NATIONAL CONSUMER COMMISSION
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TERMS OF REFERENCE

BIDDERS ARE HEREBY INVITED TO SUBMIT BIDS IN RESPECT OF THE FOLLOWING SERVICES:

ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM FOR FINANCE AND HUMAN RESOURCES

Reference: NCC/04/2022/23

Date issued: 01 March 2023

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ADDRESS:

National Consumer Commission

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1. BACKGROUND

1.1. The National Consumer Commission is a juristic person established as an organ of state within the public administration in terms of section 85 of the Consumer Protection Act, No 68 of 2008 ("Act"). The NCC is Listed as a schedule 3A entity in terms of the Public Finance Management Act, 1999 (PFMA).

1.2. The Commission currently employ not over 100 full time employees.

1.3. The National Consumer Commission requires the services of the service provider to enter into a maintenance and support contract for a period of 36 months and to also upgrade and integrate the existing systems (Sage VIP and Sage 300 ERP).

1.4. The NCC utilises SAGE 300 for Financial Accounting and VIP payroll to disburse salaries.

1.5. **Businesses drivers**

1.5.1. The NCC utilizes Sage VIP payroll and Sage 300 2019 for Finance. The two systems are not integrated. The NCC wants to maintain one version of the truth across its line of business systems as a result requires an integrated HR and Finance system.

1.5.2. To achieve seamless integration and have the ability to expand more HR core functions, the NCC wants to migrate Sage VIP to Sage 300 People

1.5.3. To improve user access management and mitigate against adverse audit outcome, the NCC wants to implement Active Directory (AD) as part of its single sign on strategy to ensure user access management is managed centrally.

1.5.4. To improve security safeguards and mitigate against known vulnerabilities the NCC intends keeping its line of business systems on the latest version to benefit from both product enhancement and security.

1.5.5. To implement a secure Sage system that can be accessed by the HR and Finance teams via a portal when working remotely without incurring additional costs for FortiGate Firewall VPN licenses per user.

1.5.6. To have access to a competent service provider who will assist the NCC identify gaps and digitalize the HR and Finance functions in phases.

1.6. **The NCC Technology environment:**

1.6.1. **ICT Infrastructure**

a) VMWare 7.0x Platform

b) Windows Server 2022

c) HPE SimpliVity

d) SQL 2019

e) Cisco & Netgear Switches

f) FortiGate Firewall

g) Ubiquity Access Points

h) Windows end-user devices (Win10 and Win11)

i) 100 end users

j) Hybrid exchange environment (on-perm and Office 365). The plan is to migrate of premise.

1.6.2. **HR**

a) Sage VIP – the license caters for 100 maximum employees.

1.6.3. **FINANCE**

a) **Sage 300 and license valid until 29 June 2023. Below is the list of what the NCC is licensed for as reflected in the Sage invoices.**

  i.   SWA – Sage 300 ERP 2016 Advanced Purchase

  ii. ALF – Sage 300 ERP 2017 PRM Notes

  iii. SWA – Sage 300 ERP 2019 PRM G/Lobal Search

  iv. SWA – Sage 300 ERP 2016 Advance Accounts Receivable

  v.   SWA – Sage 300 ERP Advance System Manager

  vi. SWA – Sage 300 ADV Web Screens 2016

  vii. SWA – Sage 300 ERP ADV Lanpak 5 User

  viii. SWA – Sage 300 ERP Advance Accounts Payable

  ix. Peresoft

   - LANpac Advanced – 1 user (19301-1924708691)

   - Lanpack Advanced – 2 user (19302-1216180824)

- Cashbook Advanced ERP (19001-1601908262)
- EFTXpress for Cashbook (19950-1057722397)

    x.   Norming Fixed Assets (182677-120126)

2. SCOPE OF WORK

2.1.   The appointed service provider will assist the NCC to enhance and integrate the HR and Finance systems. Where additional licenses maybe required due to the upgrade, future maintenance and enhancements, such need not be included in the proposal but will be accommodated by the NCC when so required.

2.1.1. **HR**

    a)   Migration from VIP Payroll Premier to Sage 300 People. The following modules must be acquired , configured and set up:

        i.   Leave Management Module

        ii.   Payroll core – The NCC currently has three companies within SAGE VIP. Processing salaries using ACB files (Encrypted file) is required.

        iii.   Employment Equity

        iv.   General Ledger integration

        v.   ESS Module

        vi.   Personnel Management

    b)   Data Migration process from VIP Payroll Premier to SAGE 300 people for the previous (5) years to date.

    c)   End-user training.

    d)   Three (3) year contract for support, maintenance, and future enhancements

    e)   Compilations and Submissions of EMP501 (Mid-year and Annual Submissions) which will be billed on the basis of rate per hour when required.

