

## **TRANSNET FREIGHT RAIL**

an Operating Division of **TRANSNET SOC LTD**

[Registration No. 1990/000900/30]

### **REQUEST FOR PROPOSAL [RFP] SERVICES**

**FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET  
FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS**

**RFP NUMBER : HCAC-HO-19354**  
**ISSUE DATE : 05 October 2015**  
**CLOSING DATE : 27 October 2015**  
**CLOSING TIME : 10:00 am**  
**BID VALIDITY PERIOD : 29 February 2016**

### **COMPULSORY BRIEFING SESSION**

**TIME : 10h00 am**  
**DATE : 15 OCTOBER 2015**  
**VENUE : TRANSNET FREIGHT RAIL  
INYANDA HOUSE 2  
15 GIRTON ROAD  
BARONGWA BOARDROOM  
GROUND FLOOR  
PARKTOWN  
JOHANNESBURG**

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**RFP FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET FREIGHT RAIL  
FOR A PERIOD OF TWENTY ONE (21) MONTHS**

**Section 1: NOTICE TO BIDDERS**

**1 INVITATION TO BID**

Responses to this RFP [hereinafter referred to as a **Bid** or a **Proposal**] are requested from persons, companies, close corporations or enterprises [hereinafter referred to as an **entity, Respondent** or **Bidder**].

<b>DESCRIPTION</b>	<b>ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS</b>
<b>BID FEE AND BANKING DETAILS</b>	<p><b>R200.00 [inclusive of VAT] per set. Payment is to be made as follows:</b></p> <p>Bank: Standard Bank  Account Number: 00 2031 5859 8  Branch: Braamfontein  Branch code: 004805  Account Name: Transnet Freight Rail  Reference: HOAC-HO-19954</p> <p><b>NOTE</b> – This amount is not refundable. A receipt for such payment made must be presented when collecting the RFP documents and submitted thereafter with your Proposal.</p>
<b>INSPECT / COLLECT DOCUMENTS FROM</b>	<p>The office of the Secretariat,  Transnet Freight Rail Acquisition Council,  Ground Floor,  Inyanga House1,  21 Wellington Road,  Parktown</p>
<b>ISSUE DATE AND COLLECTION DATE DEADLINE</b>	<p>Between 09:00 and 15:00 from <b>05 Oct 2015 until 14 Oct 2015</b>, Working days.  Note: If a bid fee is applicable, payment must be effected prior to the deadline for collection. Pursuant to this requirement, should a third party [such as a courier] be instructed to collect RFP documents on behalf of a Respondent, please ensure that this person [the third party] has a "proof of payment" receipt for presentation to Transnet when collecting the RFP documents.</p>
<b>CLOSING DATE</b>	<p><b>10:00 on Tuesday 27 Oct 2015</b>  Bidders must ensure that bids are delivered timeously to the correct address.  As a general rule, if a bid is late or delivered to the incorrect address, it will not be accepted for consideration.</p>

Any additional information or clarification will be faxed or emailed to all Respondents, if necessary.

## 2. FORMAL BRIEFING

A compulsory briefing session **will be conducted** at 15 Girton Road, Inyanda House 2, Barongwa Boardroom, Ground Floor, Parktown on the **15 October 2015**, at 10h00 for a period of  $\pm 2$  hours. (Respondents to provide own transportation and accommodation). The briefing session will start punctually and information will not be repeated for the benefit of Respondents arriving late.

## 3. PROPOSAL SUBMISSION

Proposals must be submitted in a sealed envelope addressed as follows:

The Secretariat, Transnet Freight Acquisition Council

**RFP No:** HOAC-HO-19354

**Description:** For the provision of Activity Based Budgeting Solution for Transnet Freight Rail for a period of twenty one (21) months.

**Closing date and time:** 27 October 2015 at 10:00

**Closing address:** [Refer to options in paragraph 4 below]

All envelopes must reflect the return address of the Respondent on the reverse side.

## 4. DELIVERY INSTRUCTIONS FOR RFP

### 4.1 DELIVERY BY HAND

If delivered by hand, the envelope must be deposited in the Transnet tender box which is located at the main entrance of the **Ground Floor, Inyanda House 1, 21 Wellington Road, Parktown, Johannesburg 2001**, and must be addressed as follows:

THE SECRETARIAT  
TRANSNET FREIGHT RAIL ACQUISITION COUNCIL  
GROUND FLOOR  
INYANDA HOUSE 1  
21 Wellington Road,  
Parktown  
JOHANNESBURG  
2001

- a) The measurements of the "tender slot" are 400mm wide x 100mm high, and Respondents must please ensure that response documents or files are no larger than the above dimensions. Responses which are too bulky [i.e. more than 100mm thick] must be split into two or more files, and placed in separate envelopes, each such envelope to be addressed as required in paragraph 3 above.

