

The Council for Medical Schemes is a statutory body established by the Medical Schemes Act (131 of 1998) to provide regulatory supervision of private health financing through medical schemes.

| Tender Description                                                                                                              | Tender Number          | Compulsory Briefing Session                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Preference Points System                                    | Delivery Address and Closing Date                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Request for Proposals for the Appointment of a service provider for replacement of the Financial Supervision Unit (FSU) system. | <b>CMS04/2024/2025</b> | <p>Compulsory Briefing Session Date: <b>24<sup>th</sup> October 2024</b>, at <b>10:00am</b></p> <p>CMS will conduct a concurrent physical and online (hybrid) compulsory briefing for this tender, and on the <b>24<sup>th</sup> October 2024</b>, at <b>10:00am</b>. All interested parties must send their RSVP by <b>23<sup>rd</sup> October 2024</b> to Ms. Nthabiseng Sephadi at <a href="mailto:n.sephadi@medicalschemes.co.za">n.sephadi@medicalschemes.co.za</a></p> <p><b>Attendance is compulsory and failure to attend the briefing session will lead to automatic disqualification from the tender process.</b></p> | 80/20 Preference Points System (Pricing and Specific Goals) | <p>Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157</p> <p><b>Closing Date:</b> 11<sup>th</sup> November 2024<br/><b>Time:</b> 11:00am</p> <p>The CMS will not accept late bids and they will be returned to the Bidder.</p> |

**Tender enquiries can be directed to:**

Mr. Bokamoso Legong

Email address: [b.legong@medicalschemes.co.za](mailto:b.legong@medicalschemes.co.za)

Tender documents will be made available on the CMS website ([www.medicalschemes.co.za](http://www.medicalschemes.co.za)) and on the eTender publication portal from the **10<sup>th</sup> October 2024**.

Late, telegraphic tenders, e-mail tenders and tenders which are not registered on the **Tender Register** and in the CMS tender box will not be considered.



## APPOINTMENT OF A SERVICE PROVIDER FOR THE REPLACEMENT OF THE FSU SYSTEM

The Council for Medical Schemes (CMS) is currently accepting bids from qualified bidders to the tender advertisement published titled: **Request for Proposals for the appointment of a service provider for the replacement of the FSU system.** Complete specifications, requirements, and instructions for submitting proposals are set forth in this document.

|                                  |                                                                                                                   |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------|
| RFP REFERENCE NO:                | CMS04/2024/25                                                                                                     |
| ISSUE DATE:                      | 10 <sup>th</sup> October 2024                                                                                     |
| CLOSING DATE AND TIME:           | 11 <sup>th</sup> November 2024 @ 11H00am                                                                          |
| BID VALIDITY PERIOD:             | 120 Calendar Days                                                                                                 |
| BRIEFING SESSION:                | Compulsory Briefing Session (24 <sup>th</sup> October 2024 @ 10H00am)                                             |
| DELIVERY ADDRESS FOR TENDER:     | CMS – Tender Box<br>Block A, Eco Glades 2 Office Park,<br>420 Witch-Hazel Avenue,<br>Eco Park,<br>Centurion, 0157 |
| PREFERENTIAL PROCUREMENT SYSTEM: | 80:20                                                                                                             |

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**SECTION 1: INTRODUCTION AND GENERAL PROPOSAL INFORMATION****1. BACKGROUND TO COUNCIL FOR MEDICAL SCHEMES**

The Council for Medical Schemes (CMS) is a statutory body established by the Medical Schemes Act, 1998 (Act No.131 of 1998) to provide regulatory supervision of private health financing through medical schemes; and functions as a Schedule 3A Public Entity.

**2. VISION**

To be an agile and transformative Regulator in order to promote affordable and accessible healthcare cover towards universal health coverage.

**3. MISSION**

The CMS regulates the medical schemes industry in a fair and transparent manner and achieves this by:

- a) **Protecting the public** and informing them about their rights, obligations and other matters in respect of medical schemes.
- b) Ensuring that **complaints raised by members** of the public are handled appropriately and speedily.
- c) Ensuring that all entities conducting the business of medical schemes, and other regulated entities, **comply with the Medical Schemes Act**.
- d) Ensuring the improved management and **governance** of medical schemes.
- e) **Advising the Minister of Health** of appropriate regulatory and policy interventions that will assist in attaining national health policy objectives.
- f) Ensuring collaboration with other **stakeholders** in executing our regulatory mandate.

**4. PURPOSE OF THE RFP**

The purpose of this Request for Proposal (RFP) is to invite qualified service providers to submit proposals for the development of a financial returns modular platform.

**5. ISSUING OFFICE AND COUNCIL FOR MEDICAL SCHEMES CONTACT**

This RFP, and any subsequent addenda to it, is being issued by the Information, Communications and Technology at the Council for Medical Schemes, under the auspices of the CMS's SCM. The Internal Finance unit is the sole point of contact regarding all procurement and contractual matters relating to the requirements described in this RFP.

**6. RFP TIME SCHEDULE**

Bidders interested in submitting proposals in response to this RFP should do so according to the time schedule outlined below. The CMS reserves the right to modify this schedule, as and when necessitated, in line with its best interests and in line with paragraph 1.8 (Amendments of the RFP) of this RFP. If there is a discrepancy between the dates in the table below and the dates on the cover page, the dates on the cover page take precedence.

| ACTION                                                                                                                           | DATE                           |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| Advertisement placed in the Etender portal and CMS Website                                                                       | 10 <sup>th</sup> October 2024  |
| Online Compulsory briefing session<br>RSVP to <a href="mailto:n.sephadi@medicalschemes.co.za">n.sephadi@medicalschemes.co.za</a> | 24 <sup>th</sup> October 2024  |
| Deadline for Submission of Questions                                                                                             | 08 <sup>th</sup> November 2024 |
| Deadline for Submission of Proposals (11:00am)                                                                                   | 11 <sup>th</sup> November 2024 |

## 7. QUESTIONS REGARDING THE RFP

All enquiries, questions, and requests for clarification of the contents of this RFP must be in writing and addressed to the CMS contact persons indicated below. A listing of Bidder enquiries (without identifying the source of the inquiry) and the CMS' responses thereto, will be distributed to all Bidders who submit questions. Whenever a response to an enquiry would constitute a modification or addition to the original RFP, the reply will be made in the form of an Amendment Notice to the RFP. All enquiries must include:

1. The company's name, address, and telephone number.
2. A clear and concise question; and
3. References to specific points within this RFP.

***All questions, in writing, must be submitted before the deadline for the submission of questions specified in the RFP time schedule above, by email, quoting the RFP no. listed on the cover page.***

- All technical questions and requests for clarification should be addressed to [h.eybers@medicalschemes.co.za](mailto:h.eybers@medicalschemes.co.za) and quote the RFP Reference Number.
- All Supply Chain Management requests, concerning this RFP should be addressed in writing by email to: [b.legong@medicalschemes.co.za](mailto:b.legong@medicalschemes.co.za)
- Always quote the RFP Reference Number in the subject line of the email.
- No one other than the CMS contact persons identified herein, is authorised to respond to questions regarding this RFP. No meetings or telephonic enquiries will be entertained with qualifying bidders.

## 8. AMENDMENTS TO THE RFP

The CMS may revise or add to the RFP prior to the deadline for Proposals and, at its own discretion, extend the deadline for all potential Bidders. Any changes to the RFP will be in written form issued by the CMS. Such amendments will be sent by email to all Bidders, with a request for acknowledgement of receipt. Amendments will be clearly marked as such. Each amendment will be numbered consecutively and will become part of this RFP. Any Bidder who fails to receive such amendments shall not be relieved of any obligation under its proposal as submitted. Except as stated in this paragraph, no one is authorised to amend any part of this RFP, in any respect, either in writing or by oral statement.

**9. COMPULSORY BRIEFING SESSION**

- a) CMS will conduct a concurrent physical and online (hybrid) compulsory briefing for this tender, and on the **24<sup>th</sup> October 2024, at 10:00am**. All interested parties must send their RSVP by **23<sup>rd</sup> October 2024** to Ms. Nthabiseng Sephadi at [n.sephadi@medicalschemes.co.za](mailto:n.sephadi@medicalschemes.co.za)
- b) All interested bidders must join the meeting 30 minutes prior to the start of the meeting to avoid any technical delays or disruption.
- c) Interested Bidders have the option to attend physically at CMS Offices if they are or will experience load shedding on the day of the briefing session. CMS will not be held liable for any technical challenges related to connectivity on the day of the briefing session.

***Failure to attend the compulsory briefing session will lead to automatic disqualification and the bid will not be considered for further evaluation – 24th October 2024, at 10h00am.***

**SECTION 2: TERMS OF REFERENCE/ SCOPE OF WORK****1. PURPOSE**

The purpose of this RFP is to invite reputable and experienced bidders submit their proposal for the replacement of the Financial Supervision sub-division's (FSU) data collection tools. FSU's mandate is to monitor and regulate the overall financial performance of medical schemes in line with the financial requirements of the MSA, through the analysis of financial information.

**1.1. Annual returns module:**

- 1.1.1. The objective of the project is to promote financial stability, soundness and sustainability of medical schemes by publishing inter alia the financial results of the medical schemes that the CMS regulated for the year under review.
- 1.1.2. The publication of this report is one of the important means to share information on developments within the Council as well as serving as an important basis and useful source document for all stakeholders' understanding of trends and developments in the industry.
- 1.1.3. The unit also makes use of the data collected through the submissions to test compliance with the Act, specifically Section 37(4) which requires the financial statements of medical schemes to be prepared in accordance with International Framework for Reporting Standards (IFRS). The compliance of medical schemes to Chapter 7 of the Act is also of significance to this project.

**1.2. Quarterly returns module:**

The objectives of the module are the following:

- 1.2.1. Serve as an early warning system, which highlights any financial failures of schemes in advance.
- 1.2.2. Promote financial stability, soundness and sustainability of medical schemes.
- 1.2.3. Identify any non-compliance with the Act on a timely basis.
- 1.2.4. Ensure accurate publication of consolidated industry data on a quarterly basis, which underscores the current trends and developments in the industry.

**1.3. Monthly indicators module:**

- 1.3.1. The Real time monitoring (RTM) project collect data from schemes on a monthly basis. The purpose of the system is to enable FSU to keep a close eye on key performance indicators of schemes real time.
- 1.3.2. The system serves as an early warning system, and also allows FSU to identify trends timeously that could affect other regulatory work (such as contributions and benefits).
- 1.3.3. The publication of the PowerBi reports ensure the accurate publication of consolidated industry data on a monthly basis, which underscores the current trends and developments in the industry.

