

TERMS OF REFERENCE

PROJ/2020/21/01

**THE INSETA CALLS FOR A SUITABLY QUALIFIED
SERVICE PROVIDER FOR THE PROVISION OF AN OFF
THE SHELF ENTERPRISE RESOURCE PLANNING (ERP)
SYSTEM, SUPPORTED & MAINTAINED OVER FOR A
PERIOD OF FIVE (5) YEARS**

1. INSETA OVERVIEW

The Insurance Sector Education and Training Authority (INSETA) is a public entity listed in schedule 3A of the PFMA and was established in March 2000. The INSETA must, in accordance with any prescribed requirements to perform in accordance with the Skills Development Act (SDA), the Skills Development Levies Act (SDLA), the Public Finance Management Act (PFMA), any other relevant legislation and the Constitution.

2. DEFINITIONS

- i)** DHET- Department of Higher Education and Training
- ii)** AGSA – Auditor General South Africa
- iii)** SDF – Skills Development Facilitator
- iv)** SLA – Service Level Agreement
- v)** ERP – Enterprise Resource Planning
- vi)** CRM – Customer Relationship Management
- vii)** ETQA – Education Training and Quality Assurance
- viii)** SGLMIS – Grant & Learner Management Information System
- ix)** INSETA – Insurance Sector Education and Training Authority
- x)** ID - Identification Document
- xi)** NLRD – National Learner Record Database
- xii)** QCTO - Quality Council for trades and occupations
- xiii)** SAQA – South African Qualifications Authority
- xiv)** SDA - Skills Development Act
- xv)** SDLA – Skills Development Levies Act
- xvi)** SETMIS - SETA Management Information System
- xvii)** TVET - Technical Vocational Education and Training Colleges
- xviii)** WIL - Work Integrated Learning
- xix)** WSP – Workplace Skills Plan
- xx)** ATR – Annual Training Report
- xxi)** DHA – Department of Home Affairs

3. PROJECT BACKGROUND AND SITUATIONAL ANALYSIS

3.1 The Insurance Sector Education and Training Authority (INSETA) resolved to automate

all critical business functions, through the deployment of a holistic ERP system to promote paperless environment. INSETA is currently using a hosted ERP namely Microsoft Dynamics AX 2012 as a hosted ERP solution. The current ERP covers the following modules:

- 3.1.1 Finance
- 3.1.2 Supply Chain Management
- 3.1.3 Human Resources
- 3.1.4 Payroll - is outsourced to another service provider.

4. OBJECTIVES

- 4.1 The Insurance Sector Education and Training Authority (INSETA) seeks to invite suitably qualified Service Providers to submit proposals for the supply, installation, configuration, deployment and licensing of an ERP system to be owned by INSETA (**Outright purchase solution – off the shelf solution with minimal customization**). The appointed service provider will be required to provide support and maintenance services for a period of five (5) years. The ERP must be aligned to the INSETA's business process requirements and automate or digitalize all these business processes from end-to-end.
- 4.2 Bidders are expected to submit proposals and a detailed approach that will be used to implement the solution. Bidders would need to also note that they will need to migrate data from the current system, input into the new system, verify the correctness and completeness of inputted data for audit purposes and keep records of this, and thereafter maintain the integrity of the data.
- 4.3 Bidders must provide assurance that their proposed solution addresses interoperability to seamlessly interface with **INSETA's management information system** and other technologies, as well as commercial and open source databases (**SQL databases, Oracle, PostgreSQL, IBM DB2 etc.**).

5. DELIVERABLES

The ERP solution must be customisable to comply with relevant regulations also not limited to:

- 5.1 Conduct comprehensive consultative sessions with INSETA business units to elicit full functional requirements and business expectations at no additional cost.
- 5.2 Provide a solution with the appropriate Support, Licensing and Maintenance Services for a period **of five (5) years**.
- 5.3 Bidders must ensure that they provide all required licenses, functional & technical support and maintenance services on all the modules within their proposals, aligned to a once off cost. (**no recurring costs will be acceptable**)
- 5.4 Bidder must adhere to Protection of Personal Information (POPI) Act.