#### 4.2 **Dispatch by courier**

If dispatched by courier, the envelope must be addressed as follows and delivered to the Office of The Secretariat, Transnet Acquisition Council and a signature obtained from that Office:

THE SECRETARIAT  
TRANSNET FREIGHT RAIL ACQUISITION COUNCIL  
GROUND FLOOR  
INYANDA HOUSE 1  
21 Wellington Road,  
Parktown  
JOHANNESBURG, 2001

- 4.3 If responses are not delivered as stipulated herein, such responses will not be considered.
- 4.4 No email or faxed responses will be considered, unless otherwise stated herein.
- 4.5 The responses to this RFP will be opened as soon as possible after the closing date and time. Transnet shall not, at the opening of responses, disclose to any other company any confidential details pertaining to the Proposals / information received, i.e. pricing, delivery, etc. The names and locations of the Respondents will be divulged to other Respondents upon request.
- 4.6 Envelopes must not contain documents relating to any RFP other than that shown on the envelope.

#### 5. **BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS**

As described in more detail in the attached BBBEE Claim Form and as prescribed in terms of the Preferential Procurement Policy Framework Act (PPPFA), Act 5 of 2000 and its Regulations, Respondents are to note that Transnet will allow a "preference" to companies who provide a valid B-BBEE Verification Certificate.

The value of this bid is estimated to exceed R1 000 000 (all applicable taxes included); and therefore the **90/10** system shall be applicable.

Respondents are required to complete Section 7 [the B-BBEE Preference Point Claim Form] and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

**Note: Failure to submit a valid and original B-BBEE certificate or a certified copy thereof at the Closing Date of this RFP will result in a score of zero being allocated for B-BBEE.**

## 5.1 B-BBEE Joint Ventures or Consortiums

Respondents who would wish to respond to this RFP as a Joint Venture [JV] or consortium with B-BBEE entities, must state their intention to do so in their RFP submission. Such Respondents must also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by Transnet through this RFP process. This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to Transnet.

Respondents are to note the requirements for B-BBEE compliance of JVs or consortiums as required by Section 7 [the B-BBEE Preference Point Claim Form] and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

Note: Failure to submit a valid and original B-BBEE certificate for the JV or a certified copy thereof at the Closing Date of this RFP will result in a score of zero being allocated for B-BBEE.

## 5.2 Subcontracting

Transnet fully endorses Government's transformation and empowerment objectives and when contemplating subcontracting Respondents are requested to give preference to companies which are Black Owned, Black Women Owned, Black Youth Owned, owned by Black People with Disabilities, EMEs and QSEs including any companies designated as B-BBEE Facilitators<sup>1</sup>.

If contemplating subcontracting, please note that a Respondent will not be awarded points for B-BBEE if it is indicated in its proposal that such Respondent intends subcontracting more than 25% [twenty-five per cent] of the value of the contract to an entity/entities that do not qualify for at least the same points that the Respondent qualifies for, unless the intended subcontractor is an EME with the capability to execute the contract.

A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

In terms of Section 14 of this RFP [the B-BBEE Preference Point Claim Form] Respondents are required to indicate the percentage of the contract that will be sub-contracted as well as the B-BBEE status of the sub-contractor/s.

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<sup>1</sup> The Minister of the Department of Trade and Industry has the power to designate certain Organs of State or Public Entities as B-BBEE Facilitators. For example, the South African National Military Veterans' Association (SANMVA) has been designated as a B-BBEE Facilitator. As such they will be treated as having rights of ownership held 100% by Black People, 40% by Black Women and 20% by Black designated groups.

### 5.3 **B-BBEE Improvement Plan**

Transnet encourages its Service Providers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard to be assessed as detailed in paragraph 5.1 above, in addition to such scoring, Transnet also requests that Respondents submit a B-BBEE improvement plan. Respondents are therefore requested to indicate the extent to which they will maintain or improve their B-BBEE status over the contract period.

Respondents are requested to submit their B-BBEE Improvement Plan as an additional document with their Proposals by completion of **Annexure A** appended hereto.

### 5.4 **Supplier Development Initiatives**

Historically in South Africa there has been a lack of investment in infrastructure, skills and capability development and inequality in the income distribution and wealth of a significant portion of the population. There have been a number of Government initiatives developed to address these challenges. In particular, the New Growth Path [NGP] and New Development Plan [NDP] aligns and builds on previous policies to ensure the achievement of Government's development objectives for South Africa.

Transnet fully endorses and supports Government's economic policies through its facilitation of Supplier Development [SD] initiatives. Hence Respondents are required to submit their commitments with regard to Supplier Development Initiatives over the duration of this contract.

