Universal Service and Access Agency of South Africa

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TERMS OF REFRENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO RENDER ELECTRONIC VOUCHER DISTRIBUTION SERVICES TO APPROXIMATELY 3.2 MILLION BENEFICIARIES WHO ARE SUBSIDISED TO ACCESS TO SET-TOP BOXES

INTRODUCTION

1. PURPOSE AND BACKGROUND

1.1. PURPOSE

a) The purpose of the bid document is to invite the electronic voucher distribution service providers to submit proposals to render electronic voucher distribution services to approximately 3.2 million beneficiaries who are subsidised to access to set-top boxes

b) The registered applicant (household beneficiaries) will only utilise the voucher to purchase a set-top-box type, either a Digital terrestrial television or Direct to home (DTT or DTH).

1.2. BACKGROUND

1.2.1 The Universal Service and Access Agency of South Africa ("USAASA") is established in terms of Section 80 of the Electronic Communications Act Number 36 of 2005 ("the ECA"), as amended, as a statutory body with a sole mandate of promoting the goal of universal access and universal service. In line with Section 82(5) of the ECA, and amongst other legislative functions, the Agency is required to manage the Universal Service and Access Fund(("USAF"). The USAF is established in terms of Section 87 of the ECA.

1.2.2 The South African government decided to switch to the digital signal following the resolutions taken at the International Telecommunications Union ("ITU") in Geneva, Switzerland in 2006, the so-called GE-06 agreements.

1.2.3 USAASA's participatory mandate is derived from the Broadcasting Digital Migration Policy (7 February 2012) Section 2.1.4, which reads thus: Government must, as a matter of policy, consider the means to make STBs affordable and available to the poorest TV-owning households. This support by the government should be seen as part of its commitment to bridging the digital divide in South Africa. The government has therefore decided, as mandated by section 88(1) (a) of the Electronic Communications Act to subsidise poor TV owing households through USAF [Universal Service and Access Fund]."

1.2.4 The numbers of indigent households that will benefit at the project that is estimated at 3.2 million.

1.2.5 The vouchers that are given to qualifying indigent households will have a capped monetary value attached to them which the indigent households will redeem for purchase of the set-top boxes and installation.

1.2.6 So, the bidders must keep in mind that the value of the subsidy attached to the voucher may vary on the STB kits (DTT/DTH). Top Up may be required from households where market price is higher than that of the voucher value.

2. INVITATION

2.1 The Agency is embarking on the second phase of Broadcast Digital Migration. This phase requires efficiency, agility and a technology-driven delivery approach. This is informed by conditions under which this programme must be delivered.

2.2 A service provider then becomes integral in rolling out this programme as technology will address all the complexities involved in the rollout of a programme of this magnitude.

2.3 In the interest of fulfilling the role (within the BDM programme) of disbursing subsidies for STBs, Antenna/Satellite dish and Installation to qualifying for own households and ensuring successful migration of the country to the digital signal, USAASA seeks to appoint a service provider that will assist with a solution, that will address the following areas:

2.3.1. **Online zero-rated Registration Platform** that will have but not limited to the following functionality: Detail

- Vetting of the applicants using various data sources as per prescribed Qualifying Criteria of Indigent household
- Data maintenance for a central database.
- Proactively extract data from central database that will have Indigent Households data to assist with Proactive Registration.
- Non-intrusive technology must be used to extract data from various data sources e.g. SQL, Oracle, S4 HANA, Mariadb and MySQL etc.
- Assigning electronic vouchers to approved list of qualifying households.
- The messaging engine must send messages to recipients on the qualifying status on various stages of the application process.

2.3.2. **Scheduling Engine** with the following but not limited to the following functionality:

- The allocation of orders to the panel of third party service providers of devices based on the intelligence aligned with performance and service level agreement.
- Scheduling capability for installers that will track performance of installers and the intelligence required to allocate work to installers as per their performance.
- Workflow that must escalate non-delivery when targets are not being met with

regard to installation timelines.

- Intelligence in the allocation of devices per area to avoid having different brands and types of devices in one area.

2.3.3. **Field Services Application** must have but not limited to the following functionalities:

- The field services application must issue electronic vouchers at the point of sale.
- The Field services application must have Geolocation capability to match the physical address of the recipient and the Geolocation of where the electronic voucher was redeemed.
- The field services application must have the capability to validate authenticity of the recipient by ID document, contact details and address of the recipient in line with metadata that is linked to the recipient.
- The field services application must have the functionality to measure the amount of time an installer takes to install a device and approval by the recipient upon completion of installation to rate the quality of work and whether the device is functional or not.
- The fields services application must collate all the information for proof of delivery as per the format required for payment (Electronic Signature of the recipient will be the approval of the quality of work and the device being functional, serial number of the device, and Geolocation). This must be an automated function for billing.