#### **1.4. Close monitoring module**

- 1.4.1. This module consists out of two aspects: business plan submissions and monitoring of management accounts an important aspect of the Financial Supervision Unit's work is to secure an appropriate level of protection for beneficiaries of medical schemes and the public by monitoring the financial performance and soundness of medical schemes.
- 1.4.2. The following legislative requirements are at play:
- a) Section 35(1) requires of a medical scheme to maintain its business in a financially sound condition by having enough assets so as to be in a position to meet its liabilities at all times.
  - b) Regulation 29 of the Medical Schemes Act prescribes minimum accumulated funds to be maintained by medical schemes.
- 1.4.3. Regulation 29(4) of the Medical Schemes Act 131 of 1998 ('the Act') requires of a medical scheme that for a period of 90 days fails to comply with the prescribed solvency levels must notify the Registrar in writing of such failure, and must provide information relating to:
- a) The nature and caused of the failure, and
  - b) The course of actions being adopted to ensure compliance therewith.
- 1.4.4. Section 35(11) states the Registrar may, if the Registrar is satisfied that a scheme is failing, or is likely to fail within a reasonable period, direct that the scheme submit within a reasonable period-
- a) specified information relating to the nature and causes of failure and
  - b) its proposals as to the course of action that it should adopt to ensure compliance.
- 1.4.5. The new system would allow medical schemes to submit the required information in a predetermined format, that would allow for effective analysis and monitoring.

#### **1.5. Auditor approvals**

- 1.5.1. An important aspect of the Financial Supervision sub-division's work is to ensure that medical schemes are financially stable and that their financial reporting is of an acceptable standard.
- 1.5.2. A key component in this whole process is the appointment of statutory auditors of medical schemes.
- 1.5.3. Section 36(2) reads, "The appointment of an auditor shall not take effect unless it has been approved by the Registrar, subject to such conditions as he or she may deem fit."
- 1.5.4. FSU is to a very large extent dependant on the scheme auditors performing their tasks as set out by the Act. The appointment of appropriate auditors results in the highest level of confidence that reliance can be placed on the audit process.
- 1.5.5. The auditor approval module would allow FSU to assess and approve the scheme appointed auditors based on set criteria.

## **2. OBJECTIVES OF THE SERVICES**

2.1. FSU requires an agile system which would be easy to maintain and improve. The financial reporting industry is not a stagnant industry; financial reporting and disclosures are improved on a continuous basis. Further, as the regulatory environment evolves, such a system would need to be easily adaptable to changing reporting requirements.

2.2. **The first module for development would be the Quarterly Returns Module.** The scope of the bid document includes business reporting tools to allow for the appropriate analysis of the data, as well as the reporting of the data in dashboards and detailed reports for publication. The successful bidder will be expected to define data protocols so that CMS user can access data from system to build in-house bespoke BI and dashboard visualization.

*The development of the bespoke BI and dashboard visualization falls outside the scope of this bid document.*

2.3. The next phase (*which also falls outside of the scope of this bid*) would be the Monthly Indicators Module, followed by the Annual Return Module, with the other modules to follow thereafter.

### 3. SCOPE OF WORK

- a) Council for Medical Schemes hereby invite reputable bidders to submit quotation of for the appointed of a service provider to provide a software as a tool that allows for the standardised data capturing / import mechanisms through an online software (cloud-based) web-application.
- b) Find attached the specifications for the Quarterly Returns module that needs to be developed. **See the specifications [here](#).** Kindly note the specifications may change due to possible accounting changes. It is published to provide guidance to the prospective bidders on what FSU's expectations are. A final set of specifications will be shared with the successful bidder.
- c) In respect of the Quarterly Returns module: a return must be created per scheme per quarter (i.e. each scheme would need to complete four returns per annum).

#### 3.1. Key requirements

The solution must deliver on the following **key requirements** for the Quarterly Returns module:

- 3.1.1. The solution must be developed using agile methodology so that the platform would be easy to maintain and improve.
- 3.1.2. Enable for frequent configuration changes (i.e. form based design); as per CMS IT Change Process approvals.
- 3.1.3. The solution must provide the capability to capture customised demographic and financial information.
- 3.1.4. The platform is to be fully integrated with the other internal CMS applications, and allow for pull-through of data:
  - a) The platform would need to read data from the CMS database on administrators, managed care organizations, benefit options, trustee names and audit firm and audit partner names.

- b) Inter/intra-module communication needs to occur (for example the returns modules would need data from the auditor approval modules). External system integration needs to occur.
  - c) In certain circumstances these pull throughs should also be editable (for example prior year adjustments occurred). There should be an "edit previous year figures" button that allows user to edit the pulled through value.
  - d) Whenever data is edited by clicking on an "edit previous year figures" functionality, a reason box requesting the reason for the change must be activated. See paragraph 14)
  - e) Skip logic requirement.
  - f) Some data should be at a specific date (i.e. trustee names as at 31 December), whilst and other data will need to be linked to live data.
  - g) Data must be refreshable (i.e. if trustee resigned, but data was not submitted to BMU timeously, BMU will need to change the data on their side, and the return needs to refresh the data pulling through to specific parts).
- 3.1.5. Ensure migration of historical data from the old system to the newly developed system.
- 3.1.6. Platform should be developed in cognizance with the CMS approved fonts and styles (i.e. corporate identity).
- 3.1.7. An administrative area where the ICT department can control, monitor, vet and manage usage of the system. This includes user profile and identity management with approvals by CMS.
- 3.1.8. Enable multiple users to access and edit the same scheme's return simultaneously based on permissions and authentication (i.e. not only a single user per scheme per return).
- 3.1.9. There should be no limitation on the number of users.
- 3.1.10. The proposed solution must be able to handle the transfer of large amounts of data.
- 3.1.11. The solution must allow for the following methods of data collection:
  - a) Users to manually capture data. Ensure that the system has a user-friendly interface design.
  - b) Importing of large datasets on the following formats: excel (csv, xml and xbrl as a later phase)
  - c) Provide capability to import data in Excel format, the data is then imported and displayed on the front end, i.e. template with validation rules for import of large datasets (for examples investments)
  - d) The user should also be able to copy data and paste it into the system (for example from their preprepared excel templates).

### **3.1.12 Data restrictions:**

- a) The system must restrict cell values, i.e. text to be entered for description fields, and numbers in amount-fields. Specific
- b) number restrictions might apply per cell (for example in a specific field only negative numbers are allowed).
- c) No decimals allowed.

- d) The solution should be developed to accept numerical, alpha-numerical and special characters (for example & - signs).

**3.1.13 Interactive generation of return / parts:**

- a) The return is not a standard template / form for all schemes. Based on responses provided, additional parts will need to be activated / no longer be active.
- b) As data is entered, specific parts or columns or rows within a part should generate and require completion (i.e. must accommodate skip logic).

**3.1.14 Inter-form navigation:**

- a) Interactive links between parts.
- b) The user should be able to click on the link, and then the selected part should open and allow for editing (pop-up).

**3.1.15 Functionality to enable a user to select 'Other (specify)' - this functionality results in the generation of a blank field that the user can then enter data.**

- a) Users must be able to create multiple blank fields.
- b) Data entered in Other (specify) parts must be sorted in alphabetical sequence.

**3.1.16 Drop-downs of predetermined data-fields:**

- a) The system must allow for dropdowns of predetermined data-fields, which can then be selected by the user:
- b) Data selected and entered in the various drop-downs must be sorted in alphabetical sequence.

**3.1.17 Reason boxes:**

- a) When certain data parameters are met, additional information is required to be completed. This is done via a reason box. The reason box should only be active when the specific data parameters are met.
- b) Users must not be able to complete inactive reason boxes.
- c) If the reason box was active at a certain point, and then becomes deactivated due to a change in the data, any reasons completed by the user must be deleted upon the final submission of the return.
- d) The validation process should also confirm that data is provided in respect of all active reason boxes.

**3.1.18 Validations:**

- a) Platform must be able to do validation checks between different parts within the same return - as well as with other CMS systems/returns (and generate error reports).
- b) System should also run a validation to ensure that the prerequisite data is submitted (if not submitted, the system must generate an error report) (i.e. balancing validations.)
- c) The platform must allow the user to request data validation error reports.

**3.1.19 User experience / help function:**

- a) When a user hover his / her mouse over a specific field, a message / system pop-up should be displayed. Similarly, upon accessing specific parts to the system, a message pop-up should appear.
- b) Topic-based wiki-help
- c) Help ticketing function
- d) The platform should allow multiple documents to be uploaded in respect of the error/query.

**3.1.20 Download documents functionality:** CMS should be able to upload documents for information purposes to schemes - such as a listing of the validation rules and pull throughs, as well as the specifications and Help File for ease of reference.

**3.1.21 Capability to upload supporting documents - specific required documents to be uploaded and saved to CMS document management system. The platform should allow:**

- a) Upload of documents
- b) Deletion of incorrectly uploaded docs
- c) Viewing access to uploaded docs to ensure correct documents were uploaded.
- d) Enable upload of various formats (such as pdf, excel, word, etc.)
- e) Upload functionality should allow for the upload of big data (file size limits) and multiple docs - should have relational links.
- f) A validation should ensure that all the required documents had been uploaded.

**3.1.22 Lock / Unlock**

- a) Lock/ Unlocking of return per scheme after final submission has occurred. Full history of the locking and unlocking returns must be kept.
- b) Scheduled locking and unlocking of return functionality with push communications to users / schemes.

**3.1.23 Final submit of report functionality.**

- a) In this functionality a final data validation is run, and if no errors are noted then data is considered to be final.
- b) The user must also confirm the validity of the signatories to the return, should there be any changes, the user would need to indicate as such and an email must be sent to CMS IT to change the signatories fields.

**3.1.24 Export data in various formats (excel, pdf, etc.)**

- a) Report of data submission (per scheme) (pdf):
- b) The solution must provide capability to generate and email reports for user sign-off in pdf (integration with SigniFlow)
- c) A draft report (for checking of accuracy and completeness) – not signed off.

- d) Final report should be generated based on the data inputs for the medical schemes and scheme officials and auditors to electronically sign off on.
- e) Report of all schemes raw data (excel). Generate reports according to specified criteria.

### **3.1.25 Audit trail**

- a) The platform must allow for an audit trail (i.e. a detailed log is maintained of which user changed / uploaded data for each line item per part with a date and time stamp - must keep record of description and amounts edited) - like shadow tables.
- b) Users must be able to request reports on audit trails: per part and per user and for a specific period

### **3.1.26 Reporting tools**

- a) Business reporting tools to allow for the appropriate analysis of the data, as well as the reporting of the data in dashboards and detailed reports for publication.
- b) Define data protocols so that CMS user can access data from system to build in-house bespoke BI and dashboard visualization.

## **3.2 Back-end requirements**

### **a) Software Requirements (Platforms):**

- Compatible with Microsoft Dynamic 365 Case Management
- Compatible with PowerBI
- Compatible with various workflows - Workflow to be activated once data submissions successful
- Upgrades and patches to be done per the IT CAB process; on the solution; to ensure we are on the latest version of the technology over the period of the technology
- Easily integratable software and applications and loosely architected software and applications to the rest of the CMS technology environment.
- Compatible with all major internet browsers (Microsoft Edge, Firefox, Safari, Google Chrome, etc).

