



Terms of Reference:
Appointment of a service provider to provide a Finance System for
Agrément South Africa

RFQ Number	ASA 05/01/2023
Date of issue	10 January 2023
Compulsory Briefing session	16 January 2023 Click here to join the meeting
Bid Closing date	24 January 2023 at 12:00 noon
Submissions	Mmosha@agrement.co.za

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1. BACKGROUND

Agrément South Africa has been housed and managed by the Council for Scientific and Industrial Research (CSIR) and became a Schedule 3A public entity in terms of the Public Finance Management Act (Act No. 1 of 1999) from 01 April 2017. ASA is tasked with conducting testing, performance and certification of construction industry products and methodologies to ensure quality and durability of such products on behalf of the Department of Public Works And Infrastructure. ASA's mission is to promote government's objectives of economic development, good governance and raising living standards and prosperity in South Africa.

The main objectives are:

- To provide assurance of fitness-for-purpose of non-standard construction related products and systems to specifiers and users.
- To support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry.
- To support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market.
- To support policy makers in minimizing the risk associated with the use of non-standard construction related product or system; and
- To be an impartial and internationally acknowledged South African centre for assessment and confirmation of fitness-for-purpose of non-standard construction related products or systems

The Agrément South Africa is a small sized organization with a staff compliment of approximately 40 employees. The Agrément South Africa head office is located at CSIR Campus, Meiring Naude Road, Brummeria, Pretoria

2. INVITATION FOR PROPOSALS

These terms of reference are intended to provide a scope of work and deliverables to appoint a service provider to provide an efficient and fully functional finance system that meets the criteria for eight users with full access to the system and ten users with access to specific modules depending on their responsibilities.

The outputs of the required system should include the following:

2.1.1 General Ledger

2.1.1.1 Chart of accounts

2.1.1.2 Workflow/approval levels for transaction processing

2.1.1.3 Workflow/approval levels for journals



- 2.1.1.4 Monthly, quarterly and Year-End Closing
- 2.1.1.5 Basic Financial Statements
- 2.1.1.6 Sub-Ledgers (debtors and creditors / cashbook/ and bank)
- 2.1.1.7 Recurring Transactions
- 2.1.1.8 Drill Down capability for analysis
- 2.1.1.9 Detailed General Ledger
- 2.1.1.10 Detailed Trial Balance
- 2.1.1.11 Grant or project accounting
- 2.1.1.12 Regulatory compliance support

- 2.1.2 **Procure to pay**
 - 2.1.2.1 3-way matching of Purchase Order to Invoice to Payment
- 2.1.3 **Supply Chain Management**
 - 2.1.3.1 Purchasing: Acquisition of goods & services as well as Bid Management
 - 2.1.3.2 Contract Management
 - 2.1.3.3 Travel Management
 - 2.1.3.4 Supplier Database Management
- 2.1.4 **Bank and Cash**
 - 2.1.4.1 Cashbook module
 - 2.1.4.2 Bank Reconciliations
 - 2.1.4.3 Cash flow reporting
- 2.1.5 **Accounts Payable Module**
 - 2.1.5.1 Vendor Master File
 - 2.1.5.2 Purchasing Controls
 - 2.1.5.3 Payable Analysis/ ageing
 - 2.1.5.4 Automated/recurring payments
 - 2.1.5.5 Invoices capture and payment matching
 - 2.1.5.6 Accruals
 - 2.1.5.7 Accounts Payable Reconciliation

- 2.1.6 **Accounts Receivable Module**
 - 2.1.6.1 Customer Master File
 - 2.1.6.2 Cash receipts
 - 2.1.6.3 Debtors Age Analysis



- 2.1.6.4 Debt collection
- 2.1.6.5 Recurring Revenue Management
- 2.1.6.6 Accounts Receivable Reconciliation
- 2.1.6.7 Accounting for income received in advance

2.1.7 Budgeting

- 2.1.7.1 Review past budgets
- 2.1.7.2 Create New Budgets (Monthly, quarterly and annually)
- 2.1.7.3 Forecasting for one to five years
- 2.1.7.4 Make and track changes to budget (Original, adjusted and final budget)
- 2.1.7.5 Allow for 3-year budgets for Annual Performance Plan