## 6. **COMMUNICATION**

6.1 For specific queries relating to this RFP, an RFP Clarification Request Form should be submitted to [Patricia.Chauke@transnet.net](mailto:Patricia.Chauke@transnet.net) before **10:00 on 14 October 2015**, substantially in the form set out in Section 12 hereto. In the interest of fairness and transparency Transnet's response to such a query will then be made available to the other Respondents who have collected RFP documents. For this purpose Transnet will communicate with Respondents using the contact details provided to the Secretariat on issue of the bid documentation to the Respondent. Kindly ensure that you provide the Secretariat with the **correct** contact details, as Transnet will not accept responsibility for being unable to contact a bidder who provided incorrect contact details.

6.2 After the closing date of the RFP, a Respondent may only communicate with the Secretariat of the Transnet Acquisition Council, at telephone number **011-544-9486** or email **Prudence.Nkabinde@transnet.net** on any matter relating to this RFP Proposal.

- 6.3 Respondents are to note that changes to its submission will not be considered after the closing date. Respondents are warned that a Proposal will be liable to disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer or employee of Transnet in respect of this RFP between the closing date and the date of the award of the business. Furthermore, Respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with Transnet in the future.

## 7. CONFIDENTIALITY

- 7.1 All information related to this RFP is to be treated with strict confidence. In this regard Respondents are required to certify that they have acquainted themselves with the Non-Disclosure Agreement. All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidence. Should the need however arise to divulge any information gleaned from provision of the Services, which is either directly or indirectly related to Transnet's business, written approval to divulge such information must be obtained from Transnet.

## 8 INSTRUCTIONS FOR COMPLETING THE RFP

- 8.1 Proposals must be submitted in **duplicate hard copies [1 original and 1 copy]** and must be bound.
- 8.2 Sign one set of original documents [sign, stamp and date the bottom of each page]. This set will serve as the legal and binding copy. A **duplicate** set of documents is required. This second set must be a copy of the original signed Proposal.
- 8.3 Both sets of documents are to be submitted to the address specified in paragraph 4 above, and Bidders must ensure that the original and copies (where applicable) are identical in all respects as Transnet will not accept any liability for having disqualified a bidder for failing to provide a mandatory returnable document in either the original or the copy of the RFP albeit that it was included in the other.
- 8.5 **All returnable documents tabled in the Proposal Form [Section 4] must be returned with your Proposal.**
- 8.6 Unless otherwise expressly stated, all Proposals furnished pursuant to this RFP shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated.
- 8.7 Any additional conditions must be embodied in an accompanying letter. Subject only to clause 15 [Alterations made by the Respondent to Bid Prices] of the General Bid Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.



## 9. COMPLIANCE

The successful Respondent [hereinafter referred to as the **Service Provider**] shall be in full and complete compliance with any and all applicable laws and regulations.

## 10. DISCLAIMERS

Respondents are hereby advised that Transnet is not committed to any course of action as a result of its issuance of this RFP and/or its receipt of Proposals. In particular, please note that Transnet reserves the right to:

- 10.1 modify the RFP's Services and request Respondents to re-bid on any such changes;
- 10.2 reject any Proposal which does not conform to instructions and specifications which are detailed herein;
- 10.3 disqualify Proposals submitted after the stated submission deadline [Closing Date];
- 10.4 not necessarily accept the lowest priced Proposal or an alternative bid;
- 10.5 reject all Proposals, if it so decides;
- 10.6 withdraw the RFP on good cause shown;
- 10.7 award a contract in connection with this Proposal at any time after the RFP's closing date;
- 10.8 make no award of a contract;
- 10.9 should a contract be awarded on the strength of information furnished by the Respondent, which after conclusion of the contract, is proved to have been incorrect, Transnet reserves the right to cancel the contract.

Transnet reserves the right to undertake post-tender negotiations [PTN] with selected Respondents or any number of short-listed Respondents, such PTN to include, at Transnet's option, any evaluation criteria listed in this RFP document.

Transnet reserves the right to award the business to the highest scoring bidder/s unless objective criteria justify the award to another bidder.

Should the preferred bidder fail to sign or commence with the contract within a reasonable period after being requested to do so, Transnet reserves the right to award the business to the next ranked bidder, provided that he/she is still prepared to provide the required goods at the quoted price.

Kindly note that Transnet will not reimburse any Respondent for any preparatory costs or other work performed in connection with its Proposal, whether or not the Respondent is awarded a contract.

**Transnet reserves the right to reduce the Technical Threshold.**

The process to be followed in applying this reservation is as follows:

Transnet will measure / rate / score the submissions that have progressed to the Technical evaluation stage.

