TERMS OF REFERENCE

SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF CLOUD HOSTED INTERNET PROTOCOL (IP) PRIVATE BRANCH EXCHANGE (PBX) SOLUTION (UNIFIED COMMUNICATION SOLUTION) FOR A PERIOD OF FOUR (4) YEARS
BID - PROJ/FAC/2021/22/03

UPDATED TERMS OF REFERENCE

1. BACKGROUND

1.1 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.

1.2 Sec 51 a (ii) of the PFMA requires an Accounting Authority to ensure that the public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Therefore, the INSETA is requiring a suitability qualified service provider to Supply, Delivery, Installation and Commissioning of Cloud Hosted Internet Protocol (IP) Private Branch Exchange (PBX) Solution (Unified Communication Solution) for a period of four (4) years as per detailed specification.

2. SITUATION ANALYSIS

2.1 The current INSETA PABX infrastructure is a leased Unify Siemens Opens Cape Business X5R PABX System.

2.2 The current IT Infrastructure is hosted at INSETA's Office in Parktown- Johannesburg.

2.3 **Current Local Area Network (LAN):**

    2.3.1 **Network Technology**
        a) The network protocol is TCP/IP.
        b) The LAN is configured for auto (100 or 1000Mbits full duplex depend on the switch model) to the desktop.
        c) Computer facilities are centralised.
        d) The Wide Area Network (WAN) bandwidth is 100 Mbps.
        e) The Network Operating System is Microsoft Active Directory 2016.
        f) The Current internet bandwidth is 100Mbps.
        g) The INSETA has got a single breakout to the internet.
        h) The INSETA has a Virtual Private Network (VPN) for remote support.
        i) Domain model is a single domain.
        j) Servers are connected on Gig Links and Hyper-V servers are connected on 1Gig Links straight to the Core switches.
        k) The Core has 2 HP HPE 2910-48G-PoE located Server room supplying connectivity to +/-150 devices.
        l) The LAN is configured to host between 100 and 200 devices.
        m) WAN is Quality of Service (QoS) capable.

    2.3.2 **Desktop Technology**
        a) i5 (3.4 GHz processor 2 Core, 4GB RAM, 500 Gig HD, 17" colour monitor)and above.
        b) Operating Systems: Microsoft Windows 10.
        c) Office Software: Microsoft 365 A5 package.

2.3.3 Operating Systems
a) Current Operating Systems include:
- Microsoft Windows 10
- Mac OS
- IPAD OS

2.3.4 Security Platforms
a) FortiGate Firewall is used.
b) The following Internet and Email Filters are used:
- Mimecast and.
- Microsoft Advance Threat Protection (ATP).
c) FortiGate
d) VPN is used for remote access.

REGION	PABX System	No. of Ext's.	TELKOM links		SLA	End-of-Life	PABX S/WARE Platform	Consoles
Parktown	Unify Opens cape Business X5R	90	1X ISDN PRIs	**Check Telkom account**	Yes	2022	osbiz_v2_R7.1.0_018	1 x Open Scape IP 55G (Switchboard) 1 x PC base switchboard (Business Attendant) 3 x Open Scape CP600 (Executives) 84 x Open Scape IP 35G (Clients) 3 x IP Trio 8500 Polycom Sound Station (Conferencing) Man3000 TMS (Reporting)

3. SCOPE OF WORK AND TECHNICAL SPECIFICATIONS

3.1 Envisaged INSETA Environment

The PABX environment at the INSETA needs to be conducive to streamline and effect efficient business processes; to comply with legislation and world class standards. The bidder must provide an architecture that is aligned to the latest technologies, with seamless integration and configurations, that is cost effective and allows for a scalability in the form of a cloud hosted IP PBX solution.