### **b) Training Requirements**

- Cloud upskilling - training CMS employees on the implemented solutions and technologies.
- System upskilling year on year for; level 1 and 2 support to be enabled to be provided internally
- On the job training when system is being implemented
- Change Management for end users and IT support, during project

### **c) Security:**

- Penetration and Vulnerability testing to be sent to CMS IT; at least 2 times a year to ensure and provide assurance that the hosted environment is safe and secure.

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- Identity access management - administrative user to allow access to users as well as against specific functions only.
- Identity Access Management-privy access management
- Segregation of Duties on the processes to manage and governance the technology to be signed off by CMS CIO and implemented.
- Managed access to system component functionality and data.
- Implemented platforms must be able to interface into existing security interfaces.
- Secure authentication method.
- In transit data encryption.
- Security controlled at both field and functional level
- Validate any identification mechanisms
- Governance and compliance
- Audit track on all activities.

**d) Reliability Requirements**

- High system availability (HA)
- System must be user friendly - i.e., easy learn, easy to use.
- Look and feel must be consistent and align to the CMS organisational brand.
- System user guides must be electronically available and be accessed at any time.
- System must be dynamic so that user guides are accessed relevant to what the user requires.
- Screen navigation guidance, mouse over's, predictive text

**e) Performance Requirements**

- The system should be able to handle multiple interactions.
- Minimise network traffic through the use of a multi-tiered architecture.
- Allow for background batch processing whilst executing real time processing in the foreground.
- Support hardware encryption.

**f) Support/ Changeability Requirements**

- Generate and distribute "exception" reports.
- Retain history on generated cases before archiving.
- Archiving in alignment with CMS IT processes

**g) Backups Need:**

- To be run daily and reports to be provided to CMS CIO

- If backups did not occur for the day, alerts to be provided urgently to CMS IT and those from the vendor in charge of managing the platform.

**h) Data Needs**

- Cloud based data stores (possibly on different platforms) concurrently.

**i) Disaster Recovery (DR) Requirements**

- Disaster recovery and technical support available for twenty-four hours.
- DR to be tested at least once a year and report to be provided to CMS IT.

**j) Legislative Requirements**

- Conform to National Archivers Specification and all relevant IT standards and legislation.

**k) Management Information Systems**

- Cloud based MIS solution, well secured and well governed.
- Reports to be available and configured according to be the business needs in terms of progress on submissions etc.

**3.3 Intellectual Property and Source Codes**

- a) The Intellectual Property (IP) of the system and source code/documentation will remain the property of CMS. Credentials of source code repository to be shared by CMS during the development of the project.

**3.4 Testing approach**

- a) Testing shall be conducted by the bidder, before handing it over to the FSU/ICT team for User Testing. The same testing methodology will to be followed by both the bidder and the FSU/ICT team.
- b) **Testing:** validates that individual functions are configured and/or developed to appropriately translate technical and functional requirements. This would include testing of individual configuration elements, process steps and custom development objects. User testing should include:
- **Positive Testing** – validates that test functions correctly by inputting a known value that is correct and verifies that the data/view return is what is expected.
  - **Negative Testing** – validates that the test fails by inputting a value that we know is incorrect and verify that the component or test case fails. This allows us to understand and identify failures and that the target application is operating correctly by displaying the appropriate warning message.

- **Test Data** – fabricated or customer specific master data will be manually entered as required for unit testing and used by other teams where appropriate.
- c) The testing shall be done on the Development system (DEV) system, on the fully configured and enhanced system. A separate unit test client (Test Medical Scheme) should be set up on DEV for the testing. Unit testing will be planned, executed and managed with participation from the FSU/ICT project team members..
- d) All test results shall be formally noted, and problem resolution carried out as a priority according to the problem sheet.
- e) User Acceptance Testing (UAT) - The User Acceptance test will be performed and signed off by the FSU/ICT business stakeholders. The user acceptance test shall be done on the UAT server on the fully configured and enhanced system that was configured on UAT. Upon UAT sign off, live testing needs to be completed and the systems cleared off test data after sign off.

### 3.5 Support on Quarterly Returns

- a) The bidder needs to provide support to the CMS ICT team in resolving bugs that originate during the first submission period (i.e. Quarter 1 of 2025). Schemes typically have 4 weeks to submit the data.
- b) The bidder would need to provide support for:
- The completion of the Quarterly Returns module by the medical schemes
  - The importing of data into the Quarterly Returns module by the medical schemes
  - The validation of data by medical schemes
  - The final submission by medical schemes
  - The generation and signing of the data reports by medical schemes
  - The reports with the final data had been drawn from the data area by the FSU team for analysis and reporting purposes (see paragraph 23 - Reporting tools).

### 3.6 Timeframes to deliver the project

- a) It is estimated that the project will be completed within one year.
- b) **Development of the module would occur from the date of appointment until final user testing is concluded.**
- c) User testing must occur throughout the project (i.e. continuous integration), with final testing of the whole system to be performed before hand-over for final sign-off can occur.
- d) Roll-out to the industry would occur after final sign-off.
- e) Support on new system (bug fixes) needs to be provided for a six-week submission period, ending when the final reports have been generated following the first submission of data on the system

### 3.7 Skills Transfer:

The Service provider is required to share/transfer skills at different levels to the CMS ICT.

- a) **Training Needs Assessment:** The service provider should begin by thoroughly assessing the current skill levels and knowledge gaps within the CMS ICT team. This assessment will help identify the specific areas where skills transfer is needed.
- b) **Training Plan Development:** The service provider should develop a comprehensive training plan based on the training needs assessment. This plan should outline the objectives, content, and duration of each training module or session. It should also consider the different levels of expertise within the CMS ICT team.
- c) **Training Modules and Materials:** The service provider should create training modules and materials that cover the relevant topics identified in the training plan. These modules can include presentations, hands-on exercises, case studies, and interactive sessions to ensure active learning and engagement.
- d) **Onsite Training Sessions:** The service provider should conduct onsite training sessions at the CMS ICT premises. These sessions can be conducted in a classroom-style setting or through workshops, depending on the nature of the training.
- e) **Hands-on Practice:** To facilitate skills transfer, the service provider should provide opportunities for hands-on practice. This can include setting up a sandbox environment or providing access to a training system where the CMS ICT team can apply what they have learned in a safe and controlled setting.
- f) **Mentoring and Coaching:** In addition to formal training sessions, the service provider should assign experienced mentors or coaches who can work closely with the CMS ICT team members. These mentors can provide guidance, answer questions, and offer support as the team members apply their newly acquired skills in real-world scenarios.
- g) **Ongoing Support:** Even after the initial training, the service provider should continue to provide ongoing support to the CMS ICT team for a period of 36 months on ad-hoc basis. This can be in the form of a help desk or dedicated support channels where team members can seek assistance with technical issues or further clarification on training and system-related topics.
- h) This ad-hoc services must be quoted on hourly-rates.
- i) **Evaluation and Feedback:** Quarterly evaluation and feedback mechanisms should be put in place to assess the effectiveness of the skills transfer program. The service provider should gather feedback from the CMS ICT team members to identify areas of improvement and make necessary adjustments to the training approach.

### 3.8 Software Licences

- a) CMS currently has a Microsoft Azure license. Kindly contact Henry Eybers [h.eybers@medicalschemes.co.za](mailto:h.eybers@medicalschemes.co.za) where further clarity on which licences CMS has, is needed.
- b) Should any additional licence fees be required to operate the software (i.e. over and above the current CMS licences), the pricing must include all such licence fees for a period of three years.
- c) The bidder must indicate which software licences need to be obtained and maintained by the CMS ICT subsequent to the three-year period. This will be submitted as a separate pricing schedule which does not form part of the evaluation.

### 3.9 Contents of the Technical Proposal

**The Technical Proposal must include the following:**

- a) Proposed methodology and approach to be used in keeping with the scope of work.
- b) Full and comprehensive description of similar work undertaken in the past 5 years.
- c) A list of client references where the bidder has successfully concluded similar customisation work in terms of scope and complexity.

### 3.10 Composition of the project team

- a) [Abridged CV of each member of the proposed team (qualifications, experience, expertise etc.).
- b) Project plan specifying timeframes and deadlines.
- c) Details on testing approach.
- d) Details of support to be provided.
- e) Details on how skills transfer would take place.
- f) Software licences (if applicable).
- g) Costing linked to milestones

### 3.11 Presentation of the Proposal

- a) Bidders who qualify for technical evaluation are required to provide a system demonstration of the proof of concept / similar system to the BEC. The demonstration needs to highlight that the solution will be able to meet the technical requirements of FSU/ICT as specified in the Key Requirements, as well as to meet the specific technical specifications as defined in paragraph 1.3.2 Back-end requirements. This demonstration will take place at a date, time and venue determined by Bid Evaluation Committee (BEC).
- b) Take note that this is a system demonstration, not a slides presentation.**
- c) The system demonstration should be made by the proposed project manager of the bidder for this Project of FSU/ICT, with some of the key team members to support the project

manager as part of the presentation team, instead of the sales representative or the senior executive of the organisation.

- d) The bidders are expected to bear the cost of travel or any other associated cost incurred for the purpose of making these presentations.

#### 4 EVALUATION PROCESS AND CRITERIA

Evaluation of bids will be conducted in five (5) phases as follows:

**Table 1 – Evaluation Process and Criteria**

| Stage          | Details                                                                                                                                                                                                                                                                                                                                                                  |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Phase 1</b> | <b>Administrative evaluation criteria:</b> The purpose of this criteria is to evaluate the bidders' completeness of the tender documents                                                                                                                                                                                                                                 |
| <b>Phase 2</b> | <b>Mandatory evaluation criteria:</b> The purpose of this criteria is to evaluate the bidders on their high-level eligibility and previous experience. Bidders who failed the mandatory criteria will not proceed to <b>Phase 3</b> .                                                                                                                                    |
| <b>Phase 3</b> | <b>Technical / Functional evaluation criteria:</b> The purpose of this criteria is to evaluate the bidders on their technical competencies. This is a desktop-based analysis. Bidders who failed technical/functional criteria will not proceed to <b>Phase 4</b> .                                                                                                      |
| <b>Phase 4</b> | <b>Evaluation of Proof of Concept:</b> Bidders who qualify for technical evaluation are to provide a system demonstration of the Proof of Concept / a similar system to the BEC. Bidders who failed the Evaluation of Proof-of-Concept criteria will not proceed to <b>Phase 5</b> .<br><b>Take note that this is a system demonstration, not a slides presentation.</b> |
| <b>Phase 5</b> | <b>Price and Specific Goals evaluation criteria:</b> The purpose of this criteria is to evaluate the bidders based on the bid price and Specific Goals.                                                                                                                                                                                                                  |

##### 4.2 Phase 1 – Administrative Evaluation Criteria

- The Bidder must meet all the following requirements to pass the Administrative Evaluation:
- The Bidder must fully comply with the Instruction for Submitting Proposals, outlined in **Section 4** and must ensure that they complete and sign all the bidding documents in this section.
- All the documents listed in **Sections 4 and 5** of the tender documents must be submitted and completely signed. Failure to submit and sign the requested documents may result in disqualification at this stage.
- Any Bidder that fails to meet the Administrative Evaluation Criteria may be disqualified and may not be considered for further evaluation.