- 5.5 Bidder must adhere to General Data Protection Regulation (GDPR).
- 5.6 Bidder must adhere to minimum Information Security Standard (MISS) also Known as the National Information Security Policy;
- 5.7 Bidder must adhere to GRAP Standards
- 5.8 ISO 27000 Series for Information Security Management.
- 5.9 Bidders solution must be a web-based cloud solution with the end user interface that will be compatible with different platforms of operating systems within INSETA.
- 5.10 INSETA expects the service provider to perform the related professional services (e.g. best practices guidance, training **(system releases and updates)**, project management, implementation, integration and report development, data extraction, data conversion) in a timely and professional manner. **(reference phased approach to 8.1.4 (a) of the bid document)**
- 5.11 Services should be provided by bidders who are experienced ERP experts who have successfully implemented solutions with similar requirements of Financial Management, Human Capital Management, Supply Chain Management, Project Management, and Information Technology etc.
- 5.12 The successful bidder will be responsible for the final approved design, installation, implementation and commissioning of the ERP system, including development of user acceptance testing, system integration and interoperability with the existing systems.
- 5.13 The Cost and quality of ongoing maintenance and support of the ERP system must provide the following:
 - 5.13.1 A complete commercial **off-the-shelf solution** with minimal customization to INSETA requirements that has been successfully implemented for entities of comparable size and that follows best practices offered by the software as per the specification indicated in the scope of work.
 - 5.13.2 Solution must allow for future expandability
 - 5.13.3 A system that is stable, secure and accessible and supports business processes, service delivery and transparency.
 - 5.13.4 Suppliers must have an ongoing and sustainable product and corporate strategy to manage obsolescence.

6. SCOPE OF WORK

- 6.1 INSETA is seeking a fully integrated web-based cloud solution that will meet its core requirements with minimal modifications and to provide system support. The goal is to optimize system utilization for all users, improve response times, reduce errors, reduce manual efforts, improve analytical capabilities and improve customer service.
- 6.2 The system should be upgradable to the latest available version. **(at no additional cost)**
- 6.3 The solution must be able to integrate or interface with Web Services or prebuilt Application Programming Interfaces (APIs) from 3rd Party solutions.

7. SYSTEM REQUIREMENTS

The ERP system should provide the following modules and submodules:

7.1 Financial Management

7.2.1 General Ledger and financial reporting

- a) System generated monthly, quarterly and annual financial reports/statements with monthly, quarterly and annual budget and actual comparatives using INSETA's standard chart of accounts

7.2.2 Accounts Receivables and Revenue

- a) Capture and print invoices
- b) Integrate with Cashbook module for receipts
- c) Integrate journals for accounts receivable transaction type recorded in the general ledger module
- d) Integration of the DHET levy files into the INSETA accounting systems and creation of posting journals
- e) Aged analysis report

7.2.3 Levy and Grants Management

- a) Capability for importing files in .txt and .csv formats as received from DHET
- b) Allocation of imported levy income files from DHET between the following levy income categories in line with SDL Act ratios;
 - Discretionary levy income
 - Mandatory levy income
 - Administration levy income
 - Allocation of penalties and interest income
- c) Statements of levies received per employer from 2000 to date of reporting. Levy income analysis per employer, per year and per size of employer, small medium or large.

7.2.4 Accounts Payable (Procurement Expenditure)

- a) Purchase requisition, Quotations, purchase orders, purchase receipt, invoices, three-way match, selection for payments
- b) Supplier email notification on approved purchase order
- c) Ability to integrate with document management and contract management system
- d) Optical character recognition for invoices
- e) Email notification to approvers for requisition/purchase orders/invoices approvals
- f) Integrate with Cashbook module for automatic matching of invoices and payments
- g) Integrate with Fixed Assets module for posting of assets
- h) Integration with the MIS system on the Calculation of mandatory grants based on approved WSP/ATR submissions
- i) Download bank upload file for loading onto the banking system
- j) Aged Analysis report
- k) Outstanding purchase orders reports – report of purchase orders not receipted
- l) Goods/Services Received not yet invoiced report
- m) Print and email remittance advice
- n) Allow for workflow management

7.2.5 Mandatory Grants

- a) Capability to create/ update supplier master data based on files imported in .txt, .xls or.csv as detailed in the revenue/ receivables section above
- b) Integration with the Management information system to indicate;
 - Each employer's grant approval status
 - The size of each employer (Small, Medium, Large)
 - Update each employer's bank details as submitted with their WSPs
 -
 - Update each employer's contact details
- c) Statements of grants paid per employer since inception of SETA's
- d) Calculation of mandatory grants payable in line with SDL Act by merging levies received per employer and grants paid per employer since 2000 to date of payment
- e) Ageing of unpaid mandatory grants
- f) Report on grants paid to each employer by size of employer and date of grant payment