3.2 Scope of Work (Solution Compliance)

The bidder/s must submit a response that is compliant with the following scope of work:

3.2.1   Replacement of the INSETA On-premises PABX's with scalable IP PBX cloud solution (Unified communications cloud-based solution)

3.2.2   Solution must include all necessary redundancies for seamless failover.

3.2.3   Solution must allow seamless integration into INSETA collaboration tool (Microsoft Teams)

3.2.4   To provide redundant connection from INSETA environment.

3.2.5   Supply of IP telephone instruments compatible with Microsoft Teams

3.2.6   Provide the monitoring tool for:
   a)   Call screening (call blocking)
   b)   Call Diversion
   c)   Billing
   d)   Monthly call limit per user
   e)   Installation and commissioning of equipment INSETA office (where applicable).

3.2.7   Provide a cloud hosted unified communications solution

3.2.8   INSETA to make use of the newer generation SIP trunking technology.

3.2.9   Provide a recording solution (voice).

3.2.10 The solution should have 30 concurrent calls

3.2.11 Migration of current INSETA extensions

3.2.12 Telephone Management system.

3.3 Technical Specification (Technical Solution Capability)

Bidder/s solution must be in compliant with following technical capabilities but not limited to:

3.3.1   Reducing call cost (Least Cost Routing Service)

3.3.2   Migration of all extension numbers to Microsoft Teams Direct Routing.

3.3.3   Deployment of Session Boarder Controller (SBC) in INSETA's Azure tenant.

3.3.4   Include any redundancy (failover) architecture necessary for the solution.

3.3.5   Service provider to provide training to staff.

3.3.6   Provide 4-year Maintenance and Support.

3.3.7   Supply spectrum of all unified call features (e.g., call forwarding, conference calling, etc)

3.3.8   Continuous software upgrade throughout the contract at no additional cost

3.3.9   Provide softphone app for mobile devices and computers.

4.   TIMEFRAMES

4.1   The duration of the contract will be for a period of **4 years (48 months).**

5. CONTRACTUAL OBLIGATION

5.1 Bidders to complete that their pricing in terms of **Annexure A - SBD 3.1** and are requested to provide a *total cost* over the contract period – four (4*) years / forty-eight (48) months*. **(With all applicable increases or discounts).**

5.2 Bidders to indicate rate per minute billing and any other variable cost as part of their submitted pricing **(With all applicable increases or discounts).**

5.3 The bidder's proposal must provide sufficient detail in terms of variable cost items such as total "man" hours and daily rates for the project team.

5.4 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.

5.5 **Bidder will be subjected to quarterly review in terms of measuring satisfactory performance in line with the Service Level Agreement (SLA) obligation.**

5.6 The successful bidder will be required to have adequate professional indemnity as well as liability insurance in place **(upon parties contracting).**

Non-compliance with Section 5 (where applicable) in terms of a fully completing SBD 3.1 and Annexure A, will render the bidder nonresponsive.

6. ABSENCE OF OBLIGATION & CONFIDENTIALITY

6.1 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.

6.2 The Contract site is at **INSETA (as and when required).**

7. WORKMEN AND SUPERVISION ON SITE

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

8. EVALUATION CRITERIA

Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria are 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.

The bidders will be evaluated in six (6) stages of evaluation based on the criteria below:

8.1 PREQUALIFICATION CRITERIA (Phase 1)

8.1.1 Bidder must submit proof of registration on CSD *(Central Supplier Database)*

8.1.2 Bidder must submit proof (BBBEE Certificate accredited by SANAS only or Department of Trade and Industry (DTI) Sworn Affidavit) and must be an **EME or QSE only (level 1 or level 2 BBBEE contributor or a combined Level 2 BBBEE Level contributor)** status (**no generic companies will be considered).**

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

8.2   MANDATORY REQUIREMENT (Phase 2)

8.2.1   The bidder must provide proof of *Original Equipment Manufacturer* (OEM) (where applicable).

8.2.2   The bidder(s) must submit proof of authority from the OEM *(Original Equipment Manufacturer)* to distribute and/or resell within South Africa (the proof of authority must be a letter from the OEM).

8.2.3   The bidder(s) must provide the evidence (the evidence must be a letter from the distributor giving reseller right to the reseller) from an authorised distributor to resell within South Africa.

8.2.4   The bidder(s) must provide proof of accreditation or certification for maintenance and support on hardware and software, as an OEM distributor or reseller.

