It should be noted that the latest audited annual financial statements (these will be used to ascertain the financial viability of the bidder).

5. QUALITY ASSURANCE REVIEWS OF THE SERVICES

Quality Assurance of the services provided in a form of monthly reports / schedules to the duly appointed W&RSETA official(s) at agreed timeframes.

6. MONITORING PROGRESS OF SERVICES

The W&RSETA shall monitor and evaluate the progress of the delivery of services through deliverables on an ongoing basis.

7. INDEPENDENCE AND OBJECTIVITY OF STAFF

In carrying out the services, the service provider must ensure that its staff maintains their objectivity by remaining independent of the activities they execute.

8. PRICING

All pricing as per scope of services must be shown inclusive of any applicable VAT.

9. PREFERENCE POINT SYSTEM

9.1 The following preference point systems are applicable to this invitation to tender:

9.1.1 The 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included).

9.1.2 Points for this tender shall be for:

- Price and
- Specific Goals

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

Points for this tender

80/20

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for the price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

9.1.4 A maximum of 20 points is allocated for specific goals on the following basis:

- Enterprise is Black Owned- 10 points.
- Small, Medium and Micro Enterprises (SMEs)- 5 points
- Woman Ownership- 5 points.

9.1.5 The Points will be distributed and allocated where the firm displays the following:

9.1.5.1 Enterprise is Black Owned:

Description		**Points allocated per category**
1	Enterprise is 100% Black Owned	10 points
2	Enterprise is 51% Black Owned	5 points
3	Enterprise is less than 51% Black Owned	3 points
4	Enterprise is 0% Black Owned	0 Points

9.1.5.2 Small, Medium and Micro Enterprises (SMEs):

Description		**Points allocated per category**
1	Small firm	5 points
2	Medium size firm	3 points
3	Large firm	1 point

9.1.5.3 Woman Ownership:

Description		**Points allocated per category**
1	100% Woman ownership	5 points
2	50% Woman ownership	3 points
3	25% Woman ownership	1 point
4	0% Woman ownership	0 Points

Technical Evaluation:	
Evaluation Criteria	**Weighting**
1. Capacity on how the bidder will ensure the best quotes	15 points
2. References	20 points
3. Experience and Expertise	30 points
4. Project Implementation Plan	10 points
5. Online System	5 points
6. Compulsory Reporting	5 points
7. Risk Management	5 points
8. Knowledge Sharing	5 points
9.Annual Financial Statements – liquidity and solvency (going concern)	5 points
Total	**100 points**

<table>
<tr><td colspan="3">Minimum Requirements</td></tr>
<tr><td rowspan="2">Evaluation Criteria</td><td>Technical Threshold 70%</td><td rowspan="2">Weighting</td></tr>
<tr><td>Submission Requirements:</td></tr>
<tr><td>Compliance Documentation</td><td>
<table>
<tr><th>Minimum Submission Requirements</th><th>Yes</th><th>No</th></tr>
<tr><td>Bidder must complete the prescribed Standard Bidding Documentation</td><td></td><td></td></tr>
<tr><td>Bidder must be registered on Central Supplier Database (CSD) and must submit proof of registration</td><td></td><td></td></tr>
<tr><td>Bidder must submit one (1) hardcopy of the Compliant i.e., SBD1,3, 4,6.1. and GCC) Technical and Price Proposal</td><td></td><td></td></tr>
</table>
Note:
Failure to complete the minimum submission requirements will render your bid as non-responsive.
The technical threshold for this bid is 70%. Bidders that fail to meet the 70% technical threshold, will not be considered for Preference and Price Evaluation.
</td><td>0 point</td></tr>
</table>