##### 4.3 Phase 2 - Mandatory Evaluation Criteria

- Bidders must meet all the following criteria to be considered for further evaluation. Failure to meet all the following criteria will lead to automatic disqualification:

**Table 2 - Mandatory Evaluation Criteria**

| <b>Mandatory Technical Evaluation Criteria</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Comply</b> | <b>Does not Comply</b> | <b>X-Cross Reference/ Comments.</b><br>(Bidder to complete this column) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------|-------------------------------------------------------------------------|
| 1. Attendance of the compulsory briefing session.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |               |                        |                                                                         |
| 2. Submission of tender documents before or on the closing date and time. All bids must be submitted, before the Tender Closing Date and Time, in the tender box at the address noted on the cover page. All bids submitted after the Closing Date and time will not be considered.<br><b>(Complete and sign bids submission register).</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |               |                        |                                                                         |
| 3. The bidder must provide two <b>(2)</b> testimony letters as proof that they have developed and implemented <b>similar financial data collection projects</b> to their respective clients.<br>Testimony or Reference letters (on the company letterhead) must include: <ul style="list-style-type: none"> <li>• Website address,</li> <li>• The name of the organization,</li> <li>• Contact person,</li> <li>• A description of the service / product delivered,</li> <li>• An indication of the customer's satisfaction, and/ or positive recommendation from the client.</li> <li>• The contract value.</li> </ul> The letter must be signed.<br>The letters should not be older than (five) <b>5 years</b> .<br>Testimony or Reference letters must be related to the scope of work.<br><br><b>(Purchase orders and Appointment letters will not be accepted)</b> |               |                        |                                                                         |

- In their responses, Bidders must state whether or not they comply or do not comply with each of the requirements above and provide a comment substantiating their claim or provide a cross reference where in the proposal they address this requirement.
- If a Bidder does not comply with any requirement in the mandatory criteria, they will be disqualified and will not be

**4.4 Phase 3 - Functional/ Technical Evaluation Criteria**

- a) Bidders will be evaluated in terms of the prevailing supply chain policy applicable to Council for Medical Schemes and it should be noted that:
- b) A minimum of 70 points out of **100** points on technical capability will be the cut-off to qualify for further evaluation **of the demonstration Evaluation Criteria.**
- c) The Council for Medical Schemes will analyse and assess technical capability and therefore the bidder should demonstrate the following:

| CRITERIA                                              | SUB-CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | WEIGHTING<br>and<br>MAXIMUM<br>POINTS | CROSS-<br>REFERENCE<br>TO<br>RESPONSE<br>SUPPORTING |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------------|
| A) Technical and Compatibility of the Proposed System | <p><b>1. The bidder must demonstrate the following key requirements of the system to be implemented (40 Points):</b></p> <p><b>1.1 Software Requirements (Platforms) (8 Points):</b></p> <ul style="list-style-type: none"> <li>Compatible with Microsoft Dynamic 365 (2 points)</li> <li>Compatible with PowerBI (2 points)</li> <li>Compatible with Power Automate (2 points)</li> <li>Compatibility with major internet browsers (e.g. Google Chrome, Microsoft Edge, Safari, Firefox) (2 points)</li> </ul> <p><b>1.2 Security of the Proposed System (7 Points):</b></p> <ul style="list-style-type: none"> <li>Managed access to system component functionality and data. (1 point)</li> <li>Implemented platforms must be able to interface into existing security interfaces (Azure AD). (1 point)</li> <li>Secure authentication method. (1 point)</li> <li>In transit data encryption. (1 point)</li> <li>Security controlled at both field and functional level (1 point)</li> <li>Validate any identification mechanisms (1 point)</li> <li>Audit track on all activities. (1 point)</li> </ul> <p><b>1.3 Performance Requirements of the Proposed System (5 Points):</b></p> <ul style="list-style-type: none"> <li>The system should be able to handle multiple sessions (interactions) on the same scheme, on the same return. (2 points)</li> <li>Minimise network traffic through the use of a multi-tiered architecture. (1 point)</li> <li>Allow for background batch processing whilst executing real time processing in the foreground. (1 point)</li> <li>Support hardware encryption. (1 point)</li> </ul> <p><b>1.4 Support/ Changeability Requirements of the Proposed System (5 Points):</b></p> <ul style="list-style-type: none"> <li>The solution must be an agile platform which would be easy to maintain and improve. (3 points)</li> <li>Allow for frequent configuration changes (i.e. form based design). (2 points)</li> </ul> | 40                                    |                                                     |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |  |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--|
|                             | <p><b>1.5 Functional Requirements of the Proposed System (15 points)</b></p> <p>1.5.1 The solution must allow for the following methods of data collection (5 points):</p> <ul style="list-style-type: none"> <li>▪ Users to manually capture data (3 points)</li> <li>▪ Importing of large datasets on the following format: excel (2 points)</li> </ul> <p>1.5.2. The bidder must provide a High-Level System Design (HLD): Complete architecture diagrams along with technology details. The design must include all architecture domains such as business, process, information, data, technology, security, mobility, integration and disaster recovery. (10 points)</p> <ul style="list-style-type: none"> <li>▪ Comprehensive architecture diagram addressing all functional requirements and technology (10 points)</li> <li>▪ Architecture diagram not addressing all functional requirements and technology (3 points)</li> <li>▪ No architectural diagram submitted (0 point)</li> </ul>                                                                                                                                                                                                                                     |    |  |
| B) Approach and Methodology | <p><b>1. The bidder must demonstrate a detailed Project Plan ensuring business continuity during the delivery and implementation of the project (25 Points):</b></p> <p>1.1The <b>timeframes</b> are aligned to paragraph 1.3.6: (10 Points):</p> <ul style="list-style-type: none"> <li>▪ Delivery of system for testing within 8 months (10 Points)</li> <li>▪ Delivery of system for testing within 10 months (5 points)</li> <li>▪ Delivery of system for testing within 1 year (3 points)</li> </ul> <p><b>1.2 Testing approach (5 points):</b></p> <ul style="list-style-type: none"> <li>▪ Testing shall be conducted by the bidder, before handing it over to the FSU/ICT team for User Testing. (2 points)</li> <li>▪ Continuous integration and UAT. (2 points)</li> <li>▪ The testing shall be done on the Development system (DEV) system, on the fully configured and enhanced system. A separate unit test client (Test Medical Scheme) should be set up on DEV for the testing. (1 point)</li> </ul> <p><b>1.3 Training and Transfer of Skills (5 Points)</b></p> <ul style="list-style-type: none"> <li>▪ Cloud upskilling - training CMS employees on the implemented solutions and technologies (2 Points)</li> </ul> | 25 |  |

|                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
|                                                                                                                                               | <ul style="list-style-type: none"> <li>System upskilling year on year for; level 1 and 2 support to be enabled to be provided internally <b>(1 Point)</b></li> <li>On the job training when system is being implemented <b>(2 Points)</b></li> </ul> <p><b>1.4. Support after development of module (5 Points)</b></p> <ul style="list-style-type: none"> <li>The bidder needs to provide support to the CMS ICT team in resolving bugs that originate during the first submission period (i.e. Quarter 1 of 2025). <b>(5 points)</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |  |
| <b>C) Organizational financial soundness</b>                                                                                                  | <p>1. The bidder provided financial information (such as audited financial statements of the last two (2) financial periods) that provides assurance as to the bidder's ability to commit resources to this project for the full project period (i.e. the bidder must be financially sound and a going concern). <b>(5 points)</b></p> <ul style="list-style-type: none"> <li>Financial soundness demonstrated <b>(5 points)</b></li> <li>Financial soundness not demonstrated <b>(0 points)</b></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>5</b>  |  |
| <b>D) Capacity and experience of the proposed team</b><br>Abridged CV's, qualification and copies of certified certificates must be submitted | <p><b>1. Demonstrate experience and qualifications of the proposed team and Team/ Engagement Leader relevant to the scope of work (Attach CV's and Qualifications) (30 Points):</b></p> <p><i>NB! All copies of qualifications and registration certificates must be certified, in its original state and must not be older than six months.</i></p> <p><i>If documents are not certified / certification is older than six months from the date of closing, no points will be allocated.</i></p> <p><b>1.1 Team Leader/Engagement Leader (10 points)</b></p> <p><b>1.1.1. Qualifications in ICT or ICT Project Management: (5 Points)</b></p> <ul style="list-style-type: none"> <li>Honours Degree - (NQF 8): <b>(05 Points)</b></li> <li>Degree, Advanced Diploma, B-Tech - (NQF 7) <b>(03 Points)</b></li> <li>Below Degree, Advanced Diploma, B-Tech (NQF 7) <b>(0 Point)</b></li> </ul> <p><b>1.1.2. Demonstrate experience of the Team/ Engagement Leader in the in implementing in agile development methodology (5 Points):</b></p> <ul style="list-style-type: none"> <li>8 Years and above Experience <b>(05 Points)</b></li> <li>5 - 7 Years of Experience <b>(3 Points)</b></li> <li>2 – 4 years of experience <b>(2 points)</b></li> <li>0 - 1 Years Experience <b>(0 Points)</b></li> </ul> <p><b>1.2. Demonstrate experience and qualifications of the proposed team (Technical Experts) and SCRUM master in Information Technology, Information systems, Computer science, Engineering or related degree (15 Points):</b></p> <p><b>1.2.1. 5 years of proven experience in the technical areas related to the proposed solution, in terms installation, commissioning, architecting and technical developments (5 Points):</b></p> <ul style="list-style-type: none"> <li>5 and above Years Experience <b>(05 Points)</b></li> <li>0 – 4 Years experience <b>(0 Point)</b></li> </ul> | <b>30</b> |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <p><b>1.2.2. Demonstrate qualifications of the Technical Expert</b> in Information Technology, Information systems, Computer science, Engineering Degree <b>(5 Points)</b>:</p> <ul style="list-style-type: none"> <li>▪ Degree; (NQF 7): <b>(05 Points)</b></li> <li>▪ National Diploma/Advanced Certificate (NQF 6) <b>(02 Points)</b></li> <li>▪ Below National Diploma/ Advanced Certificate (NQF 6) <b>(0 Point)</b></li> </ul> <p><b>1.2.3. The project must have a SCRUM master (provide certification) (5 Points)</b></p> <ul style="list-style-type: none"> <li>▪ Bidder provided proof of SCRUM master (certification) <b>(5 Points)</b></li> <li>▪ Bidder did not provide proof of SCRUM master (certification) <b>(0 Point)</b></li> </ul> <p>1.3. Demonstrate experience and qualifications of the proposed team (<b>Functional Experts</b>) in computer science, Information Technology, Information systems or business administration or commerce or related degree and the CVs must have at least 5 years of proven experience in the functional and implementation of the proposed solution. <b>(5 points)</b></p> <p><b>1.3.1 At least one individual with 5 years of proven experience</b> in the functional and implementation of the proposed solution (<b>Functional Experts</b>) <b>(3 Points)</b>:</p> <ul style="list-style-type: none"> <li>▪ 5 and above Years Experience <b>(3 Points)</b></li> <li>▪ 0 – 4 Years experience <b>(0 Point)</b></li> </ul> <p><b>1.3.2. Demonstrate qualifications of the Functional Experts</b> (at least one individual) in Information Technology, Information systems or business administration or commerce or related degree or related degree: National Diploma/ B-Tech / Degree <b>(2 Points)</b>:</p> <ul style="list-style-type: none"> <li>▪ Advanced Diploma/ B-Tech or Degree; (NQF 7): <b>(2 Points)</b></li> <li>▪ National Diploma/Advanced Certificate (NQF 6) <b>(1 Points)</b></li> <li>▪ Below National Diploma/ Advanced Certificate (NQF 6) <b>(0 Point)</b></li> </ul> |  |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