Note: Non-Compliance with the mandatory criteria will result in automatic disqualification.

8.3 TECHNICAL EVALUATION (PHASE 3)

8.3.1   A point-by-point response is required, i.e., a comment for each point or paragraph that is associated with the numbering should be made.

8.3.2   The response to technical requirements must state "Comply" or "Non-Comply." The bidder must further specify how the system/product meets or differs, for each aspect as stated below, including references, or supporting information to clarify the response.

8.3.3   **A mere "Comply" or "Partially Comply" statement or no response, without detail shall beseen as "non-Compliant" and will be scored as such. The following will be required:**

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Bidders to indicate compliance	Minimum Points	Maximum Points	Bidder to provide detailed compliance response to substantiate compliance/non-compliance
1. IP PBX Solution					
1.1	The bidder must provide **Cloud Based IP PBX Solution.**		10	10	
1.2	The bidder must provide integration: Session Boarder Controller (SBC) IP PBX with Microsoft 365 A5 Teams (within INSETA Microsoft 365 tenant environment)		5	5	
1.3	**The bidder's solution must include the following features, but not limited to (bidder to align to latest technologies):**				
1.3.1	Cloud auto attendants		5	5	
1.3.2	Cloud call queues		5	5	
1.3.3	Music on hold		5	5	
1.3.4	Call answer/initiate		5	5	
1.3.5	Call forwarding		5	5	
1.3.6	Group call pickup and forward to group		5	5	
1.3.7	Transfer a call and consultative transfer		5	5	
1.3.8	Call Park and retrieve		5	5	
1.3.9	Caller ID		5	5	
1.3.10	Device switching		5	5	
1.3.11	Presence-status		5	5	
1.3.12	Cloud voicemail		5	5	
1.3.13	Shared Line Appearance		5	5	
1.3.14	Call blocking		5	5	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Bidders to indicate compliance	Minimum Points	Maximum Points	Bidder to provide detailed compliance response to substantiate compliance/non-compliance
1.3.15	Common Area Phones		5	5	
1.3.16	Media bypass support		5	5	
1.3.17	Busy on Busy		5	5	
1.4	**Telephone instruments (compatible to Microsoft Team):**				
1.4.1	**Switchboard** that is supported by the proposed IP PBX Cloud base solution		5	10	
1.4.2	**Minimum of 4 x IP Conference phones**				
	4 x Conference phone (to be used in boardrooms)		5	10	
1.4.3	**Minimum of 100 x IP Desk phones**				
	Features: Make and receive voice calls, track incoming and outgoing calls, store them in call history,		5	10	
	Receive, listen to and store voicemails, manage a contact list and sync it between devices		5	10	
1.4.4	**Minimum of five (5) x Wireless Headsets**				
	Features:				
	• Monaural wear it on left or right side for total comfort		2	5	
	• Noise cancelling microphone reduces background noise		2	5	
1.5	Provide architectural solution for should there be failure.		2	5	
	Architectural Cloud Based diagram		2	5	
	Indicate Bandwidth of the solution		2	5	
1.6	Session Initiation Protocol (SIP) Trunk Technology or latest technologies		2	5	
1.7	Unified Communication Solution Management and Reporting Requirements:				
	Administrative tool		5	5	
	Reporting		5	5	
1.8	Provide a number range portability (existing number range is 100)		2	5	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Bidders to indicate compliance	Minimum Points	Maximum Points	Bidder to provide detailed compliance response to substantiate compliance/non-compliance
1.9	CTI (Computer Telephony Integration) or simply computer telephony Application Programming Interface (API)		2	5	
1.10	Smart Access Service, Hunting numbers		2	5	
1.11	Must view and manage the routing of service numbers		2	5	
1.12	Must view and manage divert call groups		2	5	
1.13	Must be able to configure alternate destination		2	5	
1.14	Must access and admin online in most internet browsers.		2	5	
1.15	Must be able to book ad-hoc hunting numbers		2	5	
1.16	Must be able to find contacts, make voice calls.		2	5	
SUB TOTAL			**160**	**225**	
2. Telephone Management System					
