

# **ANNEXURE C**

## **SCOPE OF WORK**

### **1. INTRODUCTION**

The Central Energy Fund, CEF (SOC) Ltd, ("CEF") is involved in the search for appropriate energy solutions to meet the energy needs of South Africa, the Southern African Development Community (SADC) and the sub-Saharan African region, focusing on clean energy options as well as fossil fuels as per the mandate from the Department of Mineral Resources and Energy. It also manages the operation and development of the oil and gas assets of the South African government including strategic crude oil assets and management. CEF controls entities with commercial and developmental roles, housed in various operating subsidiaries.

### **2. BACKGROUND**

The company is currently using a service provider to manage the travel booking process. Travel forms are manually prepared by the travel co-ordinator (preparer). The manual travel form/requisition a manual approval process, and then forwarded to the travel management company for booking.

CEF SOC Ltd requires services of a travel management company to provide travel management services, venue, facilities, and associated arrangements for employees traveling on official business. Travel arrangements must be done with a view to promote and regulate transformation, growth, development and ensuring that all South Africans derive benefits from the country wealth. This service will include travel management services for iGas, AEMFC and SANEDI.

### **3. OBJECTIVES**

The company's primary objective in issuing this Request for Proposal (RFP) is to enter into agreement with a successful bidder(s) who will achieve the following:

- a) Provide the company with the travel management services that are consistent and reliable and will maintain a high level of traveller satisfaction in line with the service levels;
- b) Achieve significant cost savings for the company without any degradation in the services;
- c) Appropriately contain the company risk and traveller risk.

### **4. SERVICE REQUIREMENTS**

#### **4.1.1 General**

The successful bidder will be required to provide travel management services. Deliverables under this section include without limitation, the following:

- a. The travel services will be provided to all Travellers travelling on behalf of the company, locally and internationally. This will include employees and contractors, consultants and clients where the agreement is that the company is responsible for the arrangement and cost of travel.
- b. Provide travel management services during normal office hours (Monday to Friday 7h00 – 17h00) and provide after hours and emergency services as stipulated in section 3 above.
- c. Familiarisation with current travel business processes.
- d. Familiarisation with current Travel Policy and National treasury instruction notes as well implementations of controls to ensure compliance.
- e. Penalties incurred as a result of the inefficiency or fault of a travel consultant will be for the TMC's account, subject to the outcome of a formal dispute process.
- f. Provide a facility for the company to update their travellers' profiles.
- g. Manage the third party service providers by addressing service failures and complaints against these service providers.
- h. Consolidate all invoices from travel suppliers.
- i. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider to ensure a smooth transition.

#### **4.1.2 Reservations**

The Travel Management Company will:

- a. Receive travel requests from travellers and/or travel bookers, respond with quotations (confirmations) and availability. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveller via the agreed communication medium.

- b. Always endeavour to make the most cost effective travel arrangements based on the request from the traveller and/or travel booker.
- c. Appraise themselves of all travel requirements for destinations to which travellers will be travelling and advise the Traveller of alternative plans that are more cost effective and more convenient where necessary.
- d. Obtain a minimum of three (3) price comparisons for all travel requests where the routing or destination permits.
- e. Book the best cost effective discounted fares and rates where possible.
- f. Must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveller's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- g. Book parking facilities at the airports where required for the duration of the travel.
- h. Respond timely and process all queries, requests, changes and cancellations timeously and accurately within 4 hours .
- i. Must be able to facilitate group bookings (e.g. for meetings, conferences, events, etc.)
- j. Must issue all necessary travel documents, itineraries and vouchers timeously to traveller(s) prior to departure dates and times.
- k. Advise the Traveller of all visa and vaccination requirements well in advance.
- l. Assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
- m. Facilitate the bookings that are generated through their own or third party Online Booking Tool (OBT) where it can be implemented.
- n. Note that, unless otherwise stated, all cases include domestic, regional and international travel bookings.

