

ANNEXURE A

BUSINESS PERFORMANCE REPORTING SYSTEM SCOPE OF WORK

1. INTRODUCTION

CEF SOC Ltd is a state-owned company involved in the search for appropriate energy solutions to meet the energy needs of South Africa and the sub-Saharan African region. It also manages the operation and development of the oil and gas assets of the South African government. The company falls under the auspices of the Department of Mineral Resources and Energy (DMRE). For more information on the company, you can visit our current website: www.cefgroup.co.za

2. BACKGROUND

The purpose of this tender is to source the services of a business systems service provider. This company with extensive knowledge will implement an integrated business performance software as a service (**SaaS**) application for **CEF SOC** and its subsidiaries. The specific subsidiaries considered for this rollout are **AEMFC, iGAS, PASA, SFF, PetroSA**, and the newly formed **SANPC**. The system will broadly support the implementation of strategy and in particular, support the following functional areas with planning and reporting:

- Group strategy planning process;
- Organizational balance scorecard (subsidiary and Group) formulation and cascading to functional and individual performance scorecards and alignment thereof;
- Tracking of the execution of initiatives;
- Periodic review of entity performance against its scorecard as well as review of the consolidation thereof at Group level;
- Strategy implementation as well as, tracking monitoring, evaluation and reporting of **organization performance**, organizational **risk treatment plans**, action items from the **audit process**, and **action items from governance** structures.
- Monthly, quarterly, and annual reporting of business performance information from the various CEF group member companies;
- **Consolidation of operational performance information** such as strategic risks, HR, Procurement, Legal, Internal Audit, Stakeholder management, Business development, Strategy Management, Finance, Company Secretariat (COSEC) and Communication, on a monthly, quarterly, and annual basis. **This specifically rules out all confidential HR information.**
- Individual performance and training management for CEF SOC Ltd (**35 user count**); The 35 users include 5 each from the 6 identified subsidiaries and 10 from CEF SOC. The main subsidiaries include AEMFC, iGAS, PASA, CEF Carbon, PetroSA, SA NPC, and SFF. These 35 users, allocated in accordance with the licence for the 6 entities.
- All the other employees may have **view-only** rights.

- Budgeting to support strategic initiatives identified, thereby to give effect to strategic objectives;
- Forecasting during strategy implementation;
- Project and Programme Management;
- Functionality to compare current quarterly performance versus previous quarters;
- Functionality to conduct scenario planning;
- Functionality to conduct impact and outcome assessment of strategic objectives;
- Functionality to conduct predictive analysis;
- Ability to track, monitor strategic projects and capture comments;
- Dashboards and Analytics of performance information;
- Design templates for monthly and quarterly reporting with functionality to capture comments;
- Workflow management for critical processes.
- BI analytic questions to support review of strategy.
- Tracking of business turnaround initiatives, and associated benefits

Advisory resources available under this tender will assist the CEF Group by providing an integrated cloud-based business performance management solution system (**SaaS**), and by empowering CEF designated CEF employees to utilize such a solution in accordance with use mandates.

Performance criteria will be developed after delivery of the business system but will at a minimum include Completion on schedule, within cost parameters, and within quality criteria as outlined requirements. The solution must empower CEF teams to easily deal with the imperative of business performance reporting, supporting with relevant analytics.

The Service provider is expected to implement business performance reporting system adequately and creatively for the CEF Group. Where applicable, the delivery of the solution may be phased.

This **SaaS** business system will ease the reporting function throughout CEF, for individual entities, departments, and identified users / employees at the integrated level.

3. GENERAL REQUIREMENTS

The expected benefits of the services provided to the CEF Group under this agreement/tender will be based on the ability of the service provider to implement business performance management software as a service (**SaaS**) application, support and meet unique, comprehensive Group and Business unit performance-reporting needs. In addition, the services will benefit the CEF Group by enabling the following:

More effective execution of the CEF Group mission and visions, through:

- increased efficiency in the **translation of strategy** and monitoring the execution thereof;
- increased efficiency and synergy in the **reporting of business performance**
- improved responsiveness to internal and external **customer/stakeholder reporting-needs**;
- enhanced compliance and more targeted reporting of business performance
- increased transparency in the reporting;
- cascading of Group objectives and business performance improvement.
- Progress monitoring for strategic projects.
- It is anticipated that in later phase of the rollout the system will be utilized to cascade the deliverables progressively from the corporate scorecard to individual performance contracts. At that stage, more users and more deployment of functionality are expected.
- Ability to drilldown to multiple levels of organization, for example Group, entity, and department.