#### 4.5 Phase 4 - Demonstration Evaluation Criteria

- Bidders will be evaluated in terms of the prevailing supply chain policy applicable to Council for Medical Schemes and it should be noted that:
  - A minimum of 70 points out of **100** points on **Demonstration Evaluation Criteria** of the system will be the cut-off to qualify for further evaluation **of the Preference Points System Evaluation Criteria (Pricing and Specific Goals)**
  - System demonstration will be done by bidders that passed the Technical Evaluation Criteria.
  - The Council for Medical Schemes will analyse and assess technical capability and therefore the bidder should demonstrate the following:

| CRITERIA<br>Proof of concept                           | SUB-CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | WEIGHTING<br>and MAXIMUM<br>POINTS | CROSS-<br>REFERENCE TO<br>RESPONSE<br>SUPPORTING |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------|
| <b>A) Key Technical Requirements and Compatibility</b> | <p>1. The bidder must be able to demonstrate and clarify the key technical requirements and compatibility by covering the following <b>(25 Points)</b>:</p> <p><b>1.1. Software Requirements (Platforms) (4 Points)</b></p> <ul style="list-style-type: none"> <li>Compatible with Microsoft Dynamic 365 <b>(1 point)</b></li> <li>Compatible with PowerBI <b>(1 point)</b></li> <li>Compatible with Power Automate <b>(1 point)</b></li> <li>Compatible with major internet browsers <b>(1 point)</b></li> </ul> <p><b>1.2. Security of the Proposed System (6 Points):</b></p> <ul style="list-style-type: none"> <li>An administrative area where the IT department can control, monitor, vet and manage usage of the system (i.e. user profile and identity management) <b>(6 points)</b></li> </ul> <p><b>1.3. Performance Requirements of the Proposed System (5 Points):</b></p> <ul style="list-style-type: none"> <li>Enable multiple users to access and edit the same scheme's return simultaneously based on permissions and authentication (i.e. not only a single user per scheme per return). <b>(2 points)</b></li> <li>The proposed solution must be able to handle the transfer of large amounts of data. <b>(2 points)</b></li> <li>There should be no limitation on the number of users. <b>(1 point)</b></li> </ul> <p><b>1.4. Support/ Changeability Requirements of the Proposed System (10 Points)</b></p> <ul style="list-style-type: none"> <li>The solution must be an agile platform which would be easy to maintain and improve. <b>(5 points)</b></li> <li>Allow for frequent configuration changes (i.e. form based design). <b>(5 points)</b></li> </ul> | 25                                 |                                                  |
| <b>C)Proof of Concept</b>                              | <p>1. Platform should be developed in cognizance with the CMS approved fonts and styles (i.e. <b>CMS corporate identity</b>) <b>(1 point)</b></p> <p>2. The solution must allow for the following methods of <b>data collection: (11 points)</b></p> <p>a) Users to manually capture data. Ensure that the system has a user-friendly interface design. <b>(5 points)</b></p> <p>b) Importing of large datasets on the following formats: excel <b>(5 points)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 75                                 |                                                  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <p><i>Provide capability to import data in Excel format, the data is then imported and displayed on the front end, i.e. template with validation rules for import of large datasets (for examples investments)</i></p> <p>c) The user should also be able to copy data and paste it into the system (for example from their preprepared excel templates). <b>(1 point)</b></p> <p>3. <b>Interactive generation of return / parts: (5 points)</b></p> <p>a) The return is not a standard template / form for all schemes. Based on responses provided, additional parts will need to be activated / no longer be active. <b>(3 points)</b></p> <p>b) As data is entered, specific parts or columns or rows within a part should generate and require completion (i.e. must accommodate skip logic). <b>(2 points)</b></p> <p>4. <b>Inter-form navigation (1 point):</b></p> <p>a) Interactive links between parts. The user should be able to click on the link, and then the selected part should open and allow for editing (pop-up). <b>(1 point)</b></p> <p>5. <b>Data restrictions: (3 points)</b></p> <p>a) The system must restrict cell values, i.e. text to be entered for description fields, and numbers in amount-fields. Specific number restrictions might apply per cell (for example in a specific field only negative numbers are allowed). <b>(1 point)</b></p> <p>b) No decimals allowed. <b>(1 point)</b></p> <p>c) The solution should be developed to accept numerical, alpha-numerical characters and special characters (for example &amp; - signs). <b>(1 point)</b></p> <p>6. <b>Data collection tool: (5 points)</b></p> <p>a) The solution must provide the capability to capture customised demographic and financial information. <b>(5 points)</b></p> <p>7. <b>Pull throughs (8 points)</b></p> <p>a) The system should allow for historical data take on. <b>(2 points)</b></p> <p>b) The platform is to allow for pull-through of data by integrating into CMS applications as well as inter/intra-module (external system links). <b>(2 points)</b></p> <p>c) These pull throughs should also be editable (for example prior year adjustments occurred). <b>(2 points)</b></p> <p>d) Data must be refreshable. <b>(2 points)</b></p> |  |  |
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*Some data should be at a specific date (i.e. trustee names as at 31 December), whilst and other data will need to be linked to live data entered in other parts of the same return.*

**8. Dropdowns: (4 points)**

- a) The system must allow for the drop-downs of predetermined data-fields. **(2 points)**
- b) Functionality to enable a user to generate a blank field that the user can then enter data. **(1 point)**
- c) Data selected and entered in the various drop-downs must be sorted in alphabetical sequence. **(1 point)**

**9. Reason box: (4 points)**

- a) When certain data parameters are met, additional information is required to be completed. This is done via a **reason box**. The reason box should only be active when the specific data parameters are met. **(2 points)**
- b) Users must not be able to complete inactive reason boxes. **(1 point)**
- c) If the reason box was active at a certain point, and then becomes deactivated due to a change in the data, any reasons completed by the user must be deleted upon the final submission of the return. **(1 point)**

**10. Validations: (5 points):**

- a) Platform must be able to do validation checks between different parts within the same return - as well as with other CMS systems/returns (and generate error reports). **(1 points)**
- b) System should also run a validation to ensure that the prerequisite data is submitted (if not submitted, the system must generate an error report) (i.e. balancing validations.) **(1 points)**
- c) The validation process should also confirm that data is provided in respect of all active reason boxes. **(1 point)**
- d) A validation should ensure that all the required documents had been uploaded. **(1 point)**
- e) The platform must allow the user to request data validation error reports. **(1 point)**

**11. Download documents functionality: (1 points)**

- a) CMS should be able to upload documents for information purposes to schemes - such as a listing of the validation rules and pull throughs,

as well as the specifications and Help File for ease of reference. **(1 points)**

**12. Capability to upload supporting documents (5 points)**

- a) Specific required documents to be uploaded and saved to CMS document management system. **(1 point)**
- b) Deletion of incorrectly uploaded documents **(1 point)**
- c) Viewing access to uploaded documents to ensure correct documents were uploaded. **(1 point)**
- d) Enable upload of various formats (such as pdf, excel, word, etc.) **(1 point)**
- e) Upload functionality should allow for the upload of big data (file size limits) and multiple docs - should have relational links. **(1 point)**

**13. Final submission (2 points)**

- a) In this functionality a final data validation is run, and if no errors are noted then data is considered to be final. **(1 point)**
- b) The user must also confirm the validity of the signatories to the return, should there be any changes, the user would need to indicate as such, and an email must be sent to CMS IT to change the signatories fields **(1 point)**.

**14. Lock / Unlock (2 points)**

- a) Lock/ Unlocking of return per scheme after final submission has occurred. Full history of the locking and unlocking returns must be kept. **(1 point)**
- b) Scheduled locking and unlocking of return functionality with push communications to users / schemes. **(1 point)**

**15. Final report for user sign-off (2 points)**

- a) Final report pdf should be generated based on the data inputs for the medical schemes and scheme officials and auditors to **electronically sign off** on. **(1 point)**
- b) Integration with SigniFlow **(1 point)**

**16. Audit trail (2 points)**

- a) The platform must allow for an **audit trail** (i.e. a detailed log is maintained of which user changed / uploaded data for each line item per part with a date and time stamp - must keep record of description and amounts edited) - like shadow tables. **(1 point)**
- b) Users must be able to request reports on audit trails: per part and per user and for a specific period **(1 point)**

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <p><b>17. User experience / help function: (5 points)</b></p> <p>a) When a user hover his / her mouse over a specific field, a message / system pop-up should be displayed (ToolTip). <b>(1 point)</b></p> <p>b) Pop-up messages should appear. <b>(1 point)</b></p> <p>c) Topic-based wiki-help. <b>(2 points)</b></p> <p>d) Help ticketing function <b>(1 point)</b></p> <p><b>18. Reporting tools (9 points)</b></p> <p>a) Generate report of all schemes' data (excel). Generate reports according to specified criteria. <b>(4 points)</b></p> <p>b) Business reporting tools to allow for the appropriate analysis of the data, as well as the reporting of the data in dashboards and detailed reports for publication. <b>(3 points)</b></p> <p>c) Define data protocols so that CMS user can access data from system to build in-house bespoke BI and dashboard visualisation. <b>(2 points)</b></p> |  |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

#### 4.6 Phase 5: Price and Specific Goals Evaluation Criteria

- a) The 80/20 preference points system will be applicable to this tender, with a maximum of 80 points being for pricing and a maximum 20 points allocation specific goals points.