Should no bidders meet or exceed the set threshold, Transnet will apply a 5% [five percentage] reduction (reduce from **100% to 95%**) in the threshold and reconsider the ratings of these bidders.

This process, reduction in the technical threshold by 5%, will be repeated from the initial threshold until at least 1 or more bidders pass the Technical threshold, regardless of the revised threshold %, but will not be reduced below the pre-determined minimum threshold of **80%**. Hence, after the first reduced % where 1 or more bidders pass the threshold there will be no more reductions and only the bidder/s that qualified on this reduced % will be considered further.

**11. LEGAL REVIEW**

A Proposal submitted by a Respondent will be subjected to review and acceptance or rejection of its proposed contractual terms and conditions by Transnet's Legal Counsel, prior to consideration for an award of business.

**Transnet urges its clients, suppliers and the general public  
to report any fraud or corruption to  
TIP-OFFS ANONYMOUS: 0800 003 056**

# FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS

## Section 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

### INTRODUCTION

Transnet Freight Rail (TFR) is the largest division of Transnet. It is a world class heavy haul freight rail company that specialises in the transportation of freight. Transnet Freight Rail has approximately 25 000 employees, who are spread throughout the country. The company maintains an extensive rail network across South Africa that connects with other rail networks in the Sub-Saharan Region, with its rail infrastructure representing about 80% of Africa's total.

The company is proud of its reputation for technological leadership beyond Africa as well as within Africa, where it is active in some 17 countries. Transnet Freight Rail has positioned itself to become a profitable and sustainable freight railway business, assisting in driving the competitiveness of the South African economy. Transnet Freight Rail is proudly placed to dramatically alter the South African rail industry. This enables the organisation to play a positive and active role in the transformation of our society. TFR does so against the backdrop of sound business principles, a regulatory framework and the challenges of meeting the expectations of our customers. <http://www.transnet.net/Divisions/FreightRail.aspx>

Being the largest organisational division within Transnet, TFR manages the largest and most complex budget. It is therefore becoming more important to implement a system that would support the budget and ensure that the process is executed as accurately and efficiently as possible. SAP Business Planning and Consolidation (SAP BPC) is the system that has been selected to assist the organization to achieve this. TFR does not have the resources in-house to configure and implement (SAP BPC) and that is why the specification is documented; to source a vendor from the market to aid in the implementation of (SAP BPC), provide the post go-live support and perform skills transfer to TFR resources to allow the organisation to become sustainable and support the application without the requirement of external resources.

#### 1. BACKGROUND:

The Activity Based Budgeting Solution (ABBS) project was initiated in 2013 to obtain approval for the implementation of SAP Business Planning and Consolidation (SAP BPC) as per TFR ICTM Architecture recommendation. This solution would support TFR's budget process in alignment with the strategic pillars of the Market Demand Strategies; Operational Planning & Efficiency and Driving Accountability. It would equip TFR's Finance department to streamline and optimize the budget process. (SAP BPC) is already owned by and included in TFR's SAP suite of licenses. The business case motivating funding for this project has been presented and approved at the August 2014 ICTM Portfolio Investment Committee (PIC) meeting securing funding for the implementation and configuration of (SAP BPC) at TFR.

## **2. TECHNICAL SPECIFICATION/REQUIREMENT**

### **2.1 Introduction**

TFR already possess the software and licensing for (SAP BPC). TFR also owns sufficient hardware for the solution to be deployed. The business implementation and change management components will be executed by TFR. The requirement therefore ONLY includes the technical implementation of (SAP BPC) along with the required training components.

### **2.2 Purpose / Objective:**

With the project funding secured, TFR now seeks a SAP certified partner as a vendor. The selected vendor must have the capability to implement SAP BPC via the Accelerated SAP methodology, namely Rapid Deployment Solution. They must also deliver training, develop training material, train super users, work with the change management team, do skills transfer and provide post go-live support for the implementation. The implementation must be compatible or implementable on a SAP HANA platform.

## **3. SCOPE OF REQUIREMENTS**

### **KEY OBJECTIVES THAT ARE TO BE THE FOCAL POINT IN THIS ENGAGEMENT ARE:**

#### **1. RDS Scope**

The implementation must entail the RDS that includes;

- 1.1 SAP Strategic Financial Planning RDS
- 1.2 SAP G/L Financial Planning RDS
- 1.3 The functionality must be deployed via the RDS methodology to benefit from the rapid deployment timelines and to ensure that the solution is SAP standard aligned.