7.2.6 Discretionary grants

- a) Capability to link expenditure to projects, related contracts and budgets
- b) Contractual commitments reporting to display contract values, expenditure, remaining contract values and remaining budget (Commitments register)
- c) Ageing of unpaid discretionary grants Exception reports

7.2.7 Administration expenses

- a) Ageing of unpaid administration expenses
- b) Capability to insert contract values/ upload contracts and to link expenditure to related contracts and budgets o Report on expenditure against contracts (Admin commitments report)

7.2.8 Invoice tracking (Workflow invoice payment functionality)

- a) System based invoice submission from cost centres
- b) System based approval of cost centre invoices
- c) Reports/ alerts of invoices in workflow for more than a specified period

7.2.9 Cash and Bank Management

- a) System generated weekly bank reconciliations with minimum manual intervention

7.2.10 Budget Management

- a) Budget monitoring for all expenditure, capex, other assets and liabilities
- b) Reporting of monthly, quarterly and annual expenditure against budgets
- c) Capability of cost centre budget owners to view their actual costs and budgets, and to provide comments on budget variances
- d) Reporting of consolidated comments on budget variances per the above bullet

7.2.11 Fixed assets management

- a) Automated assets register
- b) Automated calculation of depreciation
- c) Capability to recalculate depreciation based on restated useful lives in line with GRAP 17
- d) Reporting of assets nearing the end of their useful lives

7.2.12 Payroll

- a) Integration of payroll with general ledger and automatic update of relevant ledger accounts (Salaries, Group Life, Bonus)
- b) Calculation of monthly bonus provision using given rules
- c) Integration of leave module with general ledger and automatic updating of leave balances in the general ledger

7.2 Project Management and Accounting

7.2.1 Project Management

- a) Project creation with work breakdown structure and network
- b) Project Accounting and Invoicing
- c) Project Cost Control
- d) Work Breakdown Structures (Receive and consolidate Costs and Revenue in WBS manner)
- e) Act as Planning tool for project schedule
- f) Records management capabilities
- g) Project Management customisable reports capabilities
- h) Dashboard capabilities

7.2.2 Project Accounting - Budgeting for Projects and Contract Creation

- a) The system must be able to create budgets for individual projects (i.e. Learnership, Internship, Bursaries, Skills Programmes etc), against which individual contracts with service providers in that project will be initiated.
- b) Each Project budget must have a direct project costs line item and the project administration cost line item. Individual contracts with service providers will either be linked to direct project cost budget or administration projects costs budget or both.
- c) The system should read the availability of project budget before the contract with the service provider can be loaded and confirmed. Once the budget is fully used, the system should not allow for any further contracts to be committed.
- d) The availability of project budget should only be linked to the period of raising a service provider contract commitment and invoicing.

7.2.3 Addendums

- a) The system must allow for addendums to project budgets or addendum to contracts with service provider.

7.2.4 Invoicing

- a) Invoice are processed against service provider contract amounts and not against the project budget. Once the committed contract amount is depleted, the system should not allow further invoicing against the contract.
- b) Invoice processing is done in the accounts-payable module and the transactions that relate to the service provider contracts must be able to update each contract with invoices processed against that contract. Debit notes in the accounts payable must also update the related contract in the contract accounting module.

7.2.5 Reports

- a) The contract module must be able to produce a detailed budget report per project showing original budget and a list of service provider contracts created from the project budget and the balance on the project budget.
- b) A summarised report showing a project budget and a total of contracts created against the budget and the balance on the project budget.
- c) The contract module must be able to produce a detailed service provider contract report per contract showing original contract amount less a list of service provider invoices processed against the service provider contract and the balance on the service provider contract.
- d) A summarised report showing a service provider contract less a total of invoices processed against the service provider contract and the balance on the service provider contract.

7.3 Supply Chain Management

7.3.1 INSETA needs an ERP application with SCM functionality that is able to interface with the central supplier data base (CSD) of the national treasury that can be customised, it must enforce the rotation of service providers, it must be able to interface with the budgets in the financial module and be able to check and confirm budgets as new requisitions are being made, it must automatically raise electronic and hard copy purchase orders .