2.1.2. **FINANCE & SCM**

a) Upgrade the existing system to the latest version.

b) Digitization of requisitions to ensure initiation of procurement processes directly from the ERP system.

c) Purchase Orders which must include the ability to link them to the General Ledger, and the capability to monitor open orders by generating reports indicating the order amount and the value of goods /services received against the original order amount as well as the balance on the Purchase Order.

d) Chart of accounts/ General Ledger which must be replicated in the payroll system to assist with the accounting of payroll expenses directly from the Human Resource system, i.e., seamless processing of the payroll journals. The Chart of accounts to be done per division/cost centre and per nature of expenditure in both SAGE 300 people and upgraded SAGE 300.

e) Improved chart of account/ General ledger to produce financial reports per division incurring expenditure as well as per nature of expenditure.

f) Budget Management, with the ability to produce variance reports on actual expenditure against budgets at organizational level, divisional level and per nature of expenditure as well as the ability to produce budget forecast reports.

g) Inventory and Stores Management. The NCC will use the module to account for consumables and other stationery items. The module has never been used.

h) Accounts Payable, with the ability to pay suppliers using the ACB files. The capability to capture invoices the Purchase Orders until the purchase order is depleted.

i) Supplier/vendor Management including systematic creation of vendors as well as segregation of duties around amendment to the supplier/vendor database.

j) End-user training

k) 3-year contract for support, maintenance and future enhancements.

2.1.3. **ICT & GENERAL**

a) The solution required will be installed on the NCC server infrastructure on-premise.

b) Considering the annual renewal dates for both Sage VIP (February) and Sage 300 Finance (June) the service provider must provide expect advise on how best the upgrade will be implemented to ensure the NCC derives value from the renewals processed before the implantation such as Sage VIP.

c) **Requirements:**

i. Active Directory Integration for Single Sign-on to enable central management of user access.

ii. Secure platform designed for on-premise and remote work.

iii. User access designed with segregation of duties (role-based access).

iv. Training administrator for the basic upkeep on the Sage Server infrastructure.

v. Full audit trail on all transactions of the system

vi. All transactions must be processed in real-time and accounting records be updated immediately after posting.

vii. The system must have the ability to allow end users to export data to Excel and Adobe Reader

viii. The systems must have integrated document management capabilities for documents generated by the system or that are attachable to the system.

ix. Once the SLA is concluded, the services provider will be expected to start the project with a kick-off meeting, perform a scoping session to verify the requirement, and have the scope of work agreed upon and signed off by both parties before the implementation commence. Project-related documentation such as progress reports, scoping documents, and project plans, must be provided to the NCC.

x. System testing (user acceptance testing) must be performed before the go-live

xi. Perform all required Software installation and configuration (including Active Directory integration requirements from the Sage 300 side)

xii. Provide best practice advice on the implementation of Sage 300 (ERP & Finance) disaster recovery setup (the service provider may be required to assist with the setup during the support and maintenance phase).

2.1.4. MAINTENANCE AND SUPPORT

a) Provide software support services to the NCC as and when required.

b) Provide physical, remote, or telephonic support as and when required.

c) 8h00 to 17h00 technical support service desk.

d) Ensure optimal operation of the system and business efficiency.

e) Generate/ adapt reports that maybe required.

f) Dedicate an account manager as the point of contact for problem management and escalations.

g) Monthly reporting to include system health status and support calls logged with the service provider.

h) Follow the NCC systems change management procedure and notify the NCC IT Department prior to implementing any changes, updates or configurations on live systems

i) Advise on Sage implementation Industry standards and best practices

j) Maintenance, patching, upgrades, and improvements of the system, including provision and implementation of new modules that may be required for the future with the intention to achieve the core system requirements.

k) Technical Support, including license renewals of both ERP Systems (Finance and HR) and provisioning of additional licenses as and when required for a period of 36 months.

l) Advise on directories to be backed up

3. USER REQUIREMENTS (FUNCTIONS TO BE SUPPORTED BY THE ERP)

3.1. FINANCE AND SUPPLY CHAIN MANAGEMENT

3.1.1. Financial Management

a) Currently accommodates maximum of 5 users at any given time. With digitization of requisitions, we expect 6 additional users to utilize the system.

b) General Ledger to Trial balance.

c) Inventory Management

d) Bank and Cash Management

e) Bank Reconciliation

f) Financial Reporting per division

g) Customized Data Reporting

h) Modification Support Document

3.1.2. Supply Chain Management

a) Requisition and provisioning management

b) Purchase Orders.

c) Inventory and stores management.

d) Supplier management

e) Accounting for Assets (fixed and movable) as well as Intangible Assets.