#### **2. Business Scope for Strategic Financial Planning RDS**

##### **2.1 Input Schedules:**

- 2.1.1 Input schedules for long range strategic planning at an aggregated level of detail for direct input or driver based operational and balance sheet planning.
- 2.1.2 Input schedules to include scenario and "what-if" analysis functionality.

##### **2.2 Logic to be configured for worksheets, script logic, business rules or dimension member formulas:**

- 2.2.1 Integration of profit or loss from the Profit & Loss statement to the Balance Sheet.
- 2.2.2 Logic for strategic planning accounts including, but not limited to, working capital, cash flow accounts, capital capacity planning, liabilities and equity, treasury, operational planning, currency translation, consolidation structures with the ability to analyze acquisitions, divestitures and re-structuring, ratios and trend analysis.

### 2.3 Reports:

- 2.3.1 Profit & Loss Statement, Balance Sheet and Cash flow statement.
- 2.3.2 Baseline and scenario reports.
- 2.3.3 Variance reports.
- 2.3.4 Key Performance Indicator (KPI) reports for operational and financial indicators, ratios and trends.
- 2.3.5 Internal Rate of Return (IRR) Report.
- 2.3.6 Actual results versus planned results.

### 2.4 Data Models and Dimensions:

- 2.4.1 Planning models designed for ownership, currency conversion calculations and long range planning will be delivered.
- 2.4.2 Dimension structures designed to support the solutions functionality and in particular a single ENTITY dimension, "Business Unit" for organizational structure. The ACCOUNT dimension cannot be modified materially without adapting associated logic. An emphasis must be placed on the data manager packages used to map the customer data to the ACCOUNT dimension.
- 2.4.3 The main planning model must contain the following dimensions:
  - Business Unit (Entity dimension)
  - Audit trail
  - Currency
  - Flow
  - Version (Category dimension)
  - Account (Account dimension)
  - Trading partner
  - Scenario
  - Scope
  - Time

### 2.5 Security:

- 2.5.1 Best practice implementation of security via teams.
- 2.5.2 A framework for security must be provided for TFR to extend the security model.
- 2.5.3 Secured dimensions must include:
  - Version
  - Audit\_Trail
  - Bus\_Unit
  - Scenario

2.5.4 Task profiles that must be provided for:

- BPC Analyst
- BPC Administrator
- BPC Planner

2.6 Business Process Flows:

2.6.1 Business Process Flow(s) (BPF) to support Direct Input and/or Driver based Input for strategic operational and balance sheet business processes.

2.7 Audit Trail: Include audit trail functionality.

2.8 Master and Transactional Data:

2.8.1 The vendor must assist the client in mapping their source data to SAP Strategic Financial Planning rapid-deployment solution. Accelerators in the form of transformation and conversions files must be available.

**3. Delta Business Scope for Strategic Financial Planning**

- 3.1 Include planning templates (input schedules) on the same lines as the long term planning excels used by TFR i.e. replicate TFR planning templates in BPC through changing all 6 standard input schedules of the RDS.
- 3.2 Change the reporting format to that desired by TFR – Year to date reporting format is required.
- 3.3 Custom develop driver based planning and what-if analysis with the same drivers and calculations that is currently used in TFR's excel (cost) driver based model.
- 3.4 Create functionality for 3 forecasting scenarios.

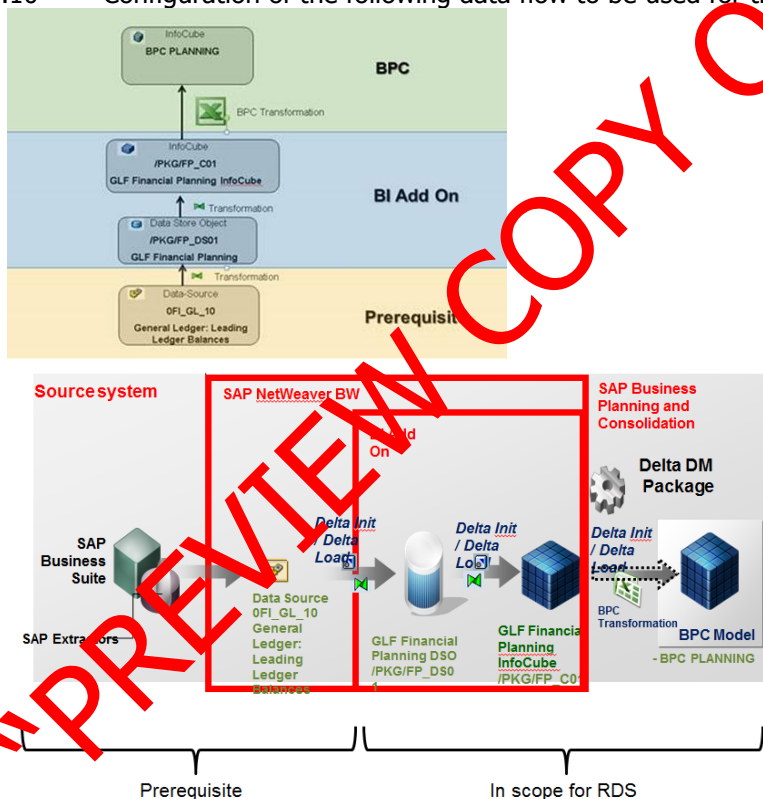
**4. Business Scope for G/L Financial Planning RDS**