2.1.8 Fixed Assets

- 2.1.8.1 Must have the basic information that is required in terms of GRAP standards
- 2.1.8.2 (Date, description, serial number, asset number, useful life, amount, condition, location etc)
- 2.1.8.3 Minor assets (less than R10,000 per item)
- 2.1.8.4 Barcode/RFID Tracking
- 2.1.8.5 Maintenance Tracking
- 2.1.8.6 Depreciation Calculation taking into account residual values
- 2.1.8.7 Fixed Asset summary report in line with GRAP standards (Cost, Accumulated depreciation, book value) (Depreciation, Write-off, additions, disposals, etc)

2.1.9 Management Account and Quarterly Reports with comparative figures

- 2.1.9.1 Balance sheet
- 2.1.9.2 Income Statement
- 2.1.9.3 Cash Flow Statements
- 2.1.9.4 Statement of Changes in equity
- 2.1.9.5 Basic Management Accounting Report
- 2.1.9.6 Budget versus Actual Report



- 2.1.9.7 Spent versus Future Forecast Reports
- 2.1.9.8 Assets /Depreciation Reports
- 2.1.9.9 Revenue Reports per revenue streams
- 2.1.9.10 Dashboard reporting
- 2.1.9.11 Cost centre reporting (4 levels) (Unit, Programme, Budget, etc)
- 2.1.9.12 List of monthly payments

2.1.10 Processing of claims

- 2.1.10.1 An added advantage would be if the system had workflow for claims to be processed

2.1.11 General:

For all the modules, the system shall provide for the following:

- 2.1.11.1 Different access for different groups of users (Master User, Administrators, Management Committee, Supervisors, Staff).
- 2.1.11.2 Autosave and logout after a period of inactivity
- 2.1.11.3 Audit trail availability to capture all actions performed by users
- 2.1.11.4 Auto backup of data on the server daily (a full cloud hosted solution is preferred)
- 2.1.11.5 Allow users to generate reports using standard reports or ad-hoc queries
- 2.1.11.6 All reports to be available for export to Word, Excel, PDF, or other formats
- 2.1.11.7 Able to generate graphical charts on the report data
- 2.1.11.8 The solution platform should have an open API capability, to facilitate any future interfaces or integration requirements with other application systems.

2.1.12 Change Management and Training:

The following materials and information are to be provided to assist with training of users and ensure smooth adoption of the system. The Gallery shall have the right to reproduce unlimited copies of such document for internal use without any additional cost.

- 2.1.12.1 Digital training guides
- 2.1.12.2 Interactive training guides/Training videos
- 2.1.12.3 Change Framework and Change Project Plan
- 2.1.12.4 The tenderer shall conduct a minimum of two (2) training sessions (minimum half day duration) for the different groups of users: Administrators, Supervisors

- 2.1.12.5 The tenderer shall conduct a minimum of two (2) mass presentation briefings and training to all staff on the usage of the system.
- 2.1.12.6 The Gallery can request for more training sessions with the aim to ensure adequate training are provided to all the relevant staff using the system.

2.1.13 Technical Requirements

- 2.1.13.1 Real-time capturing and updating on the system.
- 2.1.13.2 The system should allow for mobile approval.
- 2.1.13.3 The application must have as its underlying database Microsoft SQL Server. File based databases will not be accepted.
- 2.1.13.4 The application must have a supported Windows compatible installation.
- 2.1.13.5 The application must be able to operate and be supported in a Microsoft Hyper V virtualized environment.
- 2.1.13.6 The application must be web-based with support for the latest SSL encryption standards (e.g., TLS 1.2 and 1.3) as well as secure cypher suites.
- 2.1.13.7 The application must support a highly available presentation and database layer.
- 2.1.13.8 The application must support customizable role-based access control as a minimum.
- 2.1.13.9 The application must have password complexity and expiry for built-in accounts and support for Active Directory (Native AD or LDAPS) integration for login accounts.
- 2.1.13.10 Passwords in the database should be encrypted when stored.
- 2.1.13.11 Technical support must include application and security updates and alerts for known vulnerabilities on a regular basis.
- 2.1.13.12 The application must have built in audit trail functionality for all transactions.
- 2.1.13.13 The application must have an alerts and reminders function for critical events that must go to targeted users.
- 2.1.13.14 The application must have a seamless electronic interface for exchanging information between the finance functions and HR system (e.g., payroll)
- 2.1.13.15 The application must have an easy to use and user-friendly administration function for allowing ASA to perform tasks such as creation/modification/deletion of user accounts, defining access rights, initiation of application level backup and restore, performing of patch update.