3.2. HUMAN RESOURCE MANAGEMENT

3.2.1. Migration from VIP Payroll Premier to Sage 300 People. The following modules must be acquired , configured and set up:

a) Leave Management Module

b) Payroll core – The NCC currently has three companies within SAGE VIP. Processing salaries using ACB files (Encrypted file)

c) Employment Equity

d) General Ledger integration

e) ESS Module

f) Personnel Management

g) Data Migration process from VIP Payroll Premier to SAGE 300 people for the previous (5) years to date.

h) End-user training.

i) 3-year contract for support, maintenance, and future enhancements.

j) Submissions of EMP501 (Mid-year and Annual Submissions)

4. EVALUATION CRITERIA

4.1. The RFQ will be evaluated on three (3) stages:

4.1.1. Stage 1: Screening of mandatory requirements

4.1.2. Stage 2: Functionality evaluation

4.1.3. Stage 3: Price and Preference points

5. STAGE 1: Screening of mandatory requirements

Document that must be submitted	Guideline		Consequence of Non-submission
Invitation to Bid – SBD 1	Yes	Complete and sign the supplied pro forma document	Disqualification from process
Tax status – Compliant	No	i. Written confirmation that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status. ii. Proof of Registration on the Central Supplier Database	Supplier to be Tax-Compliant at the point of award and throughout contract period
Bidder's Disclosure– SBD 4	Yes	Complete and sign the supplied pro forma document	Disqualification from process
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1).	Yes	Complete and sign the supplied pro forma document	Disqualification from process

Registration on Central Supplier Database (CSD)	No	The Service Provider must be registered as a service provider on the Central Supplier Database (CSD). If not registered, to complete the registration of company prior to submitting the proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number starting with MAAA. Submit proof of registration.	**Be registered by the time of award**
Pricing Schedule – SBD 3 and Annexure A	Yes	Submit full details of the pricing proposal in a separate envelope and not as part of the proposal document.	**Disqualification from process**
Compulsory briefing session	Yes	Attendance Register will be taken from MS Teams	**Disqualification from process**
SAGE Business Partner Accreditation for the company	Yes	• SAGE 300 AccPac Accreditation (Finance) • SAGE 300 People Accreditation (HR)	**Disqualification from process**
Certified Lead Consultant(s)	Yes	• AccPac Accreditation (Finance) • SAGE 300 People Accreditation (HR)	**Disqualification from process**
Minimum system requirements	No	• Specify the number of systems environments required (e.g. Development/UAT/Production) for the implementation of the project. • Specify the resource requirements per environment (e.g. Production Environment – 1 x Application Server Win Server 2019, 1 x SQL Server/ Clustered SQL, 32GB Memory, 4vCPU, 200GB storage etc) ** This is to ensure that the NCC reserves the required amount of resources upfront. The service provider must specify the infrastructure with scalability in mind. ** The NCC is standardized on VMWare and Windows server infrastructure • Minimum requirements for end-user equipment (e.g. Win10/11, 4GB RAM, etc.)	**For information purposes**

6. STAGE 2: Functionality Evaluation

6.1. Functionality will be scored against the following criteria. Please note that a bidder shall be disqualified where the bidder does not achieve the minimum rating of **70** out of **100 points**.

FUNCTIONALITY CRITERIA		
Criteria	**Sub-Criteria**	**Points**
	Sage 300 Acc-Pac	**40**
Bidder's relevant experience for the assignment: (To qualify for points the service provider must submit signed relevant reference letters obtained from the organizations where they provided similar services)	The reference letter must bear the letterhead of the organisation where the Sage 300 (Acc-Pac) support/ maintenance/ upgrade/ training was provided. NCC reserves the right to contact these organisations, without prior notice to the bidder. • Bidder with four or more relevant reference letters of contracts of similar services = 20 points • Bidder with three relevant reference letters of contracts of similar services = 15 points • Bidder with two relevant reference letters of contracts of similar services = 10 points • Bidder with one relevant reference letters of contracts of similar services = 05 points	