- 4.1 Automated master data load process for key master data tables based on SAP ECC (Account, Company, Cost Center, Functional Area, Profit Center and Trading Partner).
- 4.2 Advanced delta load process for new G/L transaction data based on SAP ECC.
- 4.3 Support for hierarchy load for each of three key dimensions: G/L account, cost center and profit center.
- 4.4 Hierarchy maintained in BPC for time, company code, functional area and audit trail.
- 4.5 A single version/category of planning open at any time with a recommended archive strategy as part of the solution.
- 4.6 Best practise templates and calculations to allow users to get a fast start when analysing and collaborating on new G/L data in SAP planning and consolidation.

- 4.7 Reports: Trend reporting, variance reporting – year over year and actual versus plan, SAP ECC: reconciliation report and standard reports for SAP planning and consolidation.
- 4.8 Input forms: profit center planning, cost center planning, balance sheet planning and foreign exchange rate planning, including live foreign exchange calculations.
- 4.9 Configuration of the following automated package links:

Package Link Name
ACCOUNT load
COMPANY_CODE load
COST_CENTER load
FUNCTIONAL_AREA load
PROFIT_CENTER load
TRADING_PARTNER load
Transactional DELTA BW Data load
Transactional FULL BW Data load

- 4.10 Configuration of the following data flow to be used for transactional data.



## 5. Delta Business Scope for G/L Financial Planning

- 5.1 Requirement for a change in the source code to accommodate special characters other than `-&%/' in the key of the info objects values.
- 5.2 Requirement to load 5-7 years of actual data from SAP NetWeaver BW to SAP BPC.
- 5.3 Cater for more than 2 million records of actual data. It is a requirement to load larger data sets than that called out in the RDS service offering; accommodate, load and reconciliation of more records.
- 5.4 Make provision for Info Objects to be loaded into SAP BPC as they may have more than 50,000 records which are not catered for via the standard RDS.
- 5.5 RDS only makes provision for the following dimensions; GL\_ACCOUNT, COMPANY\_CODE, COST\_CENTER, FUNCTIONAL\_AREA, PROFIT\_CENTER, TIME, TRADING\_PARTNER and VERSION. TFR requires planning at INTERNAL ORDER level to be configured.
- 5.6 RDS does not make provision for commentary capabilities; however this is a requirement that will need to be configured.
- 5.7 BPC makes provision for work status, but it is not included in the standard RDS offering. This will need to be configured as an additional service. Work status is a feature that allows the users to lock regions of data to prevent it from being overwritten.
- 5.8 RDS does not provide retraction to SAP ECC, the requirement to retract/send data from and to SAP BPC to/from ECC will need to be implemented.
- 5.9 Requirement to import planned information from external sources such as flat/text files will need to be configured
- 5.10 Reports will need to be custom built based on TFR requirements
- 5.11 RDS does not make provision for Plant Maintenance integration to BPC, only G/L data is imported from ECC to BW to BPC. PM data such as work centers will need to be implemented; this refers to configuration of BW and BPC to facilitate the integration of PM models with the existing G/L model in BPC.



## 6. Integration

### 6.1 Integration with Transnet Group Personnel Cost Planning (PCP).

Transnet Group is the parent organisation of Transnet Freight Rail (TFR). The parent and OD, TFR, have 2 separate ERP instances that exist on separate infrastructure and are supported and managed by different teams. Transnet Group has implemented PCP (Personnel Cost Planning). PCP populates an info-cube on the Transnet Group BW (Business Warehouse) system from which reports are generated. Our requirement is to have this integrated into BPC and can be achieved as follows;

Send information directly from Transnet Group's BW to TFR's BW instance. Security concerns around sensitive information can be controlled by restrictions imposed on users SAP accounts.

### 6.2 Integration with SAP Plant Maintenance.

### 6.3 Integration with Business Objects for reporting capability

### 6.4 Integration with SAP and non-SAP applications.

## 7. Geographical/Location Scope

7.1 The geographical scope of the project will be restricted to South Africa. The project will be executed from TFR's head offices in Johannesburg. Training will be conducted at TFR's head offices in Johannesburg. The train the trainer approach will be utilised where the various trainers (super users) will be flown in to the head office to attend the training. There would therefore be no need for the service provider's trainer to fly to specific regions to perform training. In the unlikely event of the need arising for the service provider trainer to fly to a specific region, the service provider will need to adhere to TFR's travel policy (e.g. economy class will be booked for domestic flights in SA).