4. CURRENT IT LANDSCAPE

- CEF Group member companies each operate their own independent IT infrastructures;
- These member companies are situated primarily in Cape Town and Johannesburg and have their primary data centres in these two cities;
- They run different **ERP platforms**, namely **SAP** and **Sage 300**;
- HR, payroll, and accounting systems are running from these two platforms;
- Procurement and Risk processes are either partly or fully automated and are also running on separate platforms, namely **Intenda** and **CURA**;
- It is envisaged that a significant part of performance information required for periodic reporting will be sourced from the various ERP platforms and these systems;
- Part of the CEF Group strategy is to consolidate the duplicated IT infrastructures into a single IT platform from which the entire Group will be serviced. Before this comes about, we wish for a performance monitoring system that can consolidate data and information from various types of sources, including manual data.

5. SCOPE OF SERVICES

This tender is designed to source consulting services to implement a business performance management software as a service (**SaaS**) application for use by the CEF Group Executive Strategy (and subsidiaries) under the overall management of the Group CEO and Group Strategy Executive for services and support of the integrated reporting and consolidation process. **Input from the other entities will be extracted as guided by the CEF Group corporate plan.** A future contract will inform the active management of performance contracts for individual employees.

A. Strategic Planning Support

- Ability to incorporate scorecard and dashboard to monitor key performance indicators;
- Must be able to define thresholds and setup alerts/warnings that create flags, notes, and e-mail notifications;
- Must be able to perform scenario analysis;
- System should have collaboration functionality, allow end users to capture comments on scorecards;
- Must be able to formulate balance scorecard and cascade to departmental scorecards all the way down to individual performance scorecards;
- Ability to create strategy maps;
- System should have functionality to open or close the system on scheduled dates for performance reporting period;
- Ability to capture corporate planning calendar, shareholder calendar with subsidiaries and send reminders of scheduled meetings;
- Ability to do Forecasting;
- Ability to compare the budget with the actuals

Strategic Planning Process Flow

Process	Input	Source	Activity	Output
Strategic Planning	- Shareholder objectives - CEF Act - National Development Plan - Presidential 7-point plan - IRP - IEP - Shareholder Compact - Input Plan - Entities' inputs - Environmental scans	- CEF SOC and its subsidiaries - Departments - Shareholder	- Planning instructions (Assumptions/strategic themes) issued to subsidiaries- process kicks starts sub-processes - Alignment and Prioritization of subsidiaries and group draft corporate plans - Finalization of Corporate plans at a Strategy Workshop - Approval of Corporate plans by entities boards and CEF board - Finalization of consolidated group Corporate Plan	- Group and subsidiaries corporate plans - Group and subsidiaries scorecards - Shareholder Compact - Operational Plans - Risk Plan
Sub-processes	Sub-processes start after planning instructions are issued			
Risk Management Process	- Strategic objectives - Environmental scans	- Draft corporate plans - Operational plans	- Identify risks - Analyse risks - Evaluate risks - Mitigation strategies	- Group and subsidiaries risk register - Group and subsidiaries risk plans
Budgeting	Budget Assumptions	CEF SOC, its subsidiaries and departments	- Departmental Budgeting - Draft department budgets submitted to Management Accounting - Finalisation of budget - Consolidation of group budget and approval by Executive Committee (EXCO) and Board - Forecasting	Subsidiaries and Group Budgets (Balance sheet, Income statement and Cashflow)

Process	Input	Source	Activity	Output
			6. Ability to compare the budget with the actuals	
Human Capital	- Draft Corporate plans - Strategic Initiatives - Departments operational requirements	• CEF SOC, its subsidiaries - Entities and departments	1. Workforce planning 2. Job evaluation 3. Job grading 4. Consolidation for the group	Entities and Group workforce Plans
Procurement	- Draft Corporate plans - Departments operational plans - Strategic initiatives	• CEF SOC, its subsidiaries and departments	1. Procurement planning at department level 2. Consolidation of departments and group plan	Subsidiaries and group procurement plans
Stakeholder Management	- Draft Corporate plans - Strategic initiatives	• CEF SOC, its subsidiaries and departments	1. Stakeholder Mapping 2. Events planning	Subsidiaries and group stakeholder engagement plan
Processes starts after finalization of the corporate plans				
Individual Performance Planning	- Entities scorecards and objectives - Department operational plans - OPR	• CEF SOC, its subsidiaries and departments	1. Review of departments' scorecard 2. Cascading and alignment 3. Contracting and sign-off 4. Submit signed off contracts to Learning and Development department	- Individual performance plan - Individual development plan
Corporate Planning Calendar	- Scorecard - AGM - Treasury planning instructions - Statutory reporting date - Directors' availability - Portfolio committee calendar	• CEF SOC, its subsidiaries and departments	1. Strategy and COSEC consolidation 2. Compiling calendar 3. Issuing of corporate calendar	Corporate calendar

B. Monthly Performance Reporting

- Ability to evaluate plans, identify performance gaps and diagnose root causes;
- Ease of generation of monthly performance reports;
- Ability to draw analytics from performance information;
- Ability to drilldown to multiple levels of organization, for example Group, entity, and department;
- Ability to issue monthly reporting reminders.