Evaluation Criteria	Submission Requirements:	Weighting
1. Capacity on how the bidder will ensure the best quotes **Value** / **Weighting** **0** / **0 points** **1** / **12 points** **2** / **15 points**	Bidder must list the insurers and/ or underwriters from whom quotes can be obtained to cover W&RSETA in respect of each risk area and demonstrate their relationship with the insurer and/ or underwriter and The bidder must describe how it will ensure the best quote/ quotation for W&RSETA (e.g., competitive premiums and minimal exclusions 0= (0) No evidence submitted 1= (10) Bidder provided list of one (1) – two (2) insurers and/or underwriters 2= (15) Bidder provided list of three (3) and more insurers and/or underwriters	15 points
2. References **Value** / **Weighting** **0** / **0 points** **1** / **10 points** **2** / **15 points** **3** / **20 points**	Bidder must provide three (3) References with contactable details of similar (broker services for short-term insurance) current or recent clients (i.e., not older than 24 months) in similar size to the W&RSETA. Minimum cover value R20million. The client must rate the bidders claim settlement performance under the following KPI headings: 1. Turn around times 2. Quality of feedback 3. Accessibility and availability 4. Settlement of claims performance 5. Customer satisfaction provided by the bidder and 6. Effectiveness of the online system i.e. functionality, complexity and reporting 0= (0)	20 points

	No evidence submitted 1= (10) Bidder provided one (1) reference letter in line to the scope requirements 2= (15) Bidder provided two (2) reference letter in line to the scope requirements 3= (20) Bidder provided three (3) reference letter in line to the scope requirements	
3. Experience and Expertise **Value** / **Weighting** **0** / **0 points** **1** / **10 points** **2** / **24 points** **3** / **30 points**	Bidder's proposed personnel must have relevant Insurance skills, qualifications and experience in line with the Financial Sector Conduct Authority (FSCA) compliant accreditation requirements. Bidder must provide abridged CVs of team members that have relevant and relevant qualification(s) for the following team members: 1. Team Lead 2. Account Manager 3. Claim Consultant/ Administrator 0= (0) No evidence submitted 1= (10) Bidder provided abridges CV's outlining proposed personnel relevant insurance skills, qualification and experience in line with the FSCA requirements. Proposed team combined experience of five (5) years 2= (24) Bidder provided abridges CV's outlining proposed personnel relevant insurance skills, qualification and experience in line with the FSCA requirements. Proposed team combined experience between five (5) and eight (8) years 3= (30) Bidder provided abridges CV's outlining proposed personnel relevant insurance skills, qualification and experience in line with the FSCA requirements. Proposed team combined experience of nine	30 points

	(9) and move years	
4. Implementation Plan **Value** / **Weighting** **0** / **0 points** **1** / **5 points** **2** / **8 points** **3** / **10 points**	Bidder must provide a detailed and comprehensive project implementation plan in line with regulatory and proposed timeframes. The implementation plan must outline transition and handover for a period of three (3) months • WBS • Tasks/activities • Duration of tasks • Start and end date of activity • Task dependencies • Resource • Risk and mitigating actions plan • Milestones 0= (0) No evidence submitted 1= (5) Bidder provided a detailed Project Implementation Plan in line with two to four of the items per the regulatory and proposed timeframes 2= (8) Bidder provided a detailed Project Implementation Plan in line with five to seven of the items per the regulatory and proposed timeframes 3= (10) Bidder provided a detailed and comprehensive Project Implementation Plan in line with the regulatory and proposed timeframes	10 points
5. Online System **Value** / **Weighting** **0** / **0 points** **1** / **5 points** **2** / **8 points** **3** / **10 points**	The bidder must describe administration process in terms of the following: 1. The online system used in claims logging and tracking 2. The online system's capabilities and potential benefits to W&RSETA 3. How the online system can be customized for W&RSETA's needs and 4. Turnaround times for customization of the above. 0= (0) No evidence submitted	5 points

<table>
<tr>
<td></td>
<td>1= (5)
Bidder provided evidence of the online system outlining only two (2) of the listed administration processes

2= (8)
Bidder provided evidence of the online system outlining only three (3) of the listed administration processes

3= (10)
Bidder provided evidence of the online system outlining all of the listed administration processes and customisation turnaround times</td>
<td></td>
</tr>
<tr>
<td>6. Compulsory Reporting