- o. Visa applications will not be the responsibility of the TMC; however the relevant information must be supplied to the traveller(s) where visas will be required.
- p. Negotiated airline fares, accommodation establishment rates, car rental rates, etc that are negotiated directly or established by National Treasury or by the company are **non-commissionable**, where commissions are earned for the company bookings all these commissions should be returned to the company on a quarterly basis.
- q. Ensure confidentiality in respect of all travel arrangements and concerning all persons requested by the company.
- r. Timeous submission of proof that services have been satisfactorily delivered (invoices) as per the company's instructions

#### 4.1.3 Air Travel

- a. The Travel Management Company (TMC) must be able to book full service carriers as well as low cost carriers.
- b. The Travel Management Company (TMC) will book the most cost effective airfares possible for domestic travel.
- c. For international flights, the airline which provides the most cost effective and practical routings may be used.
- d. The Travel Management Company (TMC) should obtain three or more price comparisons where applicable to present the most cost effective and practical routing to the Traveller.
- e. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the Traveller (if applicable).
- f. Airline tickets must be delivered electronically (SMS and/or email format) to the traveller(s) and travel bookers promptly after booking before the departure times.
- g. The Travel Management Company (TMC) will also assist with the booking of charters for VIPs utilising the existing transversal term contract where applicable as well as the sourcing of alternative service providers for other charter requirements.

- h. The Travel Management Company (TMC) will be responsible for the tracking and management of unused e-tickets as per agreement with the institution and provide a report on refund management once a quarter.
- i. The Travel Management Company (TMC) must during their report period provide proof that bookings were made against the discounted rates on the published fairs where applicable.
- j. Ensure that travellers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)
- k. Assist with lounge access if and when required.

#### 4.1.4 **Accommodation**

- a. The Travel Management Company (TMC) will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- b. The Travel Management Company (TMC) will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveller
- c. This includes planning, booking, confirming and amending of accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with the company's travel policy.
- d. CEF SOC Ltd travellers may only stay at accommodation establishments within allowable rates as published by National Treasury. Should there be no establishment available in place in the destination, or should the contracted establishment be unable to accommodate the traveller, the Travel Management Company (TMC) will source suitable accommodation bearing in mind the requirement of convenience for the traveller and conformation with acceptable costs, or as stipulated in written directives issued from time to time by the National treasury or the company.

- e. Accommodation vouchers must be issued to all travellers for accommodation bookings and must be invoiced to the company as per arrangement. Such invoices must be supported by a copy of the original hotel accommodation charges.
- f. The Travel Management Company (TMC) must during their report period provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
- g. Cancellation of accommodation bookings must be done promptly to guard against no show and late cancellation fees.

#### **4.1.5 Car Rental and Shuttle Services**

- a. The TMC will book the approved category vehicle in accordance with the Travel Policy with third party car rental / shuttles from the closest rental location (airport, hotel and venue).
- b. The travel consultant should advise the Traveller on the best time and location for collection and return considering the Traveller's specific requirements.
- c. The Travel Management Company (TMC) must ensure that relevant information is shared with travellers regarding rental vehicles, like e-tolls, refuelling, keys, rental agreements, damages and accidents, etc.
- d. For international travel the Travel Management Company (TMC) may offer alternative ground transportation to the Traveller that may include rail, buses and transfers.
- e. The TMC will book transfers in line with the Travel Policy with the appointed and/or alternative service providers. Transfers can also include bus and coach services.
- f. The Travel Management Company (TMC) should manage shuttle companies on behalf of the CEF SOC Ltd and ensure compliance with minimum standards. The Travel Management Company (TMC) should also assist in selecting better rates with relevant shuttle companies.

- g. The Travel Management Company (TMC) must during their report period provide proof that negotiated rates were booked, where applicable.
- h. No insurance will be required as the company has car hire insurance

#### **4.1.6 After Hours and Emergency Services**

- a. The Travel Management Company (TMC) must provide a consultant or team of consultants to assist Travellers with after hours and emergency reservations and changes to travel plans.
- b. A dedicated consultant/s must be available to assist VIP/Executive Travellers with after hour or emergency assistance.
- c. After hours' services must be provided from Monday to Friday outside the official hours and twenty-four (24) hours on weekends and Public Holidays.
- d. A call centre facility or after hours contact number should be available to all travellers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.
- e. The Travel Management Company (TMC) must have a standard operating procedure for managing after hours and emergency services. This must include purchase order generation of the request within 24 hours.