2.1	**Bidder/s solution must indicate and specify the TMS deployment model (Cloud) and make available standard TMS facilities. Bidder must demonstrate**				
	TMS reporting capabilities:				
2.1.1	Reporting Frequency (daily, weekly, or monthly – as and when required), Highest Calls by Cost or per user, per department, per division, universal (organisations)		10	10	
2.1.2	Outgoing calls volumes per trunk		2	2	
2.1.3	Call Type reports (cellular, local, national, international)		2	2	
2.1.4	Alarm notifications (call cost limit notification)		2	2	
2.1.5	Frequently dialled numbers		2	2	
2.2	Cost control per extension. – notifications (email format)		2	2	
2.3	The system must apply discounts on Least Cost Routing trunks. **(Bidder must provide latest tariff report)**		10	10	
2.4	Access to the system administration application must be web based.		5	5	
2.5	The TMS must be able to show Business and Private calls.		5	5	
2.6	Must be possible to create a database for blacklist and whitelist (Call screening)		5	5	
SUB TOTAL			**45**	**45**	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Bidders to indicate compliance	Minimum Points	Maximum Points	Bidder to provide detailed compliance response to substantiate compliance/non-compliance
3. Least Cost Routing					
3.1	Reconciliation capability: Pre- programming that is able to report: Fair and transparent reporting: Actual costs, bidder/ Margin		5	5	
3.2	Supply Least Cost Routing equipment to INSETA (as part of the solution).		5	5	
3.3	Obtain approval from telecommunication service providers for the appropriate bandwidth test.		3	5	
3.4	Monthly electronic Reporting is required for the following (including but not limited to): Note: LCR reporting must integrate with TMS Number dialled		5	5	
3.4.1	Network/Global Systems for Mobile Communications (GSM) provider		5	5	
3.4.2	• Call Total Costs = 5 points		5	5	
3.4.3	• Date of the Call = 5 points		5	5	
3.4.4	• Time of the Call = 5 points		5	5	
3.4.5	• The total savings = 5 points		5	5	
3.4.6	Demonstrate (table reflecting correlated data on cost savings from different service providers) inherent savings compared to fixed line calls cost		5	5	
3.5	No inter-network transfer calls costs		5	5	
3.6	Bidder's solution must monitor the overflow of other service providers and provide enough trunks to deal with potential overflow based on bidders' solution (minimum thirty concurrent calls).		5	5	
SUB TOTAL			**58**	**60**	
4. Maintenance and Support (related to proposed solution)					
4.1	Bidders to provide the following:				
	Draft Maintenance and support contract (indicating frequency of maintenance and support, call logging procedure but limited to) for all hardware and software points.		10	10	
SUB TOTAL			**10**	**10**	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Bidders to indicate compliance	Minimum Points	Maximum Points	Bidder to provide detailed compliance response to substantiate compliance/non-compliance
5. Failure Contingencies (related to proposed solution)					
5.1	Bidders to provide the following:				
	Draft contingency plan, in case of total system failure.		10	10	
SUB TOTAL			**10**	**10**	
6. Training Requirements (Virtual)					
6.1	Training Requirements:				
6.1.1	**Technical training:**		5	5	
	First line support training (service desk)		3	5	
	Second line support (internal technical support)		5	5	
	Administrator training		3	5	
6.1.2	**End User Training Basic training**		5	5	
6.1.3	Bidder must provide a clear Training Plan and Manual (softcopy or electronic) for all training elements listed above and course content.		5	5	
SUB TOTAL			**26**	**30**	
TOTAL			**309**	**380**	

Note: Bidders who obtain less than the minimum threshold of 309 out of 380 points will be declared nonresponsive and will be eliminated from further evaluation.

8.4 Functionality Evaluation Criteria (Phase 4):

    8.4.1 The tender submission will be functionally evaluated out of a **minimum of 80 points – any bidder who scores less than 80 will not be considered for further evaluation**, **maximum score is 100.** Bidders who comply with the **Phase 4** will be evaluated further in form of a demonstration.

