

THE PUBLIC SERVICE SECTOR EDUCATION TRAINING AUTHORITY

Terms of Reference

**THE APPOINTMENT OF A SERVICE PROVIDER TO CUSTOMIZE, SUPPORT, AND
MAINTAIN THE MICROSOFT DYNAMICS 365 ENTERPRISE RESOURCE PLANNING
SYSTEM FOR FORTY EIGHT (48) MONTHS**

RFP NUMBER: ERP06/PSETA/11-2025

CLOSING DATE: 23 January 2026

CLOSING TIME: 11:00

No late applications will be accepted

1. INTRODUCTION

The Public Service Sector Education and Training Authority (PSETA) is a Sector Education and Training Authority (SETA) established in terms of section 9(1) of the Skills Development Act 97 of 1998 as amended and is classified as a National Public Entity under schedule 3A of the Public Finance Management Act, 1 of 1999.

This document outlines the criteria and requirements for selecting a suitable service provider to support and maintain the PSETA Enterprise Resource Planning (ERP) system.

2. OBJECTIVES

- a. To align with the mandate of the SETA in the development of the Sector Skills Plan (SSP), Qualifications, registration of learning programmes, and the implementation of the SSP.
- b. Support the business on electronic quarterly reporting (SETMIS) reporting to the Executive Authority.
- c. Support the business on the National Learner Records Database (NLRD) reporting to SAQA.
- d. To support the business on internal reporting, such as monthly, quarterly, and annual.
- e. Ensure optimal performance, reliability, and availability of the Dynamics 365 environment.
- f. Provide timely resolution of incidents and service requests.
- g. Maintain system security, compliance, and data integrity.
- h. To enhance existing Microsoft Dynamics ERP functionalities to improve operational efficiency, data accuracy, and user experience across departments.
- i. Support continuous improvement and user satisfaction.

3. BACKGROUND AND CONTEXT

In 2020, the PSETA appointed a service provider to provide a customized ERP system to manage its information needs and requirements. Subsequently, Microsoft Dynamics 365 (Finance & Operations & CRM) was implemented as the organization's solution of choice.

While the current system has served the organization, several areas have been identified for improvement to better align with evolving business needs and technological advancements.

The current contract is set to expire. Therefore, the organization is looking for a suitable Microsoft cloud partner to help customize, support, and maintain the ERP system to achieve its business goals.

4. SCOPE OF CUSTOMIZATIONS/ENHANCEMENTS

The enhancements will focus on the following modules:

- a. Finance & Accounting
 - i. Automate bank reconciliation processes.
 - ii. Improve financial reporting with customizable dashboards.
 - iii. Integrate with third-party payroll systems.
 - iv. Enhance current business processes.
- b. Procurement
 - i. Implement automated purchase requisition workflows.
 - ii. Enhance vendor management with performance tracking.
 - iii. Inventory Management
 - iv. Real-time inventory tracking and alerts.
 - v. Barcode scanning integration for stock movements.
- c. Human Resources
 - i. Self-service portal for leave applications and approvals.
 - ii. Integration with biometric attendance systems.
 - iii. Enhancement of the current business processes.
- d. CRM
 - i. Enhanced customer segmentation and campaign tracking.
 - ii. Integration with email marketing platforms.
 - iii. Enhancement and integration of the core business value chain.
 - iv. Enhancement of the project management module, e.g Gant charts

- v. Enhancement of the discretionary grant (DG) module to include the processes such as, DG advertisements, capturing of applications, evaluations, adjudication, awarding and contracting.
- vi. Enhancement of the learning programmes module.
- vii. Enhancement of the quality assurance module.
- viii. Automation of the certification process.

e. Functional Requirements

Each module enhancement will include:

- i. User Interface Improvements
- ii. Streamlined navigation.
- iii. Mobile responsiveness.
- iv. Business Intelligence (BI) Reporting & Analytics
- v. Dashboards
- vi. Custom reports.
- vii. Real-time data visualization.
- viii. Automation (enhancement of existing manual processes)
- ix. Workflow automation for approvals and notifications.
- x. Scheduled data sync with external systems.
- xi. Security & Compliance
- xii. Role-based access control.
- xiii. Role-based audit trail.
- xiv. Real-time Audit trail for sensitive transactions.

f. Technical Requirements

- i. Integration with existing systems (e.g., SharePoint, Power BI, Office 365).
- ii. Use of Power Platform (Power Automate, Power Apps) where applicable.
- iii. Data migration strategy for new modules.
- iv. API development for third-party integrations.