Monthly Performance Reporting Process Flow

Process	Input	Source	Activity	Output
Monitoring & Evaluation (Tracking)	• Entities and Group scorecard • Operational Plans • Departments scorecard	CEF SOC, its subsidiaries and departments	1. Issue reporting reminders 2. Entities and departments submit monthly performance summary 3. Monthly performance dialogue 4. Update notes/comments from monthly performance dialogue	• Monthly performance report • Notes from monthly performance dialogue

C. Quarterly Performance Reporting

- Ability to evaluate plans, identify performance gaps and diagnose root causes;
- Ease of generation of quarterly and annual performance reports;
- Ability to draw analytics from performance information;
- Must be able to generate audit trail reports;
- Ability to store scorecards, KPIs, measures, initiatives and to track implementation progress for initiatives;
- Ability to draw in transactional data and also to take individual input without compromising integrity;
- Ability to report on financial and non-financial performance information at group level;
- Ability to perform profitability analysis;
- Ability to drilldown to multiple levels of organization, for example Group, entity, and department;
- Ability to capture and track budget against strategic projects;
- Ability to track progress with implementation of initiative and comparison to expenditure on budget;

- Ability to engage risk management processes to track strategic risks that are linked to strategic objectives;
- Ability to draw entity-specific and consolidated reports on risks;
- Narrative reporting capability
- Support Individual performance contracting

Quarterly Performance Reporting Process Flow

Process	Input	Source	Activity	Output
Monitoring & Evaluation (Tracking)	• Entities and Group scorecard • Operational Plans • Departments scorecard • Monthly performance reports and notes • Operational reports • Environmental scans • FDI country scans • Value chain scans • Economic data • PLATS/ BER • NDP (National Development Plan) • IEP (Integrated Energy Plan) • IRP (Integrated Resource Plan)	○ • CEF SOC, its subsidiaries and departments ○ Business Development ○ Finance ○ Human Capital ○ Risk Management ○ Legal ○ Stakeholder Management ○ COSEC ○ Communications ○ Internal Audit ○ Procurement ○ Travel Management ○ Treasury ○ ICT	1. Issue report delivery date notification to entities and departments 2. Entities and departments capture/update quarterly performance feedback 3. Entities extract draft report and submit to their EXCO and board for approval 4. Entities submit report to Head Office. 5. Comparison of current reports against previous quarterly performance reports 6. Session with entities to review and clarify quarterly performance report 7. Consolidate quarterly performance report 8. Submit consolidated report to EXCO 9. Capture EXCO recommendations	• Entities quarterly performance reports • Group Quarterly performance report • Feedback to DMRE and National Treasury • Feedback to entities highlighting areas of improvement

Process	Input	Source	Activity	Output
			10. Submit quarterly report to CEF Board & BARC 11. Prepare presentation dashboard 12. Submit quarterly report and dashboard to DMRE and National Treasury	

Sources and type of data required from entities and departments for quarterly performance reporting

Source	Source Type/System	Type of data required
Finance	- CaseWare - SAP and Sage 300 ERP - IDU (Budgets) - BPM	- Consolidated Financial statement - Entities financial statements
Procurement	- SAP and Sage 300 ERP - BPM	BEE Reporting
Treasury	Tasman & Manual	- Treasury report (Guarantees and Borrowings) - Other treasury activities
Business Development	Manual	- Business Development Initiatives - Operational Oversight / Support
Human Capital	SAP, Sage 300 People and Excel	- CEF Group workforce profile - Group Headcount - Appointments and Terminations - Group movement per entity - Group diversity status - Employee Skills Development, Training & Youth Development - National Solar Water Heater (NSWH) - Programme Rollout

Source	Source Type/System	Type of data required
		- Group Employee Relations - Employee Wellness
Information Management	Manual	- Overall Group IT Performance - Group IT Balanced Scorecard
Stakeholder Management	Manual	Stakeholder engagements
Group International Travel	Manual	International travel activities
Risk Management	Cura/ Manual	- Risk Dashboards - Enterprise Risk Management (ERM) Plan 2020/2021 - Compliance Matters
Legal Management Report	Manual	Legal Management report
Group Commercial	Manual	Group commercial activities status report
Internal Audit Opinion	TeamMate/ Manual	Internal audit report
Group Governance Matters	Manual	Group Governance Initiatives
Compliance with PFMA and Treasury Regulations	Manual	Compliance with PFMA and Treasury Regulations report
Group Strategy Management	Manual	- Input from the other departments - Input form subsidiaries