#### Table 3- Price and Specific Goals

- b) Only fixed prices will be accepted.
- The costing / pricing must be linked to the project milestones as per the submitted project plan.
- c) **Intellectual Property**
- Kindly note that the Intellectual Property (IP) of the system and source code/documentation will remain the property of CMS. Credentials of source code repository to be shared by CMS during the development of the project.
- d) **Licencing**
- CMS currently has a Microsoft Azure license. Kindly contact Henry Eybers [h.eybers@medicalschemes.co.za](mailto:h.eybers@medicalschemes.co.za) where further clarity on which licences CMS has, is needed.
  - Should any additional licence fees be required to operate the software (i.e. over and above the current CMS licences), the pricing must include all such licence fees for a period of three years.
  - The bidder must indicate which software licences need to be obtained and maintained by the CMS ICT subsequent to the three-year period. This will be submitted as a separate pricing schedule which does not form part of the evaluation.

| CRITERIA                                                   | SUB-CRITERIA                                                 | WEIGHTING/POINTS |
|------------------------------------------------------------|--------------------------------------------------------------|------------------|
| Price                                                      | Detailed Breakdown                                           | 80               |
| Specific Goals                                             | <b>(a) Historically Disadvantaged Individuals (5 Points)</b> |                  |
|                                                            | 80% - 100% Black Owned                                       | 5 Points         |
|                                                            | 50% - 79.99 Black Owned                                      | 4 Points         |
|                                                            | 20% - 49.99% Black Owned                                     | 3 Points         |
|                                                            | 1% - 19.99 Black Owned                                       | 1 Point          |
|                                                            | Below 1% Black Owned                                         | 0 Point          |
|                                                            | <b>(b) Size of the Company (3 Points)</b>                    |                  |
|                                                            | EME                                                          | 3 Points         |
|                                                            | QSE                                                          | 2 Points         |
|                                                            | Generic Enterprise                                           | 1 Points         |
|                                                            | <b>(c) Black Woman Owned Enterprise (5 Points)</b>           |                  |
|                                                            | 75% - 100% Black Women Owned                                 | 5 Points         |
|                                                            | 51% - 74.99% Black Women Owned                               | 3 Points         |
|                                                            | 1% - 50.99% Black Women Owned                                | 1 Point          |
|                                                            | Below 1% Black Owned Women                                   | 0 Point          |
| <b>d) Ownership by People with Disabilities (3 Points)</b> |                                                              |                  |
| 75% - 100% Ownership by People with Disabilities           | 3 Points                                                     |                  |
| 51% - 74.99% Ownership by People with Disabilities         | 2 Points                                                     |                  |
| 1% - 50.99% Ownership by People with Disabilities          | 1 Point                                                      |                  |
| Below 1% Ownership by People with Disabilities             | 0 Point                                                      |                  |
| <b>(e) Ownership by Youth (under 35 years) (4 Points)</b>  |                                                              |                  |
| 75% - 100% Ownership by Youth                              | 4 Points                                                     |                  |
| 51% - 74.99% Ownership by Youth                            | 3 Points                                                     |                  |
| 20% - 50.99% Ownership by Youth                            | 2 Point                                                      |                  |
| 1% - 19.99% Ownership by Youth                             | 1 Point                                                      |                  |
| Below 1% Ownership by Youth                                | 0 Point                                                      |                  |
| TOTAL                                                      |                                                              | 100              |

## 5 GENERAL CONDITIONS TO SPECIFIC GOALS

- a) Only a bidder who has completed and signed the declaration (SBD 6.1.) part of the bid documentation will be considered for preference points.
- b) CMS may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference.

### 5.2 Submission of mandatory documents

Bidders must submit the following documents for verification of specific goals points:

- a. Attach certified copy/ copies of South African ID of Directors/ Owners/ Shareholders to claim points for **Historically Disadvantaged Individuals (HDI)**
- b. B-BBEE Certificate and Sworn Affidavit to claim points for **Size of the Company**
- c. Attach medical certificate/ letter from the accredited Health Professional to claim points for **Ownership for People Disability**
- d. Attach copy of B-BBEE Certificate/ sworn affidavit, certified ID copy/ copies, CIPC document to claim points for **Black Women Owned Enterprise**
- e. Attach certified copy of ID/ Sworn Affidavit/ CIPC document to claim points for **Youth Ownership**
- f. Fully completed and signed **SBD 6.1.**
- g. A trust, consortium, or joint venture will qualify for points for their Specific Goals as a legal entity, provided that the entity submits all documents listed in **paragraph 17 of Section 3.** of this bid document of each entity.
- h. Failure on the part of a bidder to submit proof and above-mentioned documentation, complete and sign as required in SBD 6.1. in terms of this bid to claim points for specific goals with the bid, will interpret to mean that the preference points for specific goals are not claimed.

**SECTION 3: TERMS AND CONDITIONS OF TENDER****1. CONTRACT NEGOTIATION AND FORMATION**

Any contract awarded pursuant to this RFP will incorporate the requirements, specifications, terms, and conditions contained in this RFP, as well as the contents of the Bidder's proposal as accepted by the CMS. The CMS reserves the right to negotiate the modification of proposed terms and conditions with the apparent successful bidder in conjunction with the award criteria contained herein, prior to the execution of a contract to ensure a satisfactory product or service. If the parties are unable to reach an agreement, the CMS may go to the next Bidder with the second highest score. The successful bidder will be required to fill out, sign and submit a written contract form in terms of the CMS Supply Chain Management Policy.

**2. REJECTION OR ACCEPTANCE OF BIDS**

CMS reserve the right to accept or reject bids on each item separately, or as a whole, and to waive any irregularities in a submitted bid. In addition to the above, the successful bidder will be checked against the Register of Defaulters and the List of Restricted Suppliers on the National Treasury database.

**3. PROPOSAL PREPARATION COSTS**

All costs incurred in the preparation and submission of proposals and related documentation, including the Bidder's presentation to the CMS, will be borne by the Bidder.

**4. PROPOSAL ACCEPTANCE PERIOD**

Acceptance Period' as indicated in this RFP, means the number of calendar days available to the CMS for awarding a contract. All bids shall remain available for the CMS' acceptance for a minimum of 120 days following the RFP closing date.

**5. CLARIFICATION OF BIDS**

Prior to the awarding of the contract, the CMS may, at its sole discretion, seek clarification from any Bidder regarding proposal information, and may do so without notification to any other Bidder.

**6. SITE VISITS AND REFERENCE CHECKS**

Vendors may be subjected to a site visit and/or reference checks during the procurement process.

**7. MARKETING REFERENCES**

The successful Bidder shall be prohibited from making any reference to the CMS, in any literature, promotional material, brochures, or sales presentations without the express written consent of the CMS.

**8. ETHICS**

The successful Bidder shall comply with the CMS policies on gifts and gratuities. The vendor shall exercise reasonable care and diligence to prevent any action or conditions that could result in a conflict of interest with the CMS. During the term of the contract, the vendor shall not accept any employment or engage in any work that creates a conflict of

**APPOINTMENT OF A SERVICE PROVIDER FOR THE REPLACEMENT OF THE FSU SYSTEM**

interest with the CMS, or in any way compromises the work to be performed under the contract. The vendor and/or its employees shall not offer gifts, entertainment, payments, loans, or other consideration to the CMS employees, their families, other contractors, subcontractors, and other third parties for the purpose of influencing such persons to act contrary to the CMS interest. The vendor shall immediately notify the CMS of any and all such violations of this provision upon becoming aware of such violations.

**9. CONFIDENTIALITY**

The Contractor, its officers, agents, employees, and consultants shall hold in confidence any information or materials identified as proprietary and/or confidential to the CMS or to any third party, to which the Contractor may have access in the course of performing its obligations under this Agreement. The Contractor shall not disclose or authorize disclosure to others, or use for its own benefit, such confidential information or materials without the express written consent of the CMS or any third-party owner. This entire RFP document should be considered proprietary and confidential to the CMS. This obligation for non-disclosure shall survive this Agreement and continue until such confidential information or materials are otherwise legally obtained or placed in the public domain.

**10. SPECIAL CONDITIONS**

Any award(s) made as a result of this RFP will be subject to the following terms and conditions:

- **Liquidated Damages**

The successful Bidder agrees to negotiate in good faith with the CMS, a Liquidated Damages provision which will specify an amount to be payable or credited to the CMS if the Bidder fails to comply with the implementation schedule mutually agreed to, in the contract award.

- **Payment Schedule and Invoicing**

The successful Bidder agrees to negotiate in good faith with the CMS, a progress payment schedule based on significant milestones identified in the scope of work and/or the implementation schedule included in the resulting contract. Bidders should provide a suggested payment schedule as part of their proposal.

- **Prime Sponsor Terms and Conditions**

Any award which may result from this RFP will be issued subject to the terms and conditions of the prime funding agency, in this case the CMS. Proposals submitted by Bidders who are unable to accept said terms will be considered non-responsive.

**11. REJECTION OF PROPOSALS**

11.1. CMS may reject bids which are non-responsive, including, without limitation, bids which contain the following defects:

- a) Failure to conform to the rules or requirements contained in the RFP; including the instructions for submitting proposal and the proposal format guidelines.
- b) Failure to sign the entire original bid documentation (including additional submissions by the Bidder).

APPOINTMENT OF A SERVICE PROVIDER FOR THE REPLACEMENT OF THE FSU SYSTEM

- c) Proof of collusion among Bidders, in which case all proposals involved in the collusive action will be rejected.
- d) Non-compliance with any applicable law, unauthorised additions or deletions, conditional bids, incomplete bids, or irregularities of any kind which may tend to make the bid incomplete, indefinite or ambiguous as to its meaning.
- e) Provisions reserving the right to accept or reject an award or to enter into a contract containing terms and conditions that are contrary to those in the solicitation.
- f) Furthermore, the contract with the successful bidder may be subject to conditions, such as (i) the successful Bidder should maintain its B-BBEE status for the duration of the contract and (ii) the Bidder should provide additional documentation such as a new tax clearance certificate upon expiry of the previous version.

## 12. CONTRACT IDENTIFICATION

### 12.1. Prime Contractor

The CMS prefers to work with a single prime contractor for all product and implementation services. Nevertheless, if vendors wish to partner, they must submit a single proposal with an established entity that shall be the primarily responsible point of contact and contracting.

### 12.2. Vendor Prime Contractor Responsibility

If a vendor's proposal includes equipment, hardware, software or services to be supplied by other entities, it is desirable that the proposing vendor acts as prime contractor for the procurement of all products and services. The vendor, as the prime contractor, should be the sole point of contact, including payment of any and all charges, resulting from the purchase of the replacement of the FSU System. The vendor, acting as primary contractor, should take full responsibility for rendering services by its subcontractor(s). Each subcontractor used by the vendor on this project shall be required to submit full identification of their company to the CMS on the form titled Subcontractor Identification, found in Annexure F to this RFP.