5. SCOPE OF SUPPORT AND MAINTENANCE

Support and maintenance will cover the following areas:

- g. System Administration
 - i. User account management

- ii. Role-based access control
 - iii. License management
- h. Incident Management
 - i. Troubleshooting and resolution of system errors
 - ii. Root cause analysis and reporting
- i. Service Requests
 - i. Configuration changes
 - ii. Data corrections
 - iii. Report modifications
- j. Change Management
 - i. Deployment of updates and patches
 - ii. Testing and validation of new features
 - iii. Awareness and training
- k. Performance Monitoring
 - i. System health checks
 - ii. Resource usage optimization
- l. Backup and Recovery
 - i. Scheduled backups
 - ii. Disaster recovery planning and testing
- m. Security Management
 - i. Vulnerability assessments
 - ii. Compliance with internal and external standards

Support Channels: the process will follow the steps below in order.

- a. Helpdesk Ticketing System: Primary channel for logging incidents and requests.
- b. Email Support: For non-critical issues and general inquiries.
- c. Phone Support: For urgent and high-priority issues.
- d. Onsite Support: Available upon request for critical issues or major updates.

Service Level Agreement

Priority	Description	Response Time	Resolution Time
Critical	System down or major business impact	1 hour	4 hours

High	Significant impact, workaround available	4 hours	1 business day
Medium	Minor impact, no immediate workaround	1 business day	3 business days
Low	General inquiries or minor issues	2 business days	5 business days

Maintenance Activities

- a. Monthly system health checks
- b. Quarterly patch and update reviews
- c. Annual disaster recovery testing
- d. Regular training and knowledge transfer sessions

Reporting and Review

- a. Weekly report meetings.
- b. Monthly support performance reports
- c. Quarterly review meetings with stakeholders
- d. Continuous improvement tracking

Compliance and Security

- a. Adherence to POPIA and other relevant prescripts.
- b. Regular audits and access reviews.
- c. Secure data handling and encryption protocols.
- d. Ensure the integrity and credibility of data.

6. METHODOLOGY AND APPROACH

The service provider must provide a proposal that includes a detailed methodology and approach for customizations, enhancements, support, and maintenance services, along with resource allocations.

7. COMPETENCY AND EXPERTISE

The service provider must meet the following requirements for eligibility:

- a. Minimum five (5) years in system development and business process automation.
- b. Must have an understanding of the Sector Education and Training Authority (SETA) business processes.
- c. Service providers must have at least two (2) system/software engineers/developers who have at least three (3) years' experience in business processes automation, a business analyst with at least two (2) years' experience in system development environment and business process automation, and a Project Manager with at least five (5) years' experience in business processes automation.

8. TIMELINES OF THE CONTRACT

This assignment is for forty eight (48) months.

9. QUALITY AND REPORTING REQUIREMENTS

The service provider will report directly to the ICT Manager.

10. PRICING

The service should provide a rate per hour, along with an allocated number of hours per month, which can be carried over for up to 60 days. Unused hours can be used by PSETA for enhancements, customizations, changes, or any other related requests within the scope of work.

The proposed total pricing must include VAT. The PSETA may require a breakdown of rates for any services or items priced, and providers are required to provide it.

The PSETA reserves the right to negotiate the price.

11. EVALUATION PROCESS

The bids will be evaluated on the 80/20 principle with 80 points being allocated for price and 20 points allocated for specific goals, once the minimum functionality criteria are met.

PHASE 1: FUNCTIONALITY EVALUATION

Bids must meet the minimum eligibility criteria, specifically a functionality score of 75 points out of 100, before they are considered further. Any bid that does not meet the minimum eligibility threshold will be automatically disqualified.