2.1.14 User requirements

- 2.1.14.1 Migration of existing finance system (current systems will be provided upon request for security reasons)
- 2.1.14.2 User and Administrative training
- 2.1.14.3 Technical Training

3. PROPOSAL REQUIREMENTS

The Proposal must be in the following format:

3.1 Detailed proposal

- i. Detailed approach

Information containing the specific steps, resources and timing associated with the approach for the delivery of the services should be detailed in this section. Detail regarding the migration process should be explained.

- ii. Deliverables and turnaround times

This section should include a list of deliverables and the associated turnaround times that are aligned to the services required as set out in paragraph 2.1 above.

3.2 Track record

- i. Quality

The proposal should provide details of the approach on how to ensure and measure a quality service delivery. It should provide details of any industry- recognized quality standard (if applicable) to which it is, or will become, compliant (including a timeframe for compliance, if not already achieved), as well as awards received over the last two years.

- ii. References **(It should be noted that proposals will be disqualified if contactable references are not provided)**

The proposal should include at least three (3) contactable references from clients who received similar services over the immediate past 12 months. This should preferably include clients having similar scope of services, industry, and scale as ASA.

The Proposal should include a brief description of the services provided for each client. The Service Provider must ensure that ASA has the appropriate access to the clients listed.

The referees must be contactable, and the contact details provided must include:

- Contact Person

- Organisation / Company name

- Phone Number

- E-mail address

- Cell number (if possible)

iii. Project participants' experience

The Service Provider should submit details describing the relevant experience of its proposed project participants. The information should include a description of the education, knowledge, and relevant experience as well as certifications or other professional credentials that clearly show that the Service Provider is and/or its representatives are qualified to perform the required work. The résumés of the proposed project participants should be submitted. The documentation should thoroughly describe how the proposed program manager has provided expertise for similar contracts and projects. The Service Provider may include any supporting documentation that would support its descriptive narrative.

3.3 Price

The Service Provider should provide a pricing schedule which clearly sets out the cost of providing the required services, together with any other charges as per the services required set out in paragraph 2.1 above. All other charges should be explained.

- i. The terms provided and the fees quoted for the proposed services should include a proposed escalation in fees over the period of the contract.
- ii. All assumptions made in drafting the proposal, must be detailed.
- iii. The prices quoted should indicate whether they include or exclude value added tax (VAT).



iv. Prices quoted must be valid for at least 90 (ninety) days from the closing date of this bid.

4. TERMS OF CONTRACT AND SERVICE LEVEL AGREEMENT

Before the bid is awarded, the successful bidder shall be required to enter into a Service Level Agreement (SLA) with Agreement South Africa (ASA). The SLA shall form the contractual basis for the delivery of the service as well as how performance shall be measured.

Contract extensions are at the sole discretion of ASA.

5. EVALUATION

The bids shall first be evaluated for functionality. The functionality component consists of two areas on which the proposals shall be evaluated, namely a technical component and a track record and experience component. A minimum score of 70% must be obtained on functionality before a proposal is considered for further evaluation.

Details of the functionality scoring and how the points shall be allocated are as follows:

Functionality	Points
Technical – Services offered and technical approach and deliverables including turnaround times	
Refer to the minimum criteria table (Annexure B) for the technical evaluation criteria. It should be noted that the proposals must cover all of the criteria as indicated in Annexure B. All criteria – 70 points If any of the critical criteria have not been met – Zero points If evidence of the criteria is not provided in these submissions or presentations (On request) no points will be allocated.	70
Level of support-post implementation	
Dedicated support services/line (5 points if there is support services/ line and zero if there is none).	5
Dedicated support official (5 points if there is an official and zero if there is none) Minimum 5 years' experience (2 points)	5

Functionality	Points
Above 5 years (5 points)	
Presentations – Content, live demonstration	10
Proof of similar projects with contactable references: 3 or more similar projects supported with contactable references (5 points) 5 or more similar projects supported with contactable references (10 points)	10
Total for Functionality	100

ASA shall apply the **80:20 Preference Point System** in the evaluation of the proposals that obtained a score of at least 70% for functionality. The points shall be allocated as follows:

CRITERIA	WEIGHT
Price	80
B-BBEE Status level	20
Total Score	100

B-BBEE Contributor Status level points shall be awarded as outlined in the Table below:

B-BBEE Status Level of Contributor	Number of points
1	20
2	18
3	16
4	12

B-BBEE Status Level of Contributor	Number of points
5	8
6	6
7	4
8	2
Non-compliant contributor	0