2.3.4. Retail redemption capability

- The need to have the ability to generate vouchers that can be redeemed at South African retailers which will be subject to approval by the Agency.
- Allow for Partial redemption and full redemption capability of voucher.

2.3.5. Warranty Management Platform

- This platform must keep records of all the devices distributed with serial numbers matched to the beneficiary for warranty management purposes including repairs and replacements.
- This must be linked to a call centre where calls will be logged for after-sales services.

2.3.6. Business Intelligence Layer

- BI Layer must provide real-time dashboards and reports that must show an integrated picture of where the programme is, and whether the programme is on target or behind schedule.

- The reports must show critical information on various verticals (Registration, Scheduling, Installation, payments, escalations and after-sales).

2.3.7. Training Module

- Online help for front-end users;
- Quick-reference guide for front-end users;
- Online help for back-end users;
- Quick-reference guide for back-end users
- Physical training may be required when necessary

2.3.8. Hosting Environment

- The solution would be hosted in a virtual environment which includes a DEV, QA and Production server with a secondary site providing redundancy and the databases replicating between sites.

2.3.9. High Level Process Workflow

Online Application	• Beneficiaries need to have the ability to apply for voucher system on a zero rated platform • There is a requirement to Integrate with third party databases for indigent verification and validation • The output required is a list of qualified households for vouchers approved by USAASA and vouchers must be assigned to the list (qualifying households) • Households must be proactively prompted to register via USSD/WhatsApp/Web through messaging capability • Determine whether the voucher is a DTH or DTT via GIS capability • Inform beneficiaries of approved application and where to redeem the voucher.
Redemptions	• There must be an arrangement to redeem vouchers via relevant parties e.g retail network in line with LSM targeted or Distribution Network. USAASA to approve list of retail network • Partial Redemption of the voucher at the point of sale for devices. • Beneficiary to call a toll free number to arrange for installation • Relevant parties must have a view of list of approved qualifying households segmented per area/town • Reporting on redemption of vouchers view to manage supply and demand
Scheduling of Installation	• Call Centre must integrate with installer network • Scheduling must be done via the call centre for arrangement of installation by beneficiaries. Call Centre must have access to scheduling engine and field services app • Installers must have access to field services app and register on field services app • Scheduling engine must be integrated to field services app
Installation	• The registered Installer is required to verify the beneficiary and location of installation • Field services application is required to assure work completed
Automated Billing	• Redemption of second (installation) part of the voucher • This will trigger payment claim for the installation contractor/ company. • Field services app will reconcile all installations from Installation Company • Field Services app should send pro forma invoice to Installation Company
Warranty Mgt	• Reverse logistics

2.4 USAASA, therefore, wishes to invite interested service providers that have the capability, the skills and capacity to submit proposals, demonstrating the following:

a) Experience in Integration, BI, and Data Analysis capability in various projects Adherence to the principles contained in the Preferential Procurement Policy Framework;
b) OEM partnership agreement in non-intrusive technology required for integration;
c) Proof of skills development initiatives that are in line with the technologies required for this solution;
d) Adherence to the principles contained in the Preferential Procurement Policy Framework;
e) Reflect equitable representation in its ownership and control structure and human resources composition; and
f) Comply with Employment Equity and Skills Development Legal Requirements.

3. SCOPE OF BID

The project's scope is to appoint a service provider to render electronic voucher distribution services to approximately 3.2 million beneficiaries who are subsidised to access to set-top boxes

4. BID EVALUATION STAGES

a) The bid evaluation process consists of several stages that are applicable according to the nature of the bid as defined in the table below.

Stage	Description	Applicable for this bid
Stage 1	Administrative pre-evaluation verification	YES
Stage 2	Mandatory requirement evaluation	YES
Stage 3	Technical and functionality requirement evaluation	YES
Stage 4	Price / B-BBEE evaluation	YES

b) The bidders must qualify for each stage to be eligible to proceed to the next stage of the evaluation.

STAGE 1: ADMINISTRATIVE PRE-EVALUATION

1. ADMINISTRATIVE PRE-QUALIFICATION REQUIREMENTS

1.1. ADMINISTRATIVE PRE-QUALIFICATION VERIFICATION

- The bidder **must comply** with ALL of the bid pre-evaluation requirements in order for the bid to be accepted for evaluation.

- If the Bidder fails to comply with any of the administrative pre-evaluation requirements, then USAASA reserves the right to –
  (a) Reject the bid and not evaluate it, or
  (b) Accept the bid for evaluation, on condition that the Bidder must submit within 48 hours of notification any supplementary information to achieve full compliance, provided that the supplementary information is administrative and not substantive in nature.