    8.4.2 The **fourth phase** of evaluation is based on functionality, which will be evaluated using the following criteria and points:

Evaluation Area	Evaluation Criteria	Max. Points
Bidder's Previous Experience	The bidder must provide evidence in the form of a reference letters for completed projects in providing IP PBX Cloud Based solution and its complete commissioning. **Option 1 (where separate deployment was commissioned)** Bidders must have completed projects that consist of all of these requirements **LCR, TMS, Integration into a Collaboration system such as Microsoft Teams and IP PBX Cloud Based Solution**. Evidence must be reference letters **(with contactable references – letters referring to solution commissioned not older than 5 years)** • Minimum of 2 reference letters of commissioned project for each requirement = **20 points** • Above 3 reference letters of commissioned project for each requirement = **40 points** **OR** **Option 2 (where a combined solution was commissioned)** bidders must have completed projects that consist **of a solution that includes these requirements LCR, TMS, Integration into a Collaboration system such as Microsoft Teams and IP PBX Cloud Based Solution**. Evidence must be reference letters **(with contactable references – letters referring to solution commissioned not older than 5 years):** • Minimum of 2 reference letters of an IP PBX Solution commissioned project including all requirements **= 20 points** • Above 3 reference letters of an IP PBX Solution commissioned project including all requirements **= 40 points** **Non-compliance with the minimum criteria = 0 points**	**40**

Evaluation Area	Evaluation Criteria	Max. Points
Project Plan *(in a GANTT CHART format)*	A detailed project plan *(GANTT chart)* that responds to the proposed solution. The GANTT Chart must include the list of activities to successfully complete the proposed implementation of the IP PBX solution • GANTT Chart **= 10 points** • Period of supply and delivery **= 10 point** • Period of Installation and configuration **= 10 points** • Period of Integration **= 10 points** • Period of commissioning **= 10 points** • Period of maintenance and support **= 10 points** **Non-compliance with all above mentioned criteria = 0 points**	60
Total		**100**

8.4.3 Bidders who **obtain less than the minimum threshold of 80 points out of 100 points** will be declared non-responsive and will be eliminated from further evaluation.

8.5 Demonstration of proposed solution (Phase 5):

8.5.1 Bidders will be required to present a solution demonstration (aligned to the bidders proposed solution) reflecting LCR, TMS, Integration into a Collaboration system such as Microsoft Teams and IP PBX Cloud Based Solution.

