

BID SPECIFICATIONS



SOUTH AFRICA

REQUEST FOR QUOTATIONS (RFQ)

**LUMP SUM RETIREMENT BENEFIT
ACTUARIAL VALUATION (GRAP 25)**

1. Background and statutory requirements

The Electoral Commission is mandated by the Constitution of the Republic of South Africa to conduct free, fair and credible national, provincial and municipal elections.

Section 217 of the Constitution requires the Electoral Commission to contract for goods or services in accordance with a system which is fair, equitable, transparent, competitive and cost-effective. This is underpinned by the provisions of the Public Finance Management Act (PFMA), Treasury Regulations as well as the Electoral Commission's procurement policy framework.

The Electoral Commission procures goods or services through mostly tenders, requests for quotations (RFQs) and eProcurement.

Resultant from any of these procurement processes, a services level agreement (SLA/contract) may be negotiated and entered into between the Electoral Commission and the successful bidder.

Various legislative and regulatory prescripts govern the supply chain management framework and procurement processes. In this regard, the following legislation is specifically pertinent to the statutory framework:

- i. The Constitution of South Africa, no 108 of 1996
- ii. The Public Finance Management Act, no 1 of 1999
- iii. National Treasury Regulations (March 2005)
- iv. National Treasury Code of Conduct (Practice Note 4 of 2003)
- v. National Treasury SCM Guide for Accounting Officers/Authorities
- vi. SCM Threshold Values (Instruction Note 2 of 2021/2022)
- vii. Preferential Procurement Policy Framework Act, no 5 of 2000
- viii. Preferential Procurement Policy Framework Regulations
- ix. Electoral Commission Procurement Policy (2018)
- x. Irregular Expenditure Framework Issued by National Treasury (2019)
- xi. Fruitless and Wasteful Expenditure Framework Issued by National Treasury (2019)

National Treasury also issues various instruction notes applicable to the interpretation and or implementation of the statutory framework and other action or limitations imposed on accounting officers of Schedule 1 Constitutional Institutions such as the Electoral Commission.

The Electoral Commission's supply chain management and procurement processes are subject to the overall statutory framework and requirements and the Electoral Commission is audited by the Auditor General in terms of that.

2. Background

The Electoral Commission requires a service provider / actuarial / accounting firm to assist with the calculations of actuarial valuation on the lump sum retirement benefit and disclosure items in terms of GRAP 25 (Employee Benefits).

3. Regulation regarding lump sum retirement

Electoral Commission's Human Resources policy (Government Gazette 42028 of 9 November 2018) states the following;

- (1) It will be permissible for employees to retire from the age of 60 (sixty) to a maximum age of 65 (sixty-five).
- (2) In cases of retirement at 65 (sixty-five) the employer will give to the employee at least 30 (thirty) days' notice of termination and the reason for the termination must be stated in the notice.
- (3) The employer will pay the employee an amount equal to 15 (fifteen) days salary for every completed period of 12 (twelve) months that the employee has been in the service of the employer.
- (4) The employee who is permitted to retire in terms of sub-regulation (1) will be entitled to a retirement gift to a value to be determined by the Commission from time to time.
- (5) Employees who are discharged as a result of injury on duty, appointment by the President or Premier, incapacity due to own accord, and incapacity not due to own accord, will be treated as retirement cases, unless otherwise determined by the rules of the employer's pension fund.
- (6) Employees who are discharged as a result of ill health will be accorded benefits as applicable to normal retirement cases as determined by sub-regulations (2), (3) and (4).

4. Costing Model

Rates shall be based on the AGSA / DPSA approved rates for consultants as may be applicable for the duration of the contract. As a result, the following rates will apply for the purpose of this RFQ:

Partner rates R3 201/ hour

Senior Manager rates R2 347/ hour

Manager rates R1 693/ hour

POSITION	RATE PER HOUR EXCL VAT	BID PRICE
Partner	R.....	R.....
Senior Manager	R.....	R.....
Manager	R.....	R.....
Total		

NB: For bid comparison purposes, it is estimated that 48 hours will be spent on the project and the bid must be submitted on those bases.

The above fees are the rates that will be paid for the service.

Actuaries / Chartered Accountants will be paid strictly for time worked, in hours or parts thereof. Work may be performed at the Electoral Commission's national office in Centurion, or as otherwise determined by the Electoral Commission by prior arrangement.

Approved timesheets need to be provided to support billing of invoices.

The Electoral Commission will pay for resources utilised on a time and cost basis, using the published fee tariffs for consultants plus VAT, only if VAT registered.

No claims for travel will be permitted, unless specifically agreed to by the Electoral Commission by prior arrangement for travel other than to Centurion.

5. Pricing and Adjudication of Bids

As stated, all rates shall be based on AGSA / DPSA approved rates. Discounts are encouraged and will be taken into account where applicable.