D. Employee Performance Management (This will be for a future implementation)

- Employee performance management with automated performance evaluations, review, and approvals;
- Automated scheduling of face-to-face performance conversations and automated and trackable personal development plans;
- The system performance management functionality should be accessible to managers and employees;
- The system should enable the delegation of access to different users as per the cycle of performance management;
- The system should have functionality to link and align goals of employees to Corporate & divisional Objectives;
- System should have capability to capture and track individual development plans;

- The system should be flexible to allow quarterly reviews;
- The system should provide for electronic routing, completion, approval and recording of the performance plan and resulting rating from management to the human resources office;
- The system should have the capability to create, monitor and maintain performance improvement plans;
- The system should be able to monitor performance and provide progress reports for succession and career Discussion;
- System should have the capability that allows for central submission; Reports to be drawn on organisational performance, divisional as well as individual and link up to Training and Development records as well as to Compensation post the final appraisal;
- The system should be scalable so that it can be easily extended to subsidiaries later

Process	Input	Source	Activity	Output
Individual performance Management monitoring & Evaluation	• Individual performance plan (IPP) • Individual development plan (IDP)	• Departments	1. Quarterly Tracking & Feedback Discussion performance and individual development plan 2. Submit to reviewed IPP and IDP to department manager 3. Final Annual Appraisal, review of performance and rating discussion 4. Submit final ratings to department manager 5. Submit signed off IPP and IDP to Learning & Development department	• IPP review • IDP review

E. Non-Functional Requirements

- Potential bidders must attend the compulsory briefing session
- Solution should be able to cater for future business requirements and be scalable to accommodate growth;
- There is need for **at 100 licences**, so that each of the CEF entities including the SAS NPC will have licences for at least two functionaries in Strategy Management, Finance, Risk Management, Business Development, Internal Audit, and Corporate Services. These colleagues must be able to modify and update the data.
- Further, the number of **view-only licences should be at least a 1200** to allow for easy move of employees, executives, and Board members.
- Solution should be highly secure with data encryption and able to accommodate users from different network domains;
- Proposed solution must be able to connect to any data source;
- Cloud solution hosted in South Africa;
- Guaranteed application availability/uptime of 99.95%;
- Any scheduled outages / maintenance to be set away from periods of statutory deadlines.
- Detection and protection against accidental or intentional data leaks and attacks;
- Guaranteed data confidentiality;
- Encryption of files/documents at rest and during transmission;
- Availability of data in the unlikely case of an outage and protect against material loss of data;
- 3RD party penetration testing;
- ISO27001:2013 and ISO27017:2015 cloud security compliant;
- Secure authentication (AES encryption);
- Granular access control

F. Service level agreement for 36 months (Attach copy of draft SLA)

- Monitors and resolve errors;
- Perform proactive and preventative maintenance;
- Provide monthly support reports;
- Provide suitable systems and measures to ensure continuity in case of system failure;
- Provide support and perform backups on the system;
- Perform software updates and ensure the latest patching is done as soon as it is made available;
- Provide user and admin training on the proposed solution;
- Any additional licensing will need to be included as part of the agreement;
- Criteria to determine priority level of each call. See below for example;

Priority Level	Description	Response time	Resolution time
Priority Level 1	System is unavailable	30 minutes	2 working hours
Priority Level 2	Critical fault: a major function, component or application is unusable	2 working hours	4 Working hours
Priority Level 3	A software function, component or application has been lost which does not seriously affect business critical work	8 working hours	24 working hours
Priority Level 4	Enquiry: all other problems that do not fall into the three categories above. This includes general queries and reporting requirements.	48 working hours	72 working hours

6. SPECIAL CONDITIONS

- Service delivery levels and quality of the work will be a measure of appointment and retention as service provider.
- Fees shall be charged in accordance with the CEF Group Service Level Agreement/Statement of Work and Milestones mentioned herein. The Service Level Agreement/Statement of Work will be drafted after the proposals has been received and considered.
- In line with the CEF Group's developmental objectives, consulting companies may be required to partner with a strategic BBEEE Partner as part of Supplier Development and Skills transfer.
- The firm shall have at least 10 years' experience in the business performance reporting and support, or in related specialties with a proven record of accomplishment.
- Bidder must have local presence and hosting in South Africa in case of cloud deployment.
- Bidder must provide proof of accreditation **if** they do not own the software.
- Proposal must include project methodology and project plan with deliverables and milestones.

7. PROJECT METHODOLOGY

- Bidders are required to submit an agile project methodology demonstrating strategy in designing and implementing Business performance management systems;
- Project methodology should include an optimized project plan indicating deliverable with timelines;
- Submit structure or composition of team who'll be working on this project;
- Submit a skills transfer plan. Winning bidder will be required to ensure transfer of skills to in-house business performance teams or designated teams of CEF.