## 8. Support and Support Contracts

The vendor must include costing for the following;

8.1 The project implementation and change management will be performed by TFR. Even though change management will not be a deliverable of the selected vendor, the vendor will be required to assist and guide the project team with change management activities.

8.2 Three (3) months post go-live support.

8.3 One (1) year support contract to support the application, configure change requests in the application and perform the required knowledge transfer to staff who will support the system post the 1 year support contract.

## 9. User training and knowledge transfer

The nature of an accelerated RDS Deployment indicates a need for a planned, structured, and active knowledge transfer approach.

- 9.1 As noted in point 7; user training will comprise training super users (trainers) in Johannesburg.
- 9.2 Train the trainer training will be conducted for approximately 45 users at TFR's head office. The users will be trained in 4 sessions with a total of 11 users (one session with 12) attending a session. The vendor is to indicate the duration of each session based on the content and complexity thereof.
- 9.3 Knowledge transfer to the TFR support team will focus on providing a solid understanding of the functions and capabilities of the SAP solution and should be accomplished primarily through a combination of workshop(s) and joint sharing of Project work effort and responsibilities.
- 9.4 Technical training will need to be delivered to the TFR ICTM support staff, a total of approximately 5 users, to accompany the knowledge transfer.
- 9.5 Training and knowledge transfer must be accompanied by the required user manuals and support documentation to aid users in performing the required tasks. The vendor will be required to document the training manuals according to the standards set by TFR School of Rail. The vendor will also be required to aid TFR to migrate the training material to TFR's online E-Learning platform to make it available to resources geographically dispersed across SA.
- 9.6 Training for both super users and TFR technical team must be accompanied by a formal training plan and schedule detailing the items to be covered and dates that the training is to take place.
- 9.7 All intellectual property rights for the training and material is to be owned by TFR and no other party post the implementation of the system.
- 9.8 All training is to be accompanied by a certification issued by the vendor to the attendee indicating that the attendee is now competent and certified in the aspect trained on (be it super user or technical). This certification is obviously subject to the attendee displaying competency in the aspects trained.

## 10. Reports

- 10.1 As advised in point 6.3; Integration with Business Objects for reporting capability must be performed.
- 10.2 All BPC standard reports need to be enabled.
- 10.3 The vendor will be required to develop BPC reports in BPC as well as SAP Business Objects and Business Warehouse.

## 11. Key Technical Components

- 11.1 The vendor selected must use accelerated SAP (ASAP) for rapid-deployment solution implementation methodology.
- 11.2 The vendor must have SAP HANA experience and capability to implement SAP BPC on both a HANA platform and be able to migrate SAP BPC from a non-HANA to HANA platform.
- 11.3 The vendor must have RDS implementation experience and references.
  - 11.3.1 Evidence of similar project in the form of testimonials from existing/ past clients of the duration, location and purpose of use of the service being offered.
- 11.4 A technical evaluation team from TFR will visit a vendor's reference site where a similar project has been deployed. TFR will advise the vendor to pre-arrange the visit to the selected reference site. A team of critical role players will visit the site to perform the site visit evaluation. The team will assess the reference site based on specified criteria (check list) to evaluate the success of the vendor's deployment at the reference site. Site visits only apply to shortlisted vendors who have been successfully evaluated against Technical and BBEE evaluation.
- 11.5 Provide proof that the resources who will undertake the job is fully qualified and accredited as an expert on SAP as well as proof that the vendor is a valid SAP certified partner. The business entity must provide a valid SAP certification for (SAP BPC, SAP Business Objects, BW, SAP HANA, ASAP RDS and integration into other SAP modules).
- 11.6 Human resources that the bidder intend assigning to the project to perform the tasks must be skilled in the required SAP technologies with relevant SAP qualifications. Attach resources CV's for proof. (TFR reserves the right to interview any of the project resources).
- 11.7 To ensure maximum efficiency throughout the project, it would be advantageous if the project team is based in and operates from within the greater Johannesburg area. This will ensure that there are no dependencies on resources based abroad which could possibly contribute to project delays.
- 11.8 The vendor must ensure that sufficient resources are assigned and dedicated to the project to ensure that it is completed within the said time frame.
- 11.9 If the vendor has RDS implementation experience within a rail environment, this will be ideal, but will not exist as a disqualification criteria.
- 11.10 The vendor must be able to deliver the requirements within the time frame specified; commencement on the 1<sup>st</sup> February 2016 to go live by 31<sup>st</sup> July 2016.
- 11.11 The vendor must demonstrate that their company is in a sound financial state by presenting financial (audited results) for the last 3 years. (current year plus 2 previous years)