7.3.2 In line with the public supply chain management transcripts, the SCM system must contain the following sub modules:

7.3.3 Demand Management (customisation)

The system should allow users to perform the following functions:

- a) Capturing of divisional procurement plan
- b) Supporting of divisional procurement plan
- c) Consolidation of all division's procurement plans
- d) Recommending of procurement plan for approval
- e) Approval of procurement plan – through a workflow
- f) Provide updates of procurement progress within set timelines (weekly, monthly etc.)
- g) System to be able to send automated notification to end users regarding the new RFP process
- h) Automated notifications to users of any required actions
- i) Solution must allow for tracking with date inputs for report tools.
- j) System should permit user (s) to edit / reject /support / approve procurement plans System should provide the ability to upload procurement plan (*excel and CSV*)

7.3.4 Acquisitions Management

The system should be able to perform the following functions:

- a) Allow users to capture requisitions/reservations and upload their specifications (word)
- b) Approval of requisitions by delegated official
- c) Receiving of requisitions by the SCM unit
- d) Allocation of requisitions for Procurement
- e) Populate a list of potential service providers under the specific commodity/area (Database – source CSD) - **customisation**
- f) Select potential suppliers to be utilized on that commodity and area – course CSD
- g) Ability to rotate suppliers for Procurement
- h) Ability to upload the standard Requests for Quotations (RFQ) templates
- i) To generate system based RFQ's and send the RFQ's request to the selected service providers via the system
- j) Allowing users to upload and attach supporting documents e.g. quotations, Standard Bidding Documents (SBD) etc.
- k) Allow SCM officials to evaluate quotations and provide comments / recommendations
- l) Ability to verify and confirm available budget
- m) Allow end-user to reject / support / recommend
- n) Allow delegated official/s to approve the recommendation
- o) Allow SCM to create full detailed purchase orders (PO's) and send the approved PO's via the system.
- p) The system should provide 80/20 preference points scoring system
- q) The system should have an automated approval for all requested initiated via the system Requisition process tracking capabilities
- r) Capability to integrate with other modules i.e. Finance module, asset management, and project management.

7.3.5 Supplier Database Management

- a) The system must have a capability for integration / interlinked with CSD - **customisation**
- b) The system must allow SCM officials to capture and approve supplier's information on the database.
- c) The system must allow for vendor number generation linked to CSD number
- d) The system should be able to generate report for all suppliers with expired BBBEE Status and send notifications to suppliers
- e) The system should be able to generate reports for all suppliers with non- tax compliant status and send notification to suppliers.

7.3.6 Reporting

- a) System should be able to generate the following reports:
- b) BBBEE Segregation spend Report
- c) Deviation and variation Report
- d) Requisition/reservation, RFQ and Tender Register Status
- e) Contracts Register and commitments Schedule

7.3.7 Contract Management

- a) System shall provide ability generate contracts with unique reference numbers, emanating from approved acquisition processes, to set start and end date of a contracts, differentiate between contracts and quotations, differentiate between once-off and long-term contracts and provide Alerts the end-user and SCM within set time and date before expiry date of the contract.
- b) System shall provide platform to upload all approved contracts and.
- c) The System shall have the capability to capture contracts amounts and track spending (payments) and reflect remaining amounts or commitments.
- d) The System shall have the capability for contract end users to perform supplier's performance evaluation (within set timelines) and provide notifications to non-evaluated service providers.
- e) Ability to accommodate contract changes (e.g. through Variations, Extensions etc.)
- f) The system should have the capability to generate an up to date contract register and commitments schedule.

7.4 Human Capital Management

The system must have the HR module with the full HR management functionalities on leave management (Employee Self Services), performance management- customization, payroll processing and payroll management

7.4.1 Human Resource administration and management

- a) Provide functionality to register all employee details, attach supporting documentation and interface with all HCM modules.
- b) Provide functionality for employees to change their personal details and upload relevant documentation.
- c) **Resignations** – for staff to capture their exit interview forms, interface with personal administration, reporting and HR analytics and workflows for reminders on organisation assets.

7.4.2 Leave Management (Employee Self Services)

- a) Functionality for employees to capture and submit their leave request electronically for approval by managers. Attach supporting documentation.