## **4.2 Communication**

- 4.2.1 The Travel Management Company (TMC) may be requested to conduct workshops and training sessions for Travel Bookers of the company.
- 4.2.2 All enquiries must be investigated and prompt feedback be provided in accordance with the Service Level Agreement.
- 4.2.3 The Travel Management Company (TMC) must ensure sound communication with all stakeholders. Link the business traveller, travel coordinator, travel Management Company in one smooth continuous workflow.

### **4.3 Financial Management**

- 4.3.1 The Travel Management Company (TMC) must implement the rates negotiated by the company with travel service providers or the discounted air fares, or the maximum allowable rates established by the National Treasury where applicable.
- 4.3.2 The Travel Management Company (TMC) will be responsible to manage the service provider accounts. This will include the timely receipt of invoices to be presented to the company for payment within the agreed time period.
- 4.3.3 Enable savings on total annual travel expenditure and this must be reported and proof provided during monthly and quarterly reviews.
- 4.3.4 The Travel Management Company (TMC) will be required to offer a 30 day bill-back account facility to institutions should a lodge card not be offered. 'Bill back', refers to the supplier sending the bill back to the TMC, who, in turn, invoices the company for the services rendered.
- 4.3.5 Where pre-payments are required for smaller Bed & Breakfast /Guest House facilities, these will be processed by the Travel Management Company (TMC). These are occasionally required at short notice and even for same day bookings.
- 4.3.6 Consolidate Travel Supplier bill-back invoices
- 4.3.7 In certain instances where institutions have a lodge card in place, the payment of air, accommodation and ground transportation is consolidated through a corporate card vendor.
- 4.3.8 The Travel Management Company (TMC) is responsible for the consolidation of invoices and supporting documentation to be provided to the Financial Department on the agreed time period (e.g. weekly). This includes attaching the Travel Authorisation or Purchase Order and other supporting documentation to the invoices reflected on the Service provider bill-back report or the credit card statement.
- 4.3.9 Ensure Travel Supplier accounts are settled timeously. Travel Management Company (TMC) must submit all invoices on a timely basis each month.

#### **4.4 Technology, Management Information and Reporting**

- 4.4.1 The Travel Management Company (TMC) must have the capability to consolidate all management information related to travel expenses into a single source document with automated reporting tools.
- 4.4.2 The implementation of an Online Booking Tool to facilitate domestic bookings should be considered to optimise the services and related fees.
- 4.4.3 Ensure that the online system can integrate with any travel management systems.
- 4.4.4 All management information and data input must be accurate.
- 4.4.5 The Travel Management Company (TMC) will be required to provide the company with a minimum of one (1) standard monthly reports that are in line with the National Treasury's Cost Containment Instructions reporting template requirements at no cost.
- 4.4.6 Reports must be accurate and be provided as per the company specific requirements at the agreed time. Information must be available on a transactional level that reflect detail including the name of the traveller, date of travel, spend category (example air travel, shuttle, accommodation).
- 4.4.7 The company may request the Travel Management Company (TMC) to provide additional management reports.
- 4.4.8 Reports must be available in an electronic format for example Microsoft Excel.
- 4.4.9 Provide invoices in a excel format that can be imported to the finance system (Sage 300 ERP, SAP or any other ERP system).
- 4.4.10 Service Level Agreements reports must be provided on the agreed date. It will include but will not be limited to the following:
  - i. Travel
    - a) After hours' Report;
    - b) Complaints and how they were resolved;
    - c) Consultant Productivity Report;
    - d) Long term accommodation and car rental;
    - e) Extension of business travel to include leisure;

- f) Upgrade of class of travel (air, accommodation and ground transportation);
  - g) Bookings outside Travel Policy.
- ii. Finance
  - a) Reconciliation of commissions/rebates or any volume driven incentives;
  - b) Creditor's ageing report;
  - c) Creditor's summary payments;
  - d) Daily invoices (also in excel format);
  - e) Reconciled reports for Travel Lodge card statement;
  - f) No show report;
  - g) Cancellation report;
  - h) Receipt delivery report;
  - i) Monthly Bank Settlement Plan (BSP) Report;
  - j) Refund Log;
  - k) Open voucher report, and
  - l) Open Age Invoice Analysis.