PHASE 2

The bids will be evaluated on the 80/20 principle, with 80 points being allocated for price and 20 points allocated for the specific goal, once the minimum functionality criteria are met. The functionality criteria together with the maximum points to be awarded are set out below:

Phase 1

NO	EVALUATION CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	SCORE GUIDE	WEIGHT
1.	Methodology and Approach	Strength of the proposal in response to the scope of work as indicated in sections 4 & 5 of this specification.	1 = Proposal not acceptable (all areas not covered). 2 = Poorly written proposal (few areas covered) 3 = Average proposal (most areas covered) 4 = Good proposal (all areas covered but not in depth) 5 = Excellent detailed proposal (all areas thoroughly addressed in depth)	30
2	Account/Project Manager Skills & Experience	Number of years of experience in the field of software development, business process	1= No submission of CV with relevant	20

NO	EVALUATION CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	SCORE GUIDE	WEIGHT
		automation, support, and maintenance (Cloud Applications & Microsoft Applications)	experience and qualifications. 2= CV and less than 5 years of relevant experience and qualifications. 3 = CV, a minimum of 5 years relevant experience, and qualifications. 4 = CV and a minimum of 6 to 9 years' relevant experience and qualifications. 5 = CV with 10 years or more of relevant experience and qualifications.	
3	History of successful delivery of the same or similar project(s).	Provide reference Letters: Reference letters must be on company letterhead, signed and dated; otherwise, they will not be considered.	1= no reference letter submitted. 2= one (1) to two (2) relevant reference letters	20

NO	EVALUATION CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	SCORE GUIDE	WEIGHT
			submitted within the past five years 3= three (3) relevant reference letters submitted within the past five years 4= four (4) relevant reference letters within the past five years 5= five (5) relevant reference letters submitted and above within the past five years	
4	Experience, skills, and qualifications of the support team	Number of years of experience in the field of software development, business process automation, support, and maintenance (Cloud Applications & Microsoft Applications)	1= No submission of CV and qualifications. 2= CVs and less than 5 years of individual experience and qualifications. 3 = CVs and 5 to 6 years of individual	30

NO	EVALUATION CRITERIA	GUIDELINES FOR CRITERIA APPLICATION	SCORE GUIDE	WEIGHT
			experience and qualifications. 4 = CVs and 7 to 9 years of individual experience and qualifications. 5 = CVs and 10 years or more of individual experience and qualifications.	
	Total			100

Phase 2: Preferential Point System		Points
Price		80
Special goals		20
Black owned company Bidder who has 51% to 100% black people ownership	8	
Women Bidder who has 51% to 100% women ownership	4	
Youth	5	

Bidder who has 51% to 100% youth ownership		
Disability Bidder who has 51% to 100% disability ownership	3	
Total		100

12. FORMAT OF THE BID SUBMISSION

- 12.1. Company profile indicating all the requirements as per the evaluation criteria.
- 12.2. Proposals must be submitted in 3 copies, 1 original and 2 copies.
- 12.3. Team member names and roles.
- 12.4. CVs and copies of qualifications.
- 12.5. Track record and experience. Three signed reference letters of similar work reflect clients' telephone numbers and links or images of the work.
- 12.6. A valid Tax Compliance Status (TCS) PIN or proof of exemption from SARS.
- 12.7. Certified copy of BB-BEE certificate or affidavit
- 12.8. Copy of the registration document of the organisation (CIPC);
- 12.9. All Standard Bidding Documents (SBD) must be completed and signed.

13. IMPORTANT MANDATORY INFORMATION FOR BIDDERS

- 13.1. All Standard Bidding documents (SBD) must be completed and signed.
 - SBD 1 (All sections must be fully completed)
 - SBD 4 (All sections must be fully completed)
 - SBD 6.1 (All sections must be fully completed)
- 13.2. Proof of registration on the Central Supplier Database.
- 13.3. General Condition of Contract (each page signed/ initialled)
- 13.4. OEM Accreditation (Microsoft Cloud Partnership)

NB: Failure to submit documents requested in section 13 will disqualify the proposal.

Bid proposals must be submitted to:

Ms Ursula Mathonsi

Manager: Supply Chain Management

The PSETA

Ground Floor, Woodpecker Building, Hillcrest Office Park, Lynwood, Pretoria

No late applications will be accepted.

No electronic bid applications will be accepted.

The Validity periods of the bids is 120 days from the closing date. Please direct all queries to Ms. Ursula Mathonsi via email on ursulam@pseta.org.za or telephonically on 012-4235700

A handwritten signature in black ink, appearing to be a stylized "R" or "M" followed by a horizontal line.