- b) Provide leave balances, leave reports, notify employee and manager of leave forfeiture. Must automatically execute forfeited leave days and update the records

7.4.3 Payroll Management:

- a) Provide a functionality to capture inputs for salaries of more than one payroll company, bonuses, taxes and structuring Module must be customisable to suite INSETA's business needs.
- b) The system should generate payslips for downloading, in addition to payroll that run in different intervals.
- c) Ability to generate dummy payslips.

7.4.4 Reporting & HR Analytics

- a) Provide an HR Dashboard with HR metrics with easy to report and drill down
- b) Ability to integrate with the financial modules for the purposes of comprehensive reporting
- c) Legislative Reporting (Skills Development, Employment Equity and COIDA etc.)

7.4.5 Talent Management

Workforce planning functionality

- a) Provide capability to design, develop, update and export the organisational structure in line with company strategy and budget.

7.4.6 E-Recruitment

- a) Functionality - to manage recruitment process from advertising, screening, shortlisting, response handling for internal and external candidates.

7.4.7 Learning and Development

- a) **Training Administration** ability to track staff development against Individual Development Plan capture results and apply for bursaries, and support HR and legislative reporting.
- b) **Bursary Management** of bursaries awarded to employees and report on their progress.
- c) **Performance Management**, allow employees to capture their performance agreements with targets, conduct formal and informal reviews, capture rating and scoring as well as capturing of individual development plans.
 - Allow employee to upload a portfolio of evidence when requested
 - Allow employee to appeal performance review
 - Generate performance report per employee
 - Integrated reporting which provide exportable reports that support talent management processes, top performers, good and non-performers.

- 7.4.8 **Succession Planning**, to interface with workforce planning, organisational design, performance management and training.

8. IMPLEMENTATION PLAN

8.1 Proposed Implementation Plan

- 8.1.1 The Bidder is to provide an implementation plan in narrative format supported by an activity-level project plan that details how the proposed solution is to be implemented. This implementation plan should at least include the following elements:
- 8.1.2 Provide an overall description of the Bidder's project management approach towards this type of engagement and projected timing for major phases. Provide a **comprehensive** high-level work plan for achieving the successful deployment of the proposed system with a full compliance to the Systems Development Life Cycle (SDLC). The INSETA expects the Bidder to provide project management resources leading to the successful deployment of the system. This project manager will work as a team member with INSETA's project management team. In either case, the costs for the project manager should be clearly denoted in the pricing section of the Price Proposal.
- 8.1.3 The INSETA requests that the Bidder provide their project plan preferably in GANTT chart format, hard and electronic copies as part of their technical proposal response.
- 8.1.4 **It is expected that the Bidder will lead the efforts in each of the implementation areas described below, unless stated otherwise.** Further details on what is to be provided as part of the Bidder's proposed implementation plan are included in the following subsections:

a) Implementation Approach

Provide a general overview of the implementation approach you plan to use for the INSETA that includes addressing the following items:

- Describe how you transition from the sales cycle to the implementation phase of the project.
- Describe how you conclude on a preferred implementation phasing of software modules. What is your recommended approach for this implementation?
- Describe your approach towards running parallel systems for a period including integration and data migration
- Bidder to prioritize implementation of modules using the below mentioned schedule:

Module	Phase
Finance	Phase 1 (December 2020)
Payroll	Phase 2 (April 2021)
Supply Chain Management	Phase 3 (June 2021)
Human Resources	

b) Data Migration and Conversions

- It is anticipated that data conversion will occur when migrating to the new application. The Bidder is expected to lead the INSETA in the conversion of both electronic and manual data to the new system. It is expected that the bidder will be responsible for data extraction from current systems and data scrubbing and data pre-processing. **(bidder including this process in proposed price schedule)**
- Bidder will be responsible for overall data conversion coordination, definition of file layouts, and data import and validation into the new ERP System.
- **Bidders are to provide pricing for data migration and conversions in their Price Proposals.**
- Describe your general approach towards data conversion and how you would work with the INSETA to conclude on what should be converted aligned to the project phases.
- Please describe your organization's recommended approach toward retention of legacy data which must be owned by INSETA.

c) Report Development

- For specific reporting requirements, it is anticipated that the Bidder will take the lead on developing any reports required as part of the initial deployment of the system. The Bidder is expected to provide specialized knowledge and information to the INSETA staff during the development of needed reports, via technical training on the tools used for report development, database schema and architecture, etc.
- Provide information on your reporting approach.