6. CONDITIONS

6.1 General conditions

All bidders responding to this Request for Proposals must meet the following conditions:

- a) The proposal must include a **cover letter** clearly stating the name of the firm as well as the name, address, and telephone number of the bidder's representative.
- b) A **CSD Registration Report** downloaded from the Central Supplier Database (CSD) of National Treasury as proof of registration on the CSD. No bids will be considered if the bidder is not registered on the CSD;
- c) A valid BBBEE or Sworn affidavit (If copy must be certified) **failure to submit will result in no points awarded however you will not be disqualified.**
- d) The bidder must address each of the requirements as stated in sections 2 and 3 above;
- e) An incomplete proposal shall result in the bidder being disqualified.
- f) The bidder shall furnish such additional information that ASA may require;
- g) ASA shall not be liable for any cost incurred in the preparation of the proposal;
- h) ASA may invite bidders for an oral interview prior to the approval of a bid.
- i) ASA shall not be liable for the costs incurred by the bidder in connection with such



interview;

- j) Any false declaration of information shall result in the exclusion of the proposal from consideration;
- k) The bidder must complete the attached **SBD4, SBD 6.1 and General Conditions of Contract**.

7. PROCEDURES FOR SUBMITTING BID PROPOSALS

The **closing date** for this request is 24 January 2023 at 12:00pm. Proposals must reach ASA before or on the closing date and time. Late submissions will not be considered. Proposals must be e-mailed to Mmosha@agrement.co.za

8. FINAL APPROVAL

ASA reserves the right not to accept the lowest bid. ASA also reserves the right to reject any or all of the proposals, and/or not to appoint any service provider at all.



9. Annexure A – PRICING SCHEDULE

The price needs to be provided for each category below:

Description	(R) Once-off	(R) Recurring
Cost of the System: (Please provide separate costing for the below)		
Finance		
Cost of support services		
Training costs		
Cost of user manuals/guides		
Cost of Migration		
Cost of ad hoc consulting		
System installation costs		
Other (specify)		

10. Annexure B – Technical Evaluation

Description	Critical Requirements
2.1.10 Technical Requirements	
2.1.10.1 The application must be SQL relational database based, preferably Microsoft SQL Server. File based databases will not be accepted.	✓
2.1.10.2 The application must have a supported Windows-compatible installation.	✓
2.1.10.3 The application must be able to operate and be supported in a Microsoft Hyper V virtualized environment.	✓
2.1.10.4 The application must be web-based with support for the latest SSL encryption standards (e.g TLS 1.2 and 1.3) as well as secure cypher suites.	✓
2.1.10.5 The application must support a highly available presentation and database layer should the need arise.	✓
2.1.10.6 The application must support customizable role-based access control as a minimum.	✓
2.1.10.7 The application must have password complexity and expiry for built-in accounts and support for Active Directory (Native AD or LDAPS) integration for login accounts.	✓
2.1.10.8 Passwords in the database should be encrypted when stored.	✓
2.1.10.9 Technical support must include application and security updates and alerts for known vulnerabilities on a regular basis.	✓
2.1.10.10 The application must have built in audit trail functionality for all transactions.	✓
2.1.10.11 The application must have an alerts and reminders function for critical events that must go to targeted users.	✓
2.1.10.12 The application must have a seamless electronic interface for exchanging information between the finance functions and HR functions (e.g. payroll).	✓
2.1.10.13 The application must have a easy to use and user friendly administration function for allowing NCT to perform tasks such as creation/modification/deletion of user accounts, defining access rights, initiation of application level backup and restore, performing of patch update.	✓
2.1.11 User requirements	

Description	Critical Requirements
2.1.11.1 Migration of existing finance systems (current systems will be provided upon request for security reasons)	✓
2.1.11.2 User and Administrative training	✓
2.1.11.3 Technical Training	✓
2.1.12.1 - Chart of accounts	✓
2.1.12.2 - Work Flow/approval levels for journals	✓
2.1.12.3 – Sub-Ledgers (Debtors and Creditors/Cashbook)	✓
2.1.12.4 - Detailed General Ledger	✓
2.1.12.5 Procure to pay	✓
2.1.12.6 – Bank and Cash	✓
2.1.12.7 – Accounts Payable module	✓
2.1.12.8 – Accounts Receivable module	✓
2.1.12.9 Budgeting module	✓
2.1.12.10 Fixed Assets module	✓
2.1.12.11 Management accounts and Quarterly reports	✓