	• Bidder with no relevant reference letters of contracts of similar services = 0 points **Sage 300 People HR/ Payroll** The reference letter must bear the letterhead of the organisation where the Sage 300 People or Payroll related services support/ maintenance/ upgrade/ training and development was provided. The NCC reserves the right to contact these organisations, without prior notice to the bidder. • Bidder with four or more relevant reference letters of contracts of similar services = 20 points • Bidder with three relevant reference letters of contracts of similar services = 15 points • Bidder with two relevant reference letters of contracts of similar services = 10 points • Bidder with one relevant reference letters of contracts of similar services = 05 points • Bidder with no relevant reference letters of contracts of similar services = 0 points	

Experience of bidder's Lead Consultant(s) that will be assigned to the contract: (The bidder must attach Curriculum Vitae (CV) of the lead consultant to qualify for points). 50% of the points will be awarded for experience on SAGE 300 Acc-Pac and the other 50% on Payroll related services. It is acceptable to have one (1) consultant with experience on both or two (2) consultants with experience on AccPac and Payroll, respectively.	The Curriculum Vitae (CV) and qualifications of the Lead Consultant(s) will be used for allocation of points as follows: • Lead consultant(s) with 5 or more years' relevant experience on Sage 300 (Accpac) **and** Sage Payroll related products support, maintenance, and development = 40 points • Lead consultant(s) with more than 4 but less than 5 years relevant working experience on Sage 300 (Accpac) **and** Sage Payroll related products support, maintenance, and development = 30 points • Lead consultant(s) with more than 3 but less than 4 years relevant working experience on Sage 300 (Accpac) **and** Sage Payroll related products support, maintenance, and development = 20 points • Lead consultant(s) with more than 2 but less than 3-year relevant working experience on Sage 300 (Accpac) **and** Sage Payroll related products support, maintenance, and development = 10 points	**40**

	• Lead consultant(s) with no relevant working experience = 0 points	
Implementation plan for upgrades of both systems including plans to train NCC HR, Finance and ICT staff on new programmes. If both systems are not covered on the plan, only 50% of the allocated points will be awarded.	Plan should include the following: • Key milestones and timeframes = 5 points • Data protection to avoid losses during upgrades= 5 points • Continuity or alternative plans to minimize business disruption during the upgrades= 5 points • Training and post upgrade support (Remote, telephonic, physical and response times) = 5 • **No plan (No points)**	**20**
		100

6.2. **Minimum Scoring**

6.2.1. A bidder must have obtained a minimum of **70** points out of the total points for functionality to qualify to be evaluated on prices and preference points.

7. STAGE 3: PRICE AND PREFERENCE POINTS

7.1. In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:

7.1.1. The bid price (maximum 80 points)

7.1.2. Specific Goals (maximum 20 points)

7.2. Price Evaluation (80 Points)

Criteria	Points
Price Evaluation $$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$	80

The following formula will be used to calculate the points for price:

Where:

Ps   =   Points scored for comparative price of bid under consideration

Pt   =   Comparative price of bid under consideration

Pmin =   Comparative price of lowest acceptable bid

7.3. Specific Goals Evaluation (20 Points)

7.3.1. Specific Goals Points allocation

a) A maximum of 20 points may be allocated to a bidder for attaining the specific goals in accordance with the table below:

Specific Goals	Number of Points
100% Black owned	6
51-99% Black owned	4
100% women owned	6
51% to 99% women owned	4
5% Youth Ownership	2
2% Owned by persons with disabilities	1
Exempt Micro Enterprise (EME)	5
Qualifying Small Enterprise (QSE)	3
Large Enterprise	0

b) Specific Goal points may be allocated to bidders on submission of the following documentation or evidence:

i.   A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1)

ii.   B-BBEE Certificate

iii. CSD Report

8. PRICING CONSIDERATIONS

8.1. For evaluation purposes, the pricing submitted must cover the following areas:

8.1.1. All relevant costs of upgrade of the SAGE 300 Acc-Pac ERP from the 2019 version to the latest version.

8.1.2. All relevant costs of migation from SAGE VIP to SAGE 300 People HR/Payroll

8.1.3. Cost of Maintenance, Support and future enhancements for both systems.

   a) For evaluation purposes, an estimate of 320 support hours will be used. These hours are only billable after the upgrade has been finalized. Refer to the pricing schedule

8.1.4. Service providers are requested to submit travel rate per kilometre for disbursement.

8.1.5. **It is the requirement of the bid that the pricing information must only be included in the separate, sealed envelope and must not be presented anywhere in the proposal. Failure to comply will lead to disqualification.**