d) Systems and Resource Training

The INSETA requires:

- **End User Training:** All end-user training will be performed on-site and by the Bidder. As per the scope, the Bidder is expected to conduct user training, and provide user manuals and online help for use by the INSETA.
- Describe your training approach and timelines in this regard to the project plan

e) Change Management Approach

- The INSETA recognizes that a movement from the current environment to a new solution will present change management challenges.
- The Bidder must clearly identify their approach towards Change Management including any unique approaches, processes, or tools that will be used. Indicate the types of training manuals and other training documentation you will make available.

f) System Testing

- The Bidder should describe their approach to the following types of testing that are anticipated to be performed on the project and the type of assistance they anticipate providing to the INSETA related to such testing:
 - Integration testing (in relation to the ERP modules and other INSETA systems)
 - Stress/performance testing
 - User acceptance testing (UAT)

g) On-going Support Services

Please describe your support model, including cost structure for support calls and specify the nature and conditions of the following post-implementation support options

- Post-go live support that is included in the proposal response
- Onsite support (e.g. system tuning, application configuration, interface issues, report development, network optimization, user training and tips to optimize the user experience)
- Online and after hours support i.e. telephone support, help desk services, Toll-free support line, Online knowledge base (i.e. – how it accesses, who updates it, etc.)

9. CONTRACTUAL OBLIGATION

- 9.1** All prices indicated in the pricing schedule must remain fixed for the 1st year of the project and subject to price negotiations for the duration of the contract (5% CPI increase annually)
- 9.2** The service provider's quotation must also provide sufficient detail in terms of various cost items such as total "man" hours and daily rates for the project team.
- 9.3** In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors.
- 9.4** The successful bidder will be required to have adequate professional indemnity as well liability insurance in place **(upon parties contracting)**

10. ABSENCE OF OBLIGATION & CONFIDENTIALITY

- 10.1** No legal or other obligation shall arise between the service provider and INSETA unless/until both parties have signed a formal contract or Service Level Agreement in place.
- 10.2** The Contract site is at **INSETA (as and when required)**.

11. WORKMEN AND SUPERVISION ON SITE

- 11.1** The service provider shall be held responsible for the conduct and safety of their employees and the conduct of his sub-contractor's employees for the full duration of the contract.

12. PREQUALIFICATION CRITERIA (Phase 1)

- 12.1** Proof of registration on CSD (Central Supplier Database)
- 12.2** Bidder must provide proof and must be an EME or QSE only (level 1 or level 2 BBBEE contributor status) will be considered **(no generic companies will be considered)**
- 12.3** JV (Joint Venture) must have a combined **BBBEE Certificate level 2**

Note: All bidders who do not comply with the items listed above will be disqualified.

13. MANDATORY CRITERIA (Phase 2)

- 13.1** The Bidder is required to provide proof accreditation as an OSD (Original Software Developer) **or** proof from OSD as a Distributor **or** proof from Distributor as an authorised reseller of the proposed ERP Solution
- 13.2** Last two years audited or reviewed financial statements
- 13.3** In the event of the bid being in the form of a Joint Venture (JV), the following is required:
- a) Bidder must include a JV agreement detailing the percentage ownership of each entity
 - b) The last two years Annual/Reviewed financial statements of the JV (Incorporated or unincorporated)

Note: All bidders who do not comply with the items listed above will be disqualified.

14. EVALUATION CRITERIA (Phase 3)

- 14.1** Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria is designed to reflect the INSETA's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.

14.2 OBJECTIVE CRITERIA (applicable on award)

- 14.2.1 INSETA reserves the right not to award a tender of any bidder whose financial health, based on the submitted audited/reviewed financial statement, is not sound. **(the net asset value is less than the value of the bidder proposed price)**
- 14.2.2 INSETA reserves the right to not award a tender of any bidder who is on the database of restricted suppliers.