The scope of services has been set out as per these bid specifications, including the problem statement, challenges, requirements and expected outcomes to render the desired actuarial valuation and related disclosure.

Bidders must determine the time, effort and capacity as well as resource requirements that may be necessary to execute the work and submit the actuarial valuation and related disclosure.

Bidders must, accordingly prepare and submit a detailed costing schedule which includes all costs associated with resources, disbursements, *et cetera* which culminates in a single price (including VAT) to render the all-inclusive services and output for each of the required actuarial valuation and related disclosure.

Bid proposals will be assessed and acceptable bids will be adjudicated based on the total price offered to complete the project in accordance with the provisions of the Preferential Procurement Regulations, 2022.

No additional time or cost will be allowed without the explicit permission of the Electoral Commission in exceptional and substantiated circumstances.

6. Essential Resource, Capacity and Capability Requirements

Successful service provider must have a proven actuarial / chartered accounting capacity to provide the required services.

Bidders must indicate capability and experiences in specific sectors and areas of expertise

For the purposes of this tender, CVs with name(s), qualifications and experience of the partner / partner equivalent, CVs with name(s), qualifications and experience of the senior manager as well as the CV, qualification and experience of a manager who will assist in the rendering of the services must be submitted together with the bid.

A list of contactable references with addresses and contact details of clients where similar services were rendered must be submitted.

Actuaries / Chartered Accountants must be accredited and must submit a copy of their Actuarial Society of South Africa / SAICA and or ASSA membership in order to support their CV's:

The Actuaries / Chartered Accountants identified and proposed for the actuarial valuation and related disclosure, must have experience and integral working knowledge of the South African legislative framework that governs supply chain management and procurement processes in government and constitutional institutions. That includes but is certainly not limited to the following:

- (a) *The Constitution of the Republic of South Africa, 1996* (Act No. 108 of 1996);

- (b) the *Public Finance Management Act, 1999* (Act No. 1 of 1999) (PFMA) which must be read together with the *Public Finance Management Amendment Act, 1999* (Act No. 29 of 1999) and its regulations;
- (c) the *Preferential Procurement Policy Framework Act, 2000* (Act No. 5 of 2000) (PPPFA) and its regulations;
- (d) the *Prevention and Combating of Corrupt Activities Act, 2004* (Act No. 12 of 2004);
- (e) the *Promotion of Administrative Justice Act, 2000* (Act No. 3 of 2000);
- (f) the *Broad Based Black Economic Empowerment Act, 2003* (Act No. 53 of 2003);
- (g) the *Public Administration Management Act, 2014* (Act No. 11 of 2014); and
- (h) any other applicable legislation, regulations, instruction notes, guidelines, policies or procedures.

Actuarial / Accounting experience for a minimum of 6 years as an actuary / chartered accountant (as applicable) is a prerequisite. Apart from experience in and integral working knowledge of the above, the actuary / chartered accountant of the successful service provider will be required to familiarise themselves with the Electoral Commission's applicable policies, systems, procedures and processes.

7. Documents to be Submitted by Bidders

The following documents must be submitted together with the bids on or before the closing date and time:

- CV of Partner(s) who will work on the Actuarial valuation.
- CVs of senior manager(s) who will work on the Actuarial valuation.
- CVs of manager(s) who will work on the Actuarial valuation.
- Contactable client references (similar services provided).
- Company profile of the firm/entity.
- Evidence of a minimum of 6 years' experience in the required fields.

7. Project Timelines and Duration of the Contract

The project must be concluded within 6 days from receipt of a purchase order for this bid.

A service level agreement (SLA/contract) may, if required, be entered into between the successful service provider and the Electoral Commission for such period as may be required to conclude the actuarial valuation and related disclosure.

The Electoral Commission reserves the right to terminate the service level agreement should the service provider's performance fail to meet the agreed service levels.

The Electoral Commission reserves the right to appoint any one or more services provider(s) at its sole discretion as it may deem fit for the required services to be rendered effectively and successfully.

The Electoral Commission reserves the right to appoint no service provider as a result of the request for quotation (RFQ) process.

BID EVALUATION

Bid Evaluation Process

Stage 1: Assessment of Bid Compliance and Bidder's Disclosure

All bids received will be evaluated and assessed in respect of the mandatory information provided in the Bidder's Disclosure (SBD4) as well as the register for restricted suppliers and tender defaulters.

Any potential issues that may arise or transgressions that may identified will be pursued in accordance with statutory obligations and requirements.

In this regard, the following must be noted:

The Electoral Commission must, as part of its supply chain management (SCM) processes, identify and manage all potential conflicts of interest and other disclosures made by a person participating in procurement process to enable the accounting officer or delegated authority to make informed decisions about the person participating in the SCM process.

As such, the Bidders Disclosure form, issued as Standard Bidding Document (SBD) 4, attached as Annexure B, was extended to all entities which were invited to participate in the RFQ process. As part of the evaluation of the procurement process, the information provided by a person on the SBD4 form must be evaluated.