## 13. ENTIRE AGREEMENT

The contract executed pursuant to this RFP will state the entire agreement between the parties in respect to the subject matter covered therein and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations, or other agreements. However, this RFP and the Bidder's response will be incorporated by reference into the contract.

## 14. ADDITIONAL INFORMATION

CMS may request additional information either from the Bidder or others, to verify the Bidder's ability to successfully meet the requirements of this RFP.

#### **15. NATIONAL TREASURY REQUIREMENTS**

- a) Within ten (10) working days after the closure of the advertised competitive bid, the CMS will publish on its website the names of all bidders that submitted bids in relation to the particular advertisement.
- b) Information on the successful bid will be made available on the CMS website. In addition to the above, the successful bidder will be checked against the Register of Defaulters and the List of Restricted Suppliers on the National Treasury database

#### **16. REGISTRATION ON NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)**

- a) Bidders must be registered on the CSD. Confirmation of registration in the form must be submitted together with the bid documents.

#### **17. JOINT VENTURE**

17.1. Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill, and knowledge in an activity for the execution of a contract. Bidders that submit bids as a Joint Venture, Consortium or Trust must comply with the following requirements:

- a) In case of a Joint Venture/Consortium submission, the Bidder/s shall submit a Joint Venture agreement signed by all parties.
- b) Every member of the joint venture is registered with the professional body listed in this tender document
- c) Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. CMS will accept signed agreements as acceptable proof of the existence of a Joint Venture and/or Consortium arrangement.
- d) The Joint Venture and/or Consortium agreements must clearly set out the roles and responsibilities of the Lead Partner/ Director and the Joint Venture and/or Consortium party. The agreement must also clearly identify the Lead Partner/ Director, with the power of attorney to bind the other party/parties in respect of matters pertaining to the Joint Venture and/or Consortium arrangement.

## SECTION 4: INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Bidders should submit their proposals in the format and manner described below. Proposals must provide a complete response to all requirements stated in the RFP. Proposals that are not compliant with the requirements, may be disqualified.
  - Bids sent via facsimile (FAX) or email will not be accepted. Late bids will not be accepted.
  - There should be one signed original, two (2) additional hard copies of the original document submitted and USB. The original bid document must be initialled on every page/entire document, including all other submissions by the Bidder.
  - The Pricing Schedule should be submitted in a separate sealed envelope. Pricing should not be reflected in any other part of the proposal or cover thereof.
  - Bids must be sealed, and the outer package marked with the RFP number.
  - Structure of the Proposal:
2. **ENVELOPE 1 - TECHNICAL PROPOSAL. The technical proposal must be structured as follows:**
  - 2.1. Cover page. The cover page must be on the company letterhead and must include:
    - Name of the Company
    - RFP number and
    - Bid description

### Table of Contents page

1. **Executive Summary**
2. **Annexures.** All relevant forms attached as Annexures A to K to this document, must be completed in full and signed where applicable by a duly authorised official of the primary contractor / bidder.
  - **Annexure A** – SBD 1 - Invitation to Bid
  - **Annexure B** – Proof of authority must be submitted e.g. company resolution that the person signing SBD 1 is authorised to do so.
  - **Annexure C** – **SBD 4 – Declaration of interest** – The vendor must certify that it has in no way entered into any contingent fee arrangement with any firm or person, and further that the vendor has not in any manner sought by collusion, to secure any advantage over other vendor(s). **This must be done by completing the “Declaration of Interest – Form SBD4” attached as Annexure C to this RFP.**
  - **Annexure D** – Response to **MANDATORY TECHNICAL CRITERIA**
  - **Annexure E** – Response to **Weighted TECHNICAL CRITERIA**
  - **Annexure F** – **SBD 6.1 – Preference Points Claim form** – This must be done by completing the “Preference Points Claim Form – Form SBD 6.1” attached as Annexure D to this RFP.
  - **Annexure I - Proposal adherence checklist – the checklist has been compiled for your ease of use and to ensure that your bid complies with the CMS administrative and technical requirements.**



**SECTION 5: RETURNABLE AND STANDARD BIDDING DOCUMENTS (SBD)****ANNEXURE A - SBD 1****YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE COUNCIL FOR MEDICAL SCHEMES**

|                                                                                                                                                                       |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| BID NUMBER:                                                                                                                                                           | CMS04/2024/25                                                                          | CLOSING DATE: | 26 <sup>th</sup> August 2024                                              | CLOSING TIME:                                                                                                                                                             | 11:00am |
| DESCRIPTION                                                                                                                                                           | APPOINTMENT OF A SERVICE PROVIDER FOR THE REPLACEMENT OF THE FSU SYSTEM                |               |                                                                           |                                                                                                                                                                           |         |
| <b>BID/QUOTATION RESPONSE DOCUMENTS MUST BE DELIVERED TO THE FOLLOWING ADDRESS:</b>                                                                                   |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| Council for Medical Schemes, Block A, Eco Glades 2 Office Park, 420 Witch-Hazel Avenue, Eco Park, Centurion, 0157                                                     |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>                                                                                                                 |                                                                                        |               | <b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>                            |                                                                                                                                                                           |         |
| CONTACT PERSON                                                                                                                                                        | Mr. Bokamoso Legong                                                                    |               | CONTACT PERSON                                                            | Mr Henry Eybers and Julindi Scheepers                                                                                                                                     |         |
| TELEPHONE NUMBER                                                                                                                                                      | 012 431 0457                                                                           |               | TELEPHONE NUMBER                                                          |                                                                                                                                                                           |         |
| FACSIMILE NUMBER                                                                                                                                                      | N/A                                                                                    |               | FACSIMILE NUMBER                                                          | N/A                                                                                                                                                                       |         |
| E-MAIL ADDRESS                                                                                                                                                        | <a href="mailto:b.legong@medicalschemes.co.za">b.legong@medicalschemes.co.za</a>       |               | E-MAIL ADDRESS                                                            | <a href="mailto:J.Scheepers@medicalschemes.co.za">J.Scheepers@medicalschemes.co.za</a> & <a href="mailto:h.eybers@medicalschemes.co.za">h.eybers@medicalschemes.co.za</a> |         |
| <b>SUPPLIER INFORMATION</b>                                                                                                                                           |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| NAME OF BIDDER                                                                                                                                                        |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| POSTAL ADDRESS                                                                                                                                                        |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| STREET ADDRESS                                                                                                                                                        |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| TELEPHONE NUMBER                                                                                                                                                      | CODE                                                                                   |               | NUMBER                                                                    |                                                                                                                                                                           |         |
| CELL PHONE NUMBER                                                                                                                                                     |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| FACSIMILE NUMBER                                                                                                                                                      | CODE                                                                                   |               | NUMBER                                                                    |                                                                                                                                                                           |         |
| E-MAIL ADDRESS                                                                                                                                                        |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| VAT REGISTRATION NUMBER                                                                                                                                               |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| SUPPLIER COMPLIANCE STATUS                                                                                                                                            | TAX COMPLIANCE SYSTEM PIN:                                                             |               | OR                                                                        | CENTRAL SUPPLIER DATABASE No:                                                                                                                                             | MAAA    |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE                                                                                                                          | TICK APPLICABLE BOX]<br><input type="checkbox"/> Yes <input type="checkbox"/> No       |               | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                       | [TICK APPLICABLE BOX]<br><input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                         |         |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| 1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/SERVICES/WORKS OFFERED?                                                                        | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>[IF YES ENCLOSE PROOF] |               | 2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS/SERVICES/WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><br>[IF YES ENCLOSE PROOF]                                                                                    |         |
| <b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>                                                                                                                     |                                                                                        |               |                                                                           |                                                                                                                                                                           |         |
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?                                                                                                       |                                                                                        |               |                                                                           | <input type="checkbox"/> YES <input type="checkbox"/> NO                                                                                                                  |         |

DOES THE ENTITY HAVE A BRANCH IN THE RSA?

☐ YES ☐ NO

DOES THE ENTITY HAVE PERMANENT ESTABLISHMENT IN THE RSA?

☐ YES ☐ NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

☐ YES ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

☐ YES ☐ NO

**IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW**

**1. BID SUBMISSION:**

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

**2. TAX COMPLIANCE REQUIREMENTS**

- 2.1. BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2. BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3. APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE [WWW.SARS.GOV.ZA](http://WWW.SARS.GOV.ZA).
- 2.4. BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5. IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6. WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE.”

**NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

(Proof of authority must be submitted e.g. company resolution)

DATE:

.....

**PRICING SCHEDULE -FIRM PRICES**

**SBD 3.3**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

Name of bidder.....bid number: **CMS04/2024/25**

Closing Time **11:00am on the 26<sup>th</sup> August 2024**

**OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.**

| ITEM | DESCRIPTION                       | BID PRICE IN RSA CURRENCY |
|------|-----------------------------------|---------------------------|
| NO   | **(ALL APPLICABLE TAXES INCLUDED) |                           |

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

| 4. PERSON AND POSITION | HOURLY RATE | DAILY RATE |
|------------------------|-------------|------------|
| .....                  | R.....      | .....      |
| .....                  | R.....      | .....      |
| .....                  | R.....      | .....      |
| .....                  | R.....      | .....      |
| .....                  | R.....      | .....      |

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....R.....

days

.....R.....

days

.....R.....

days

----- R-----  
days

Travel expenses (specify, for example rate/km and total km, class of air travel, etc.). Only actual costs are recoverable.  
Proof of the expenses incurred must accompany certified invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT  |
|---------------------------------------|-------|----------|---------|
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| TOTAL: R.-----                        |       |          |         |

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

5.1. Other expenses, for example accommodation (specify, e.g. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On the basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT  |
|---------------------------------------|-------|----------|---------|
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| -----                                 | ----- | -----    | R.----- |
| TOTAL: R.-----                        |       |          |         |

6. Period required for commencement with project after acceptance of bid  
-----

7. Estimated man-days for completion of project  
-----

8. Are the rates quoted firm for the full period of contract? \*YES/NO

9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.  
-----

## BIDDER'S DISCLOSURE –: Annexure C

### 1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

### 2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise,  
employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |
|           |                 |                           |

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

---

<sup>1</sup> the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

.....

- 2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?  
**YES/NO**

- 2.3.1 If so, furnish particulars:

.....

.....