- **Submission of bid response**: The bidder has submitted a bid response documentation pack that are indexed and pre-numbered (paginated) –
  (a) that was delivered at the correct physical or postal address and within the

stipulated date and time as specified in the “Invitation to Bid” cover page;

(b) the bid response must have a technical proposal response and a pricing proposal and;

(c) in the correct format as one (1) original document, three (3) copies

(d) The packaging of envelopes to be submitted to the Agency must be compliant with the COVID 19 regulations in terms of safety regulations.

(e) Bidders will not be invited to observe the closure of the bid due to the observation of COVID 19 safety requirements.

(f) The bid response documents must be submitted in a file and divided in this format:

- Cover letter
- Administrative Pre-Evaluation documents (Proof of CSD Registrations, Valid B-BBEE Certificate or Sworn Affidavit and SBD’s)
- Mandatory Requirements
- Technical and Functionality Proposal
- Pricing Proposal

- **Registered Supplier.** The bidder is, in terms of National Treasury Instruction Note 3 of 2016/17, registered as a Supplier on National Treasury Central Supplier Database (CSD).

- **Tax Compliance.** The Bidders must have a tax compliant status on the CSD. Refer to National Treasury SCM Instruction Note No 7 of 2017/2018 on Tax Compliance Status– **Annexure C.**

- **Valid B-BBEE Certificate or Sworn Affidavit.** The Bidder must submit their B-BBEE certificate or B-BBEE Sworn Affidavit. If the bidder does not have a valid B-BBEE certificate the bidder is requested to disclose this on their company letterhead.

- **Standard Bidding Documents (SBD).** The Bidder is required to complete all SBD’s with the required information and signs all the bidding documents – SBD 1, SBD 3.1, SBD 4, SBD 6.1,SBD 8 and SBD 9.

- **Not Restricted by National Treasury.** The Bidder must not be registered on the National Treasury Restricted Supplier Database and/or Tender Defaulters Database. See attached lists on **Annexure D** and **Annexure E** respectively.

- **Joint venture/partnership**. if the Bidder is a JV/partnership, the bidder must indicate and submit a signed JV / partnership agreement and B-BBEE certificate or Sworn Affidavit and comply with all legislative requirements of a JV / partnership.

- **Sub-contracting**. The Bidder must indicate if they are subcontracting and submit a subcontracting agreement and complete SBD 6.1 accordingly. The bidder must comply with all legislative requirements for subcontracting.

2. MANDATORY

INSTRUCTION AND EVALUATION CRITERIA

(a) The bidder **must comply with ALL the requirements by providing substantiating evidence** in the form of documentation or information, failing which it will be regarded as “NOT COMPLY”.

(b) The bidder **must provide a unique reference number** (e.g. binder/folio, chapter, section, page) to locate substantiating evidence in the bid response. During an evaluation, USAASA reserves the right to treat substantiation evidence that cannot be located in the bid response as “NOT COMPLY”.

(c) The bidder **must complete the declaration of compliance** as per section marking with an “X” either “COMPLY”, or “NOT COMPLY” with ALL of the technical mandatory requirements, failing which it will be regarded as “NOT COMPLY”.

(d) **The bidder must comply with ALL the MANDATORY REQUIREMENTS in order for the bid to proceed to the next stage of the evaluation.**

MANDATORY REQUIREMENTS

MANDATORY REQUIREMENTS	***Substantiating evidence of compliance*** *(used to evaluate bid)*	***Evidence reference*** *(to be completed by bidder)*
1. The bidders must have presence in the country	• Company registration document.	provide unique reference to locate substantiating evidence in the bid response

DECLARATION OF COMPLIANCE

	Comply	Not Comply
The bidder declares by **indicating with an "X"** in either the "COMPLY" or "NOT COMPLY" column that – (a) The bid complies with the MANDATORY REQUIREMENT as specified in the section above; AND (b) The requirement specification is substantiated by evidence as proof of compliance.		

STAGE3: TECHNICAL AND FUNCTIONALITY REQUIREMENTS

TECHNICAL AND FUNCTIONAL EVALUATION CRITERIA

Bidders who obtain 70 points out of a total of 100 points will qualify to proceed to Stage 4 (Price and Preference Goals) evaluation wherein the 80/20 preference points system will be used as follows: 90 points for price and 10 points for BBBEE status level contribution. The Technical and Functional Requirements is split into two parts where bidders must obtain a minimum score of 49 out of a total of 70 for technical requirements and a minimum score of 21 out of a total of 30 for the Presentation of the prototype to demonstrate functionality.