In so doing, it must be noted that if the bid evaluation establishes that:

- (a) a person within the bidding entity is an employee of the State, the Electoral Commission's Accounting Officer/accounting authority must request the relevant accounting officer/accounting authority whether the person-
 - (i) Is prohibited from conducting business with the State in terms of Section 8 of the Public Administration Management Act, 2014; or
 - (ii) has permission to perform other remunerative work outside of their employment, where the PAMA does not apply to such employee;
- (b) the conduct of a person constitutes a transgression of the Prevention and Combating of Corrupt Activities Act, 2004;
- (c) the conduct of a person constitutes a transgression of the Competition Act, 1998, the conduct must be reported to the Competition Commission; and
- (d) the conduct of a person must be dealt with in terms of the prescripts applicable to the Electoral Commission.

If it is established that a person has committed a transgression in terms of the above, or any other transgression of SCM prescripts, the bid may be rejected and the person may be restricted.

The Electoral Commission's Accounting Officer/accounting authority must inform National Treasury of any action taken against a person within 30 days of implementing the action.

During the bid evaluation process, the Electoral Commission must in addition to other due diligence measures, establish if a person is not listed in-

- (a) the Register of Tender Defaulters; and
- (b) the list of restricted suppliers.

A bid related to a restricted bidder or tender defaulter shall be rejected.

The under-mentioned assessment criteria will be used to evaluate the elements relating to the bid submission, SBD4, CSD registration, tax compliance, restricted suppliers and tender defaulters:

Assessment Criteria	Bidder Requirement (YES/NO)	Comments
Bid in response to the RFQ received by the closing date and time.		
Bidder is registered on the National Treasury Central Supplier Database (CSD). *		
Bidder is tax compliant. **		
The bidder is not an employee of the state.		
Having certified the SBD4, it is accepted that the bidder's conduct does not constitute a transgression of the Prevention and Combating of Corrupt Activities Act.		
Having certified to the SBD4, it is accepted that the bidder's conduct does not constitute a transgression of the Competition Act.		
The bidder is not a tender defaulter as per the register published on the National Treasury website.		
The bidder is not a restricted supplier as per the register published on the National Treasury website.		

* No bid shall be accepted if a supplier is not registered on the National Treasury Central Supplier Database (CSD).

** A bidder must be tax compliant before a contract is awarded. A bid will be disqualified if the bidder's tax affairs remains non-compliant as per the provisions of National Treasury Instruction No 09 of 2017/2018 Tax Compliance Status Verification.

Stage 2: Evaluation Based on Functionality

Bids received in respect of this request for quotation (RFQ) will be assessed/evaluated for compliance with technical specifications/functionality in accordance with the following evaluation criteria:

Evaluation Criteria for Measuring Compliance with Functionality	Bid Meets Requirement (YES/NO*)	Comments
Copy of applicable accreditation submitted. <ul style="list-style-type: none"> • ASSA and /or • SAICA 		
CV of the partner(s) submitted – qualifications and minimum 6 years' experience in the required fields of actuarial valuation.		
CV of senior manager(s) submitted – qualifications and minimum 6 years' experience in the required fields of actuarial valuation.		
Contactable client references – where similar services were rendered.		
Company profile of the firm / entity reflecting the following: <ul style="list-style-type: none"> • Proven capacity in the financial services to provide services as and when required. 		
Evidence of experience and integral working knowledge of the South African legislative framework that governs supply chain management and procurement processes in government and schedule 1 Constitutional Institutions.		

* Any bid that fails to meet the criteria for functionality will be regarded as unacceptable and set aside/disqualified.

EVALUATION RESULTS / OUTCOME	QUALIFIES	DISQUALIFIED
-------------------------------------	------------------	---------------------

Stage 4: Bid Adjudication Process

Bids will be adjudicated as set out below.

Stage 3 – Adjudication of Bids	
Only bids that comply with the requirements and conditions of the RFQ and that meet the minimum criteria in the bid evaluation process as stipulated above will be considered for bid	
Only bids that comply with the requirements and conditions of the RFQ and that meet the minimum criteria in the bid evaluation process as stipulated above will be considered for bid adjudication purposes.	
Acceptable bids must be market related.	
This bid is deemed not to exceed R50 million including VAT.	
Therefore, the 80/20 preference point system (PPPFA scoring) in terms of the Preferential Procurement Policy Framework Act, 2005 (PPPFA) and the Preferential Procurement Regulations, 2022 shall apply in the adjudication process of this RFQ where all acceptable bids received are equal to or below R50 million including VAT. Preference points will be allocated as follows:	
B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Failure to submit the required supporting documents for preference claims will lead to zero (0) points for the claim.

Bid Evaluation Team Member	Sign Off	
	Signature	Date