## 12. Other

- 12.1 A formalised blueprint to initiate and guide the project.
- 12.2 The implementation of BPC must allow for the creation of core financial statements such as Income Statement, Balance Sheet and Cash Flow Statement.
- 12.3 BPC must allow for simple calculation and ratio illustration such as EBITDA, RONA, and ROA etc.
- 12.4 TFR understands that data management is the responsibility of the business entity utilising the dataset. The vendor will be required to provide guidance and aid with the data cleansing exercise. The vendor will also be required to assist with data migration from the legacy system and upload to the new implementation.
- 12.5 Role based profiles will need to be defined and setup according to TFR standards and requirements.
- 12.6 The vendor must ensure that audit trail capability is configured to track and maintain all system changes performed with the implementation and on-going maintenance of BPC.
- 12.7 Programme Structure
- 12.7.1 The work will be preceded by blueprint workshops.
- 12.7.2 Execution of the project will be carried out by certified SAP resources with proven experience in implementing this solution.
- 12.8 Technical
- 12.8.1 The solution must be based on SAP Standard best practice. This includes all process re-engineering that is required.
- 12.8.2 Reports and other outputs must also be available in PDF document format.
- 12.8.3 Access to the system should be granted to trained personnel after the end user training programme.
- 12.8.4 Administrator rights to be granted to selected TFR staff for hand-over period.
- 12.9 Compliance
- 12.9.1 High quality Project Plans that includes risks, issue logs, timelines and resource plan.

## 13. Scope Exclusion

- Software and licensing for SAP BPC
- Hardware requirements for SAP BPC

**14. Compliance to mandatory requirements by presenting the following:**

- a. Quality Assurance Plan – the plan that displays the quality checks that occur at each stage of the project.
- b. Financial Capacity (Audited Financials). Current year plus 2 previous years.
- c. Provide a high quality activity base Project Plan.
- d. Provide a similar successful implemented project (1) with reference subject to onsite verification.
- e. Bidders must provide proof that their entity is an accredited SAP partner.
- f. The business entity must provide a valid SAP certification for (SAP BPC, SAP HANA, SAP Business Objects, BW, ASAP RDS and for integration into other SAP modules).
- g. Human resources that the bidder intend assigning to the project to perform the tasks must be skilled in the required SAP technologies with relevant SAP qualifications. Please attach resource's CV's for proof. (TFR reserves the right to interview any of the project resources).

**15. FUNCTIONAL REQUIREMENTS**

Once implemented, SAP BPC should provide the following:

- A system that facilitates TFR's budget process without the need for disparate excel spread sheets or data entered in duplicate.
- Provide reports in the format specified by the functional specification informed by business.
- Integration into SAP Plant Maintenance.
- Integration into Transnet Group Personnel Cost Planning.

**The following items are noted as requirements as per the business case;**

- 15.1** The following functions within SAP BPC have been identified as functional requirements within the three spheres: Budgeting, Forecasting and Management Accounting;

BUDGETING	FORECASTING	MANAGEMENT ACCOUNTING
Top-Down, Bottom-up	Rolling forecast	Management report packs
Multi-currency budgeting processes	Sensitivity analysis	Ad hoc reporting
<b>Sales, revenue and planning</b>	Multiple forecast	Automated variance analysis
HR budgeting	Re-forecast	Comparative reporting (Act vs Bud)
<b>Driver based budgeting</b>	Forecast accuracy analysis	Driver analyses (industry, growth, capacity, etc)
<b>Capital expenditure planning</b>	Version comparison	Book publishing wizard (HTML, PDF, etc)
Capacity planning		Simulation (Act vs Bud)
Workforce planning		Derived cash flow
<b>Expense budgeting</b>		
Line item detail		
Budgeted financial statement reports (P&L, balance sheet, cash flow)		
Version comparison		
Global rates/drivers		
Allocations and target setting		
Commentary		
Offline capability		

\* Items in bold face with the background shaded being the most important

## 15.2 Migration of SAP BPS to BPC

Replace the existing BPS system by implementing BPC to enable a complete and integrated budgeting, reporting and forecasting solution.

This requirement includes **Expense (Opex) Budgeting:**

Finance managers of functional areas and business units are currently very dependent on the head office Finance department. These managers complete spread sheet templates with their department's budget and send these files to Finance HQ to upload in SEM-BPS. This process relies on a key man dependency as well as the resources with Finance time being utilized