8.5.2 The Bidders solution demonstration will be measured according to the below mentioned table.

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Maximum Points	Demonstration presentation
1. IP PBX Solution			
1.1	The bidder must provide **Cloud Based IP PBX Solution.**	3	
1.2	The bidder must provide integration: Session Boarder Controller (SBC) IP PBX with Microsoft 365 A5 Teams (within INSETA Microsoft 365 tenant environment)		
1.3	**Telephone instruments (compatible to Microsoft Team):**		
1.4	**Digital switchboard and console**, including (but not limited to) minimum features: Touch screen, multiple intelligent programmable keys, 3x wireless headset, real - time intercom, front desk usage by reception team.	2	
1.5	**Minimum of 4 x IP Conference phones**		
	4 x Conference phone (to be used in boardrooms)	2	
1.6	**Minimum of 100 x IP Desk phones**		
	Features: Make and receive voice calls, track incoming and outgoing calls, store them in call history,	2	
	Receive, listen to and store voicemails, manage a contact list and sync it between devices	2	
1.7	**Minimum of five (5) x Wireless Headsets**		
	Features:		
	• Monaural wear it on left or right side for total comfort	2	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Maximum Points	Demonstration presentation
	• Noise cancelling microphone reduces background noise	2	
1.8	Provide architectural solution for should there be failure.	2	
	Architectural Cloud Based diagram	2	
	Indicate Bandwidth of the solution	2	
1.9	Session Initiation Protocol (SIP) Trunk Technology or latest technologies	2	
1.10	**Unified Communication Solution Management and Reporting Requirements:**		
	Administrative tool	2	
	Reporting	2	
1.11	Provide a number range portability (existing number range is 100)	2	
1.12	CTI (Computer Telephony Integration) or simply computer telephony Application Programming Interface (API)	2	
1.13	Smart Access Service, Hunting numbers	2	
1.14	Must view and manage the routing of service numbers	2	
1.15	Must view and manage divert call groups	2	
1.16	Must be able to configure alternate destinations	2	
1.14	Must access and admin online in most internet browsers.	2	
1.15	Must be able to book ad-hoc hunting numbers.	2	
1.16	Must be able to find contacts, make voice calls.	2	
SUB TOTAL		**45**	
2. Telephone Management System			
2.1	**Bidder/s solution must indicate and specify the TMS deployment model (Cloud) and make available standard TMS facilities. Bidder must demonstrate**		
	TMS reporting capabilities:		
2.1.1	Reporting Frequency (daily, weekly or monthly – as and when required), Highest Calls by Cost or per user, per department, per division, universal (organisations)	10	
2.1.2	Outgoing calls volumes per trunk	2	
2.1.3	Call Type reports (cellular, local, national, international)	2	
2.1.4	Alarm notifications (call cost limit notification)	2	
2.1.5	Frequently dialled numbers	2	
2.2	Cost control per extension. – notifications (email format)	2	
2.3	The system must apply discounts on Least Cost Routing trunks. **(Bidder must provide latest tariff report)**	10	
2.4	Access to the system administration application must be web based.	5	
2.5	The TMS must be able to show Business and Private calls.	5	
2.6	Must be possible to create a database for blacklist and whitelist (Call screening)	5	
SUB TOTAL		**45**	
3. Least Cost Routing			
3.1	Reconciliation capability: Pre- programming that is able to report: Fair and transparent reporting: Actual costs, bidder/ Margin	5	

No.	A "Partially Comply" statement, non- response, or response without detail will be seen as "non-Compliant".	Maximum Points	Demonstration presentation
3.2	Supply Least Cost Routing equipment to INSETA (as part of the solution).	5	
3.3	Obtain approval from telecommunication service providers for the appropriate bandwidth test.	5	
3.4	Monthly electronic Reporting is required for the following (including but not limited to): Note: LCR reporting must integrate with TMS Number dialled	5	
3.4.1	Network/Global Systems for Mobile Communications (GSM) provider	5	
3.4.2	• Call Total Costs = 5 points	5	
3.4.3	• Date of the Call = 5 points	5	
3.4.4	• Time of the Call = 5 points	5	
3.4.5	• The total savings = 5 points	5	
3.4.6	Demonstrate (table reflecting correlated data on cost savings from different service providers) inherent savings compared to fixed line calls cost	5	
3.5	No inter-network transfer calls costs	5	
3.6	Bidder's solution must monitor the overflow of other service providers and provide enough trunks to deal with potential overflow based on bidders' solution (minimum thirty concurrent calls).	5	
SUB TOTAL		**60**	
TOTAL		**150**	

Evaluation Area	Functional Criteria	Max. Points
Virtual Solution Demo	The bidder must demonstrate a working solution based on bidder's proposal • IP PBX Solution and integration into collaboration system = 45 points • LCR Reporting = 50 points • TMS Reporting = 45 points **Non-compliance with any of the above = 0 point**	**150**
TOTAL POINTS		**150**

8.5.3   Bidders who obtain less than the **150 points** will be declared non- responsive and will be eliminated from further evaluation in terms **Price & BBBEE Phase 6.**

8.6 BBBEE and Price (Phase 6)

8.6.1 As the tender **price is estimated to be below R50 million**, the tender responses will be evaluated on the **80/20**-point system. Bidders are to provide detailed breakdown of all direct and indirect costs associated with the contract, including licence fees if any.

9. ADJUDICATION USING A POINT SYSTEM

9.1 The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder.

9.2 Preference points shall be calculated after process has been brought to a comparative basis taking into account all factors of non-firm prices.

9.3 In the event that two or more bids have scored equal points in terms of price and preference points for BBBEE, the successful bid must be the one scoring the highest number of preference points for BBBEE - in terms of PPPFA Regulation 2017 – Section 11 (1) & (2).