14.3 Technical evaluation (Phase 3a)

- 14.3.1 Bidders must indicate **compliance or non-compliance** with the specification tabled below aligned to the Scope of Work listed in section in the bid document under sections 6,7 and 8. **(evidence of compliance must be submitted with the bid)**
- 14.3.2 Where customization is required, bidder must indicate.
- 14.3.3 Bidders must comply fully with the below mentioned table
(0 means non- compliance – full marks mean 100% compliance)

No.	TECHNICAL COMPLIANCE	Points	Comply/Non-Comply
1	Financial Management		
1.1	General Ledger and financial reporting	5	
1.2	Accounts Receivables and Revenue	5	
1.3	Levy and Grants Management	5	
1.4	Accounts Payable (Procurement Expenditure)	5	
1.5	Mandatory Grants	5	
1.6	Discretionary grants	5	
1.7	Administration expenses	5	
1.8	Invoice tracking (Workflow invoice payment functionality)	5	
1.9	Cash and Bank Management	5	
1.10	Budget Management	5	
1.11	Fixed assets management	5	
1.12	Payroll	5	
1.13	Subsistence and Travel	5	
1.14	Project Management and Accounting	5	
	Sub-total	70	
2	Project Management		

2.1	Project creation with work breakdown structure and network	2	
2.2	Project Accounting and Invoicing	2	
2.3	Project Cost Control	2	
2.4	Work Breakdown Structures (Receive and consolidate Costs and Revenue in WBS manner)	2	
2.5	Act as Planning tool for project schedule	2	
2.6	Records management capabilities	2	
2.7	Project Management customisable reports capabilities	2	
2.8	Dashboard capabilities	2	
2.9	Project Accounting - Budgeting for Projects and Contract Creation	2	
2.10	Addendums	2	
2.11	Invoicing	2	
2.12	Reporting	2	
	Sub-total	24	
3	Supply Chain Management		
3.1	Demand Management	2	
3.2	Acquisitions Management	2	
3.3	Supplier Database Management	2	
3.4	Reporting	2	
3.5	Contract Management	2	
	Sub-total	10	
4	Human Capital Management		
4.1	Human Resource administration and management	2	
4.2	Resignations	2	
4.3	Leave Management	2	
4.4	Payroll Management:	2	
4.5	Reporting & HR Analytics	2	
4.6	Talent Management	2	
4.7	Workforce planning functionality	2	
4.8	E-Recruitment	2	
4.9	Compensation & Benefits Administration	2	
4.10	Learning and Development	2	
4.11	Bursary Management of bursaries awarded to employees and report on progress.	2	
4.12	Performance Management	2	
	Sub-total	24	
5	Proposed Implementation Plan		
5.1	Data Migration and Conversions	5	
5.2	Report Development	5	
5.3	Systems and Resource Training	5	

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5.4	End User Training: All end-user training will be performed on-site and by the Bidder. As per the scope, the Bidder is expected to conduct user training, and provide user manuals and online help for use by the INSETA.	5	
5.5	Describe your training approach and timelines in regard to the project plan	5	
5.6	Change Management Approach	5	
5.7	System Testing	5	
5.8	On-going Support Services	5	
	Sub-total	40	
	Total Points	168/168	

Note: All bidders who do not score the total score of 168 against the items listed above will be disqualified.

14.4 Functional Evaluation

14.4.1 The tender submission will be functionally evaluated out of **70 points (Phase 3b)** paper-based evaluation.

14.4.2 should the bidder/s not meet the **minimum of 55 points required points**, they will be disqualified and will **not qualify for further evaluation**

Phase 3b

Item	Criteria	Points
Implementation of ERP Solution (Experience)	<p>Proven record of new implementation or upgrade for a company or companies that consists 50 or more users. (ERP Implementation Experience form)</p> <ul style="list-style-type: none"> Above 100 ERP users = 20 Between 50 to 100 ERP Users = 15 Never implemented ERP before = 0 <p>Non-compliance with any or all of the above = 0</p>	20
Project Plan	<p>The bidder must provide the detailed project plan clarifying the implementation approach and specify the below: Project Phases as per 8.1.4 (a) implementation approach:</p> <ul style="list-style-type: none"> Phase 1 = 15 Phase 2 = 10 Phase 3 = 5 <p>Non-compliance with all of the above = 0</p>	30
The bidder must have proven experience in the implementation of the proposed ERP system - References	<p>The bidder must provide reference letters from clients where the bidder has implemented the proposed ERP system. Letters must be on the client's letterhead, signed must by the Project Manager, CEO, CFO, COO and include a contactable email address.</p> <ul style="list-style-type: none"> 2- 5 letters = 10 6 – 10 letters = 15 Above 10 letters = 20 <p>Non-compliance with any and all = 0</p> <p><i>(Due diligence will be conducted in terms of an email sent to the bidders' clients – non-response from bidders' clients within 24 hours will mean automatic disqualification)</i></p>	20
Total		70

