

# **TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP AN ELECTRONIC SUPPLIER DATABASE SYSTEM FOR THE DEPARTMENT OF ENERGY**

## **1. BACKGROUND**

1.1 The Department of Energy has approximately seven hundred (700) potential service providers to provide goods and services. Due to lack of an electronic system, the details of the service providers are captured on excel spreadsheet. Supply Chain Management Directorate would like to engage the services of a consultant with expertise to develop an electronic supplier database system that will be able to authenticate, vet and rotate suppliers. The system must also be able to accommodate the previously disadvantaged service providers without access to technology.

## **2. SCOPE OF THE WORK**

2.1 The service provider will be expected to execute the following functions:

- (i) Review and update commodity structure on the supplier registration form and update the system.
- (ii) Identify commodities which require supplier information and commodity validation
- (iii) Prospective suppliers verified and accredited prior to activation on the database. Capture supplier registration form/s after supplier validation
- (iv) Upgrade and customize the reporting schedule
- (v) Quarterly update to allow potential suppliers to register on the departmental database.
- (vi) Annual maintenance and support on the system.

### **3. PROJECT OUTCOMES/ DELIVERABLES**

- 3.1 The service provider must ensure that the following are delivered to Department:**
- 3.1.1 All registered suppliers should be linked to the commodities that they are capable to supply.
  - 3.1.2 Transfer captured data of approximately 700 service providers on the excel spreadsheet to the recommended software **(by the service provider)**
  - 3.1.3 Provide accurate and reliable database that is able to rotate suppliers per commodity
  - 3.1.4 The system should be able to provide a report on non- performing suppliers, BEE statistics and inactive suppliers
  - 3.1.5 On- line registration linked to database system.
  - 3.1.6 Source, evaluate and award of quotations according to the Preferential Procurement Policy Framework Act
  - 3.1.7 Provide training and manuals to two officials responsible for obtaining quotations and administration of the system.
  - 3.1.8 Verify the BEE credentials of service providers

### **4. REPORTING**

- 4.1 The service provider will report to Director: SCM & the IT Project Manager appointed to oversee this project.
- 4.2 The service provider will provide a weekly report regarding the progress of the project.

### **5. DURATION OF THE CONTRACT**

- 5.1 The service provider is expected to complete the project within three (3) months subsequent to the signing of the contract

## **6. COMPULSORY INFORMATION SESSION**

- 6.1. A compulsory information session will be held on **14 October 2011 at 10H00** at the Department of Energy, 70 Meintjies Str, Trevenna Campus, Block 2B, 1<sup>st</sup> floor.

## **7. EVALUATION METHODOLOGY**

### **7.1 COST**

- 7.1.1 The service provider will be requested to give a quote regarding the work to be undertaken for this project. The total cost must be VAT inclusive and should be quoted using the South African currency (i.e. Rand).
- 7.1.2 Costing should be aligned with the project activities.

### **7.2 HISTORICALLY DISADVANTAGED INDIVIDUALS**

- 7.2.1 Provisions of the Preferential Procurement Policy Framework Act (PPPFA) and its regulation will apply in terms of awarding points.

### **7.3 TEAM LEADER AND TEAM MEMBERS EXPERIENCE**

- 7.3.1 Service providers will be expected to provide CV's with three contactable references.
- 7.3.2 A minimum of five (5) years experience in system development in a similar environment.

### **7.4 QUALIFICATIONS OF PROPOSED TEAM MEMBERS**

- 7.4.1 Project Management and Information Technology related qualifications (system development).

## **7.5 COMPANY EXPERIENCE**

- 7.5.1 Service providers are required to provide proof that they have facilitated/ performed similar projects, accompanied by correspondence from reference providing that such project was executed as well as their contactable references.
- 7.5.2 Five years experience as a system administrator/s.
- 7.5.3 Strong knowledge in Government procurement procedures in terms of PPPFA, PFMA and Treasury Regulations.

## **7.6 PROJECT PLAN**

- 7.6.1 Project plan with intermediate and final outputs and identified timeframes/milestones.
- 7.6.2 Proposed Methodology.
- 7.6.3 Management of the project.

## **8. TERMS AND CONDITIONS**

- 8.1 The Department reserves the right to terminate the appointment or any part thereof, at any stage of completion should the Department decide not to proceed with the project.
- 8.2 Should the contract between the Department and the service provider be terminated by either party due to reasons not attributable to the service provider, the service provider will be remunerated for the appropriate portion of work completed.

## **9. EVALUATION OF BIDS**

- 9.1 Bids will be evaluated on a 80/20 point system as outlined in the PPPFA.
- 9.2 The proposals will be evaluated in two phases:
  - **Phase 1:** Bidders will be evaluated based on functionality. The

minimum threshold for functionality is 60 out of 100 points. Bidders who fail to meet minimum threshold will be disqualified and will not be evaluated further for price and preference points.

- **Phase 2:** Price and HDI

Item	Criteria	Weights
1	Team Leader and Team Members Experience (5 years experience and attach CVs as proof)	30
2	Qualification of proposed team members (Project Management and Information Technology)	20
3	Knowledge and experience in executing similar projects and provide three contactable references	20
4	Project plan and management of the project	30
	<b>Total</b>	<b>100</b>

For purpose of evaluating functionality, the following values will be applicable:

<b>0=</b>	<b>Very Poor</b>	Will not be able to fulfil the requirements
<b>1=</b>	<b>Poor</b>	Little fulfillment of the requirements
<b>2=</b>	<b>Below average</b>	Will partially fulfil the requirements
<b>3=</b>	<b>Average</b>	The bidder will be able to fulfil the requirements
<b>4=</b>	<b>Good</b>	The bidder will be able to fulfil better in terms of the requirements
<b>5=</b>	<b>Excellent</b>	Fully fulfil in terms of the requirements

**Phase 2:**

<b>Price</b>	<b>80</b>
<b>Preference Points</b>	<b>20</b>
<b>Historically Disadvantaged Individual (HDI)</b>	
People with no franchise prior to the 1993 constitution	10
Women Equity	5
Disability	2
Locality (Gauteng Province)	3

**10. FORMAT AND CONTENT OF THE PROPOSAL**

10.1 Service providers can use any format for the submission of their proposals. All the official forms that are included in the bid document must be completed in all respects by bidders. Failure to comply will invalidate a bid.

**10.2 Each proposal must contain at least the following elements:**

10.2.1 A summary of the work experience that the company has undertaken in relation to the terms of reference herein articulated and relevant references that can validate the experience of the company/organization.

**11. CLOSING DATE**

Proposals must be submitted by **20 October 2011** at 11H00 at 70 Meintjies Street, Trevenna Office Campus, Building 2B, Ground floor, Sunnyside in the bid box marked Department of Energy. **No late bids will be accepted.**

## 12. CONTACT DETAILS

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