9.4 However, when functionality is part of the evaluation process and two or more bids have scored equal points for BBBEE, the successful bid must be the one scoring the highest scorefor functionality.

9.5 Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

10. POINTS AWARDED FOR PRICE AND BBBEE PREFERENCE POINT

10.1 The **80/20** preference point system
A maximum of **80** points is allocated for price on the following basis:

$$Ps = 80 \left\{1 - \frac{(Pt - Pmin)}{Pmin}\right\}$$

Where:

Ps	=	Points scored for comparative price of bid under Consideration
Pt	=	Comparative price of bid under consideration
Pmin	=	Comparative price of lowest acceptable bid

11. 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

11.1 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.

11.2 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.

11.3 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.

12. Consortium

12.1 A consortium is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

12.2 A consortium requires that each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which delingates the rights and obligations of each member.

12.3 In a consortium, only the lead bidder's credentials both in terms of financial and technical qualifications are considered. Therefore, the interpretation and application to a RFQ/Bid process is such that the lead partner is identified, and the following requirements are required
as follows:

     a)   **Lead Partner**

- All administrative documents (consortium agreement between the lead partner and the partner)
- Technical requirements (which will show in the proposal and other requirements why the need for the consortium, which for all intent and purpose fulfils the requirements of the bid through combination of skills)

     b)   **Partner**

- Proof of CSD registration.
- Tax Pin.
- BBBEE Sworn-Affidavit.
- SBD 4 Declaration of interest.
- SBD 8 Past supply chain.

12.5 It should be taken into cognisance that although the lead partner is the qualifying entity, the partner should prove that it can do business with state-owned entities, through CSD registration, proof that the taxes are compliant, its level of BBBEE status in order to align with the BBBEE status level required by the BID, declare interest and answer questions that it is not a disqualified entity with the National Treasury. The foregoing ensures compliance from an SCM process perspective that the consortium is in order. Of importance is that in a consortium, each individual team members retain their identities.

13.   **A joint venture** - A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, returns and risks and shared governance.

13.1 Unincorporated joint venture:

    13.1.1   All SCM documents are filled in by the joint venture in the name of the joint venture, although the submission of administrative documents (partnership agreement between parties) will be completed in the name of the joint venture, and the following will be required from both parties, amongst others
        a)   SBD 4.
        b)   SBD 6.
        c)   SBD 8.
        d)   SBD 9.
        e)   Tax pin
        f)   CSD registration.
        g)   The JV agreement will direct which bank account of the two entities will be used.
        h)   Consolidated Joint BBBEE Certificate.

13.2 Incorporated joint venture

    13.2.1   This aligned to a registered entity or company. A registered entity/ company with a consolidated BBBEE certificate and a bank account in the name of the Joint venture. The required compliance documents must be complete by the entity/ company the name of the joint venture, and the following will be required amongst others

        a)   SBD 4.
        b)   SBD 6.
        c)   SBD 8.
        d)   SBD 9.
        e)   Tax pin
        f)   CSD registration.
        g)   The JV agreement will direct which bank account of the two entities will be used.
        h)   Consolidated Joint BBBEE Certificate.

13.2.2   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 bidderqualifies for, unless the intended Sub-contractor is an EME that has the capacity and the ability to execute the sub-contract.

14.   A person awarded a contract may not sub-contract more than 25% of the value of the contractto 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 andthe ability to execute the sub-contract.

15.   COMMUNICATION

Respondents are warned that a response will be disqualified should any attempt be made bya 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.*

16.   CONDITIONS TO BE OBSERVED WHEN BIDDING

The organization 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:

16.1   Not evaluate and award a bid that do not comply strictly with this BID document.

16.2   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.

16.3   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.

16.4   Cancel this BID at any time as prescribed in the PPPFA regulation.

16.5   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.

17.   Cost of Bidding

17.1 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.

18.   Note to Bidders:

18.1   Due diligence to be conducted by INSETA prior to the award.

END OF TERMS OF REFERENCE DOCUMENT