14.4.3 Bidders who meet the **minimum of 55 points**, will be qualify for **(Phase 3c)** of the functional evaluation (demonstration)

- 14.4.4 Bidders who met the **minimum of 55 points**, will be given 24-hour notice for the demonstration during the validity of the bid.
- 14.4.5 The demonstration must meet a **minimum score of 60 points**.
- 14.4.6 Compliance with the minimum points will result in the bidder being evaluated against (*Phase 4*) Price & BBBEE.

Phase 3c

Item	Criteria	Points
Demonstration	<p>The proposed solution must demonstrate its fitness for INSETA business requirements in terms of the scope work detailed in sections 6,7, 8 of the bid documents.</p> <p>Most (or all) defined requirements are not achieved = Poor or absent: 10 Some requirements are not achieved = Fair: 30 Meets all requirements = Good: 60 Meets and exceeds requirements = Excellent: 70 Significantly exceeds requirements; "best in class" = Outstanding: 80</p>	80
System	Proposed system ease of use	10
Total		90

- 14.4.7 Bidders who obtain less than the minimum threshold of **60 points** will be declared non-responsive and therefore will not be eligible for **evaluation of BBBEE & Price Preference**. (*Phase 4*)

15. PREFERENCE EVALUATION (PHASE 4)

15.1 BBBEE and Price

- 15.1.1 As the tender **price is estimated to be below R50 million**, the tender responses will be evaluated on the **80/20**-point system.

15. ADJUDICATION USING A POINT SYSTEM

- 15.1** The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder
- 15.2** Preference points shall be calculated after process has been brought to a comparative basis taking into account all factors of non-firm prices.
- 15.3** In the event that two or more bids have scored equal points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 15.4** However, when functionality is part of the evaluation process and two or more bids have scored equal points for B-BBEE, the successful bid must be the one scoring the highest score for functionality
- 15.5** Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

16. POINTS AWARDED FOR PRICE

The **80/20** preference point system

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

$$P_s = 80 \{1 - (P_t - P_{\min})\}$$

P_{\min}

Where:

P_s	=	Points scored for comparative price of bid under Consideration
P_t	=	Comparative price of bid under consideration
P_{\min}	=	Comparative price of lowest acceptable bid

17. B-BBEE PREFERENTIAL POINTS WILL BE AWARDED AS FOLLOWS:

B-BBEE Status Level of contributor	Number of points 80/20 system
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 17.1** Bidders who qualify as EME's and QSE's in terms of the B-BBEE Act must submit a Sworn affidavit. Misrepresentation of information constitutes a criminal offence.
- 17.2** Bidders other than EME's or QSE's must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by SANAS.
- 17.3** A trust, consortium or joint venture will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 17.4** A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 17.5** Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 17.6** A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended Sub-contractor is an EME that has the capacity and the ability to execute the sub-contract.

- 17.7** A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capacity and the ability to execute the sub-contract.

18. COMMUNICATION

Respondents are warned that a response will be disqualified should any attempt be made by a bidder either directly or indirectly to canvass any officer(s) or employees of INSETA in respect of BID process, between the closing date and the date of the award of the business.

All enquiries relating to this BID should be emailed **three days before the closing date**.

19. CONDITIONS TO BE OBSERVED WHEN BIDDING

The INSETA does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. The organization also reserves the right to withdraw or cancel the BID at any stage.

No BID shall be deemed to have been accepted unless and until a formal contract / letter of award is prepared and executed.

The competitive shall remain open for acceptance by the Organization for a period of **120 days** from the closing date of the BID Enquiry.

INSETA reserves the right to:

- 19.1** Not evaluate and award a bid that do not comply strictly with this BID document.
- 19.2** Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.
- 19.3** Contact any bidder during the evaluation process, in order to clarify any information, without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.
- 19.4** Cancel this BID at any time as prescribed in the PPPFA regulation.
- 19.5** Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the of cost effectiveness and the principal of value for money not necessarily on the basis of the lowest costs.

20. Cost of Bidding

The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and the INSETA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

END OF TERMS OF REFERENCE DOCUMENT