NO.	ELEMENT	WEIGHT	SCORE
A)	**TECHNICAL: Technical Threshold is set at 49 points out of 70 points.**	**70**	
1	Proof of address for business premises. The bidder must please indicate their business presence and that they have the capacity to deliver on this tender. • Proof of address not attached = 01 • Proof of address attached but not certified= 03 • Proof of address attached and certified= 05 Proof of business presence (where the bidder rents or owns an office building): The bidder is required to submit a certified copy of their municipal bill, the municipal bill must be less than 3 months old. The bidder is required to provide the name and contact	10	

2	Company Experience in a similar project Experience in Electronic Voucher System. The bidder must please provide the company profile indicating the experience. • 0 – 3 Years' Experience = 01 • 2 – 4 Years' Experience = 03 • 5 Years' Experience and above = 05 Proof of reference letters: The bidder is required to submit three reference letters not older than three months	30	

3	**Project management and capacity to deliver electronic voucher system platform.** • The bidder must provide detailed project management plan and information in terms of the resources (technology and/or personnel) the bidders have to deliver on the project • Delivery of project in five months and above= 01 • Delivery of project in four months = 03 • Delivery of project in three months = 05	30	
B)	**PRESENTATION: Presentation Threshold is set at 21 points out of 30 points.**	**30**	

1.	Presentation/Demonstration of a prototype of the electronic voucher management system The bidder must demonstrate the following: • The solution's functionality or performance is as per specifications referred to in section 2.3 • User Friendliness of solution • The Flexibility of the of the solution in meeting the Agency's requirements • Pen Testing • Adherence to Overall Requirement based on proposed packaged solution Scoring will be assessed based on points being allocated: 01 = Still needs work; 03 = Satisfactory; 05 = Excellent	30	

TOTAL		**100**	
The minimum threshold for the qualifying service provider will be 70 out of 100. Only bidders who score 70 and above will proceed to be evaluated on Price and B-BBEE. Bidders who score below 70 points will be disqualified from the tender process.			

STAGE 4: COSTING AND PRICING

QUALIFICATION NOTICE

To safeguard the integrity of the bidding process, the technical and financial proposals should be submitted in separate sealed envelopes, as per "National Treasury: Supply Chain Management a guide for Accounting Officers / Authorities,2004", section 5.9.4; therefore

All bid Pricing Information and Price Proposal, must be submitted in a SEPARATE SEALED ENVELOPE.

1. COSTING AND PRICING

1.1. COSTING AND PRICING EVALUATION

a) **ALL PRICING SCHEDULES MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE, failing which the BID will be DISQUALIFIED.**

b) In terms of the Preferential Procurement Policy Framework Act (PPPFA), the following preference point system is applicable to all Bids:

- the 80/20 system (80 Price, 20 B-BBEE) for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); or
- the 90/10 system (90 Price and 10 B-BBEE) for requirements with a Rand value above R50 000 000 (all applicable taxes included).

c) This bid will be evaluated using the PPPFA preferential points scoring system of **80/20.**

d) The bidder must **complete the declaration of acceptance** as per section 9.3 below by marking with an "X" either "ACCEPT ALL", or "DO NOT ACCEPT ALL", failing which the declaration will be regarded as "DO NOT ACCEPT ALL" and the bid will be disqualified.

e) Bidders will be bound by the following general costing and pricing conditions and USAASA reserves the right to negotiate the conditions or automatically disqualify the bidder for not accepting these conditions. These conditions will form part of the Contract between USAASA and the bidder. However, USAASA reserves the right to include or waive the condition in the Contract.

1.2. COSTING AND PRICING CONDITIONS

a) The bidder must submit **the Pricing Schedule(s)** as prescribed in section 9.4 as well as the relevant enclosed Standard Bidding Document SBD 3.1.

b) **SOUTH AFRICAN PRICING.** The total price must be VAT inclusive and quoted in South African Rand (ZAR).

c) **TOTAL PRICE**

- All quoted prices are the total price for the entire scope of required services and deliverables to be provided by the bidder.
- The total bid price must be inclusive of all costs.

1.3 BRIEFING SESSION

- A compulsory information/ briefing session will be held Virtually-Online
- Bidders are requested to send an email to the advertised contact information requesting the link to the virtual briefing.

1.3. DECLARATION OF ACCEPTANCE

	ACCEPT	DO NOT ACCEPT
(1) The bidder declares to ACCEPT ALL the Costing and Pricing conditions as specified in section 1.1 & 1.2 above by indicating with an “X” in the “ACCEPT ALL” column, or (2) The bidder declares to NOT ACCEPT ALL the Costing and Pricing Conditions as specified in section 1.1 & 1.2 above by - (a) Indicating with an “X” in the “DO NOT ACCEPT ALL” column, and; (b) Provide reason and proposal for each of the condition not accepted.		
Comments by a bidder: Provide the condition reference, the reasons for not accepting the condition.		