### 3 DECLARATION

I, the undersigned, (name)..... in submitting the accompanying bid, do hereby make the following statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices

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<sup>2</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of bidder

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 **To be completed by the organ of state**

- a) The applicable preference point system for this tender is the **80/20** preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

|                                           | POINTS |
|-------------------------------------------|--------|
| PRICE                                     | 80     |
| SPECIFIC GOALS                            | 20     |
| Total points for Price and SPECIFIC GOALS | 100    |

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULA FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

| 80/20                                                     | or | 90/10                                                     |
|-----------------------------------------------------------|----|-----------------------------------------------------------|
| $Ps = 80 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$ | or | $Ps = 90 \left( 1 - \frac{Pt - P_{min}}{P_{min}} \right)$ |

Where

Ps = Points scored for price of tender under consideration  
 Pt = Price of tender under consideration  
 Pmin = Price of lowest acceptable tender

### 3.2. FORMULA FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

#### 3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

| 80/20                                                     | or | 90/10                                                     |
|-----------------------------------------------------------|----|-----------------------------------------------------------|
| $Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$ | or | $Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$ |

Where

- Ps = Points scored for price of tender under consideration  
 Pt = Price of tender under consideration  
 Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

**(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.**

**Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)**

| The specific goals allocated points in terms of this tender | Number of points allocated (90/10 system)<br>(To be completed by the organ of state) | Number of points allocated (80/20 system)<br>(To be completed by the organ of state)                                                                                                                                                                                                                              | Number of points claimed (90/10 system)<br>(To be completed by the tenderer) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| a) Historically Disadvantaged Individuals                   | N/A                                                                                  | <b>5 Points:</b> <ul style="list-style-type: none"> <li>80% - 100% Black Owned – <b>5 Points</b></li> <li>50% - 79.99 Black Owned - <b>4 Points</b></li> <li>20% - 49.99% Black Owned <b>3 Points</b></li> <li>1% - 19.99 Black Owned - <b>1 Point</b></li> <li>Below 1% Black Owned - <b>0 Points</b></li> </ul> | N/A                                                                          |                                                                              |

|                                          |     |                                                                                                                                                                                                                                                                                                                                                                          |     |  |
|------------------------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--|
|                                          |     |                                                                                                                                                                                                                                                                                                                                                                          |     |  |
| Size of the Company/<br>Enterprise       | N/A | <b>3 Points:</b> <ul style="list-style-type: none"> <li>Exempted Medium Enterprise- <b>3 Points</b></li> <li>Qualifying Exempted Enterprise – <b>2 Points</b></li> <li>Generic Enterprise -<b>1 Point</b></li> </ul>                                                                                                                                                     | N/A |  |
| Black Women Owned<br>Enterprise          | N/A | <b>5 Points:</b> <ul style="list-style-type: none"> <li>75% - 100% Black Women Owned - <b>5 Points</b></li> <li>51% - 74,99% Black Women Owned – <b>3 Points</b></li> <li>1% - 50,99% Black Women Owned - <b>1 Point</b></li> <li>Below 1% Black Owned Women-<b>0 Point</b></li> </ul>                                                                                   | N/A |  |
| Ownership by People with<br>Disabilities | N/A | <b>3 Points:</b> <ul style="list-style-type: none"> <li>75% - 100% Ownership by People with Disabilities – <b>3 Points</b></li> <li>51% - 74,99% Ownership by People with Disabilities - <b>2 Points</b></li> <li>1% - 50,99% Ownership by People with Disabilities - <b>1 Point</b></li> <li>Below 1% Ownership by People with Disabilities-- <b>0 Point</b></li> </ul> | N/A |  |
| Ownership by Youth<br>(under 35 years)   | N/A | <b>4 Points:</b> <ul style="list-style-type: none"> <li>75% - 100% Ownership by Youth- <b>4 Points</b></li> <li>51% - 74,99% Ownership by Youth-<b>3 Points</b></li> <li>20% - 50,99% Ownership by Youth-<b>2 Points</b></li> <li>1% - 19,99% Ownership by Youth-<b>1 Points</b></li> <li>Below 1% Ownership by Youth-<b>0 Points</b></li> </ul>                         | N/A |  |

#### DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company

☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

.....

.....

## **GOVERNMENT PROCUREMENT**

### **GENERAL CONDITIONS OF CONTRACT July 2010**

#### **NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar regarding the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

#### **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure

- 26. Termination for insolvency
- 27. Settlement of disputes
- 28. Limitation of liability
- 29. Governing language
- 30. Applicable law
- 31. Notices
- 32. Taxes and duties
- 33. National Industrial Participation Programme (NIPP)
- 34. Prohibition of restrictive practices

## **GENERAL CONDITIONS OF CONTRACT**

### **1. Definitions**

The following terms shall be interpreted as indicated:

- 1.1. "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. "Day" means calendar day.
- 1.8. "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9. "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10. "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (prior to or after bid

submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14. "GCC" means the General Conditions of Contract.

1.15. "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16. "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17. "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18. "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19. "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20. "Project site," where applicable, means the place indicated in bidding documents.

1.21. "Purchaser" means the organization purchasing the goods.

1.22. "Republic" means the Republic of South Africa.

1.23. "SCC" means the Special Conditions of Contract.

1.24. "Services" means those functional services ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25. "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

## **2. Application**

2.1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3. Where such special conditions of contract conflict with these general conditions, the special conditions shall apply.

## **3. General**

- 3.1. Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2. With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

#### **4. Standards**

- 4.1. The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

#### **5. Use of contract documents and information; inspection.**

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so, required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so, required by the purchaser.

#### **6. Patent rights**

- 6.1. The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of the goods or any part thereof by the purchaser.

#### **7. Performance security**

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
  - a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - b) a cashier's or certified cheque
- 7.4. The performance security will be discharged by the purchaser and returned to the supplier no later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

#### **8. Inspections, tests and analyses**

- 8.1. All pre-bidding testing will be for the account of the bidder.
- 8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all

reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

- 8.3. If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4. If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5. Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6. Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7. Any contract supplies may on or after delivery be inspected, tested or analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

## **9. Packing**

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

## **10. Delivery and documents**

- 10.1. Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2. Documents to be submitted by the supplier are specified in SCC.

## **11. Insurance**

The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

## **12. Transportation**

12.1. Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

## **13. Incidental services**

13.1. The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2. Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

## **14. Spare parts**

14.1. As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- b) in the event of termination of production of the spare parts:
  - ✓ advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
  - ✓ following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

## **15. Warranty**

15.1. The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2. This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

- 15.3. The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4. Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5. If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

#### **16. Payment**

- 16.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 16.3. Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4. Payment will be made in Rand unless otherwise stipulated in SCC.

#### **17. Prices**

- 17.1. Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, except for any price adjustments authorized in SCC or in the purchaser's request for bid validity extension.

#### **18. Contract amendments**

- 18.1. No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

#### **19. Assignment**

- 19.1. The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

#### **20. Subcontracts**

- 20.1. The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

#### **21. Delays in the supplier's performance**

- 21.1. Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2. If at any time during the performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding the timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the

supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

- 21.3. No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or local authority.
- 21.4. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

- 22.1. Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

## **23. Termination for default**

- 23.1. The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
  - a) if the supplier fails to deliver any or all the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
  - b) if the Supplier fails to perform any other obligation(s) under the contract; or
  - c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue the performance of the contract to the extent not terminated.
- 23.3. Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

- 23.4. If a purchaser intends to impose a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 23.5. Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6. If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- i. the name and address of the supplier and / or person restricted by the purchaser;
  - ii. the date of commencement of the restriction
  - iii. the period of restriction; and
  - iv. the reasons for the restriction.
- These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.7. If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

## **24. Anti-dumping and countervailing duties and rights**

- 24.1. When, after the date of bid, provisional payments are required, antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from money (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

## **25. Force Majeure**

- 25.1. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

- 25.2. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

## **26. Termination for insolvency**

- 26.1. The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

## **27. Settlement of Disputes**

- 27.1. If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2. If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4. Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5. Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
  - (b) the purchaser shall pay the supplier any monies due the supplier.

## **28. Limitation of liability**

- 28.1. Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
  - b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

## **29. Governing language**

- 29.1. The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

30.1. The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

**31. Notices**

31.1. Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

32.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation (NIP) Programme**

33.1. The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation

**34. Prohibition of Restrictive practices**

34.1. In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2. If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3. If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

## Checklist (Annexure J)

### **ADMINISTRATIVE AND TECHNICAL RESPONSIVENESS CHECKLIST**

| <b>GENERAL REQUIREMENTS</b>                                                                                                                           |                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1 signed original, 2 additional hardcopy and USB                                                                                                      | <input type="checkbox"/> |
| Apart from being signed, the original must also be initialed on each page.                                                                            | <input type="checkbox"/> |
| Bids Sealed and outer package marked with Request for Proposal number.                                                                                | <input type="checkbox"/> |
| Pricing proposal included in a different envelope to technical proposal                                                                               | <input type="checkbox"/> |
| Executive Summary included                                                                                                                            | <input type="checkbox"/> |
| <b>SCM Invite to Bid – Form SBD 1 (Annexure A)</b>                                                                                                    |                          |
| Name of Bidder and all contact details provided                                                                                                       | <input type="checkbox"/> |
| VAT Registration Number supplied                                                                                                                      | <input type="checkbox"/> |
| Tax Clearance Certificate/ SARS Pin Document                                                                                                          | <input type="checkbox"/> |
| Registered Representative indicated                                                                                                                   | <input type="checkbox"/> |
| Form Signed                                                                                                                                           | <input type="checkbox"/> |
| <b>Proof of Authority to sign SBD1 (Annexure B)</b>                                                                                                   |                          |
| Proof of Authority to sign SBD1 included (e.g. company resolution)                                                                                    | <input type="checkbox"/> |
| <b>SCM Declaration of Interest – Form SBD4 - (Annexure C)</b>                                                                                         |                          |
| Questionnaire completed in full and any possible conflict of interest declared.                                                                       | <input type="checkbox"/> |
| Declaration signed by duly authorised representative                                                                                                  | <input type="checkbox"/> |
| <b>Mandatory Technical Criteria (Annexure D)</b>                                                                                                      |                          |
| Mandatory Technical Criteria template completed, and response included                                                                                | <input type="checkbox"/> |
| Letters from companies confirming previous clients reference relevant to this tender                                                                  | <input type="checkbox"/> |
| <b>Weighted Technical Criteria (Annexure E)</b>                                                                                                       |                          |
| Weighted Technical Criteria Response included                                                                                                         | <input type="checkbox"/> |
| <b>SCM Preference Points Claim Form – Form SBD 6.1- (Annexures F)</b>                                                                                 |                          |
| Claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution (SBD6.1) completed and form signed. | <input type="checkbox"/> |
| Valid B-BBEE status level certificate issued by Accredited verification agency submitted/ Sworn Affidavit (for EMS/QSE)                               | <input type="checkbox"/> |
| <b>SCM Pricing Schedule – Form SBD 3.3 - (Annexure G)</b>                                                                                             |                          |
| Pricing proposal included in a different envelope to technical proposal                                                                               | <input type="checkbox"/> |
| Completed both the SBD3.3 AND the pricing template provided by CMS                                                                                    | <input type="checkbox"/> |