<table><tr><th>Value</th><th>Weighting</th></tr><tr><td>0</td><td>0 points</td></tr><tr><td>1</td><td>4 points</td></tr><tr><td>2</td><td>5 points</td></tr></table></td>
<td>The bidder must provide a sample of the following:
1. Monthly Reconciliation report as defines in the deliverables and
2. Quarterly Reconciliation report as defines in the deliverables

0= (0)
No evidence submitted

1= (4)
Bidder provided sample of either of the reconciliation reports in line with the deliverables

2= (5)
Bidder provided sample of both the Monthly and Quarterly reconciliation reports in line with the deliverables</td>
<td>5 points</td>
</tr>
<tr>
<td>7. Risk Management

<table><tr><th>Value</th><th>Weighting</th></tr><tr><td>0</td><td>0 points</td></tr><tr><td>1</td><td>4 points</td></tr><tr><td>2</td><td>5 points</td></tr></table></td>
<td>0= 0 points
No evidence provided.
1= 4 points
The bidder provided a detailed process outlining either the possible risk exposure and/ or mitigating risks for the W&RSETA
2= 5 points
The bidder provided a detailed process outlining possible risk exposure and how to mitigate against the risks for the W&RSETA</td>
<td>5 points</td>
</tr>
</table>

8. Knowledge Sharing **Value** / **Weighting** **0** / **0 points** **1** / **4 points** **2** / **5 points**	The bidder must provide details of various methods of how it will ensure that the W&RSETA stays up to date with developments in the market. 0= 0 points No evidence provided. 1= 4 points The bidder provided details of at least two (2) methods of how it will ensure that the W&RSETA stays up to date with developments in the market. 2= 5 points The bidder provided details of at least three (3) or more methods of how it will ensure that the W&RSETA stays up to date with developments in the market.	5 points
9. Annual Financial Statements – Liquidity and Solvency (Going concern) Current Ratio Weighting **Value** / **Weighting** **0** / **0 points** **1** / **1.75 point** **2** / **2.5 points**	Liquidity – this looks at the bidder s ability to pay its short term obligation. The ratios will be used as indicators to determine the bidder's liquidity. Current ratio will be used Current Ratio measures the entity s ability to pay its short-term obligations or those due withing 1 year. The Ratio is calculated by taking the entity s current assets divide by its current liability. Generally good liquidity ratio is more than 1 0 = (0) points No financial statements provided. 1 = 1.75 points The current ratio is less than 1 2 = 2.5 points The current ratio is equal or greater than 1 Solvency -refers to the bidder's capacity to meet both its long-term and short term financial commitments and continue operating in future. Too much debt can help with growth but could be	5 points

Debt to Equity Ratio Weighting <table><tr><th>Value</th><th>Weighting</th></tr><tr><td>**0**</td><td>**0 points**</td></tr><tr><td>**1**</td><td>**1.75 point**</td></tr><tr><td>**2**</td><td>**2.5 points**</td></tr></table>	dangerous for the company if they can't finance it Debt to Equity Ratio and Debt to Asset ratios will be used. Debt to Equity Ratio = Total Debt/total Equity Debt to asset Ratio = Total Debt/ Total assets Generally good Debt ratio is anything lower than 1 0 = 0 points No evidence provided 1 = 1.75 points The Debt ratios are 1 and above 2 = 2.5 points The Debt ratios are less than 1	

9. APPROVALS

Reviewed for Recommendation By:				
Name	Maria Mahlangu			
Position	BSC Chairperson			
Signature		**Date**	26 June 2023	
Recommendation:				
Recommended:	Yes	**Not Recommended:**	N/A	
Manager's Full Name	Ms. Lindiwe Nhlapo			
Position	Chief Financial Officer (BAC Chairperson)			
Notes				
CFO's Signature		**Date**	28/06/2023	
Approval:				
Approved:	X	**Not Approved:**		
Manager's Full Name	Mr. Tom Mkhwanazi			
Position (Executive)	Chief Executive Officer			
Notes	Acting CEO - Barnabas Masekwameng; 28/06/2023			
CEO's Signature	pp	**Date**	28/06/2023	