4.4.11 The Travel Management Company (TMC) will implement all the necessary processes and programs to ensure that all the data is secure at all times and not accessible by any unauthorised parties.

## **4.5 Account Management**

- 4.5.1 An Account Management structure should be put in place to respond to the needs and requirements of the company and act as a liaison for handling all matters with regard to delivery of services in terms of the contract.
- 4.5.2 The Travel Management Company (TMC) must appoint a dedicated Account or Business Manager that is ultimately responsible for the management of the company account.
- 4.5.3 The necessary processes should be implemented to ensure good quality management and ensuring Traveller satisfaction at all times.
- 4.5.4 A complaint handling procedure must be implemented to manage and record the compliments and complaints of the Travel Management Company (TMC) and other travel service providers.

- 4.5.5 Ensure that the Travel Policy is enforced.
- 4.5.6 The Service Level Agreement (SLA) must be managed and customer satisfaction surveys conducted to measure the performance of the TMC.
- 4.5.7 Ensure that workshops/training is provided to Travellers and/or Travel Bookers
- 4.5.8 During reviews, comprehensive reports on the travel spend and the performance in terms of the SLA must be presented.

#### **4.6 Value Added Services**

The Travel Management Company (TMC) must provide the following value added services:

- 4.6.1 Destination information for regional and international destinations:
  - i. Health warnings;
  - ii. Weather forecasts;
  - iii. Places of interest;
  - iv. Visa information;
  - v. Travel alerts;
  - vi. Location of hotels and restaurants;
  - vii. Information including the cost of public transport;
  - viii. Rules and procedures of the airports;
  - ix. Business etiquette specific to the country;
  - x. Airline baggage policy; and
  - xi. Supplier updates
- 4.6.2 Electronic voucher retrieval via web and smart phones;
- 4.6.3 SMS notifications for travel confirmations;
- 4.6.4 Travel audits;
- 4.6.5 Global Travel Risk Management;
- 4.6.6 VIP services for Executives that include, but is not limited to check-in support.

#### **4.7 Cost Management**

- 4.7.1 The National Treasury cost containment initiative and the Travel Policy is establishing a basis for a cost savings culture.

- 4.7.2 It is the obligation of the Travel Management Company (TMC) Consultant to advise on the most cost effective option at all times, and costs should be within the framework of the National Treasury's cost containment instructions.
- 4.7.3 The Travel Management Company (TMC) plays a pivotal role to provide high quality travel related services that are designed to strike a balance between effective cost management, flexibility and traveller satisfaction.
- 4.7.4 The Travel Management Company (TMC) should have in-depth knowledge of the relevant supplier(s)' products, to be able to provide the best option and alternatives that are in accordance with Travel Policy to ensure that the Traveller reaches his/her destination safely, in reasonable comfort, with minimum disruption, cost effectively and in time to carry out his/her business.

#### **4.8 Quarterly and Annual Travel Reviews**

- 4.8.1 Quarterly and annually reviews are required to be presented by the TMC Company on all travel activity in the previous three-month period. These reviews are comprehensive and presented to Procurement and Finance teams as part of the performance management reviews based on the service levels.
- 4.8.2 Annual Reviews are also required to be presented to the company's Senior Executives.
- 4.8.3 These Travel Reviews will include without limitation the following information
  - i. Did the company and the Travel agency adhere to the requirements in the National Treasury Instruction No.4 of 2017/2018 (Revised cost containment measures related to travel and subsistence)
  - ii. If the payment was made within 30 days of receipt of payments
  - iii. Was there any necessary information communicated to the Travel agency
  - iv. Did the Travel agency comply with the Service Level Agreement agreed upon

## 5 PRICING MODEL

The company requires bidders to quote based on the transactional fee model.

### 5.1 Transaction Fees

#### **Refer to Annexure E: Pricing Schedule**

- 5.1.1 The transaction fee must be a fixed management fee per month. The fee must be linked to the cost involved in delivering the service and not a percentage of the value or cost of the service provided by third party service providers.
- 5.1.2 The bidders must provide the maximum management fee that will be charged irrespective of the volumes of travel.

**NB: Please use the pricing schedule on Annexure E and provide a fixed and firm lumpsum amounts as rates-based pricing will not be considered.**

### 5.2 Volume driven incentives

- 5.2.1 It is important for bidders to note the following when determining the pricing:
  - i. National Treasury has negotiated non-commissionable fares and rates with various airlines carriers and other service providers;
  - ii. No override commissions earned through reservations will be paid to the Travel Management Company (TMCs);
  - iii. An open book policy will apply and any commissions earned through the the company volumes will be reimbursed to the company.
  - iv. Travel Management Company (TMCs) are to book these negotiated rates or the best fare available, whichever is the most cost effective for the institution.

## 6 SPECIAL CONDITIONS OF CONTRACT

- a) Travel arrangements must be done with due consideration to the following:  
Where many people are involved, the company reserves the right to exercise its own travel options and arrangements, taking into consideration any existing contract[s] with suppliers of services like charter flights or road transport.
- b) In line with the cost savings, the company has the right to utilize internal staff to make booking arrangements

- c) The company will settle the agreed percentage of handling fees on all venue and facilities booking irrespective of the value of the amount
- d) Bidders are further requested to separate financial proposal from technical proposal.
- e) **Travel management Companies in Main Centres:** Only bidders of recognized Travel management Companies, represented in main centres will be accepted. Main centres are, all cities, towns and/or places where scheduled flights are undertaken by South African registered airline companies. These conditions are also applicable to international journeys.
- f) **Supporting Services:** Supporting services required, for example, organizing for renewal/issuing of passports, visas and travellers cheques, special assistance, renting of busses or booking of bus tickets etc. Bidders may show separately which supporting services are available and at which reimbursement basis.
- g) **Adjustments to Contract:** All discounts against the standard tariffs of, or on accumulated expenditure on airline, car rental, rail and bus companies and any rates may not be adjusted if such will disadvantage the company for the duration of the contract. Any new airline company, car rental company, etc. will only be included if initiated or accepted by the company.
- h) **Discounts:** When submitting the bid, information regarding special rates in place and all negotiated discounts for any service must be provided. It is also required for the agency to distinguish between standard discounts, special discounts and cumulative discounts, if any, they will all be reflected separately and the conditions applicable thereto also shown separately. It must also be clearly stipulated whether any discounts represent credits or other incentives such as travel Rands, etc.
- i) **Service Fees:** Travel management companies must submit their detailed fixed service fee per transaction in respect of the following:
  - ❖ Air travel arrangements (domestic and abroad)
  - ❖ Accommodation arrangements (domestic and abroad)

- ❖ Car rental arrangements (domestic and abroad)
  - ❖ Bus service arrangement (domestic and abroad)
  - ❖ Train service arrangement (domestic and abroad)
  - ❖ Support service requests (itemized in relation to available services)
- K) The company reserves the right to appoint more than one contractor and or utilize internal staff.
- L) Once the bid has been awarded, the company will provide the travel management company with a copy of the S&T policy, Procurement Policy, Financial delegation and any relevant information.
- M) Service Level Agreement (SLA) will be drawn up by the company in consultation with the successful bidder.
- N) Any fee not disclosed by the agency in the bid will not be paid by the company.
- O) Any award made to a bidder(s) under this bid is conditional, amongst others, upon –
- a. The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which the company is prepared to enter into a contract with the successful Bidder(s).
  - b. The bidder submitting the General Conditions of Contract to the company together with its bid, duly signed by an authorised representative of the bidder.
  - c. The company has the right to appoint more than one Travel Management Company (TMC).
  - d. The company will not be liable for invoices longer than 3 (three) months.

## **7 SERVICE LEVEL AGREEMENT**

- 7.1 Upon award the company and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by the company.
- 7.2 The company reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.

- 7.3 The company reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to the company or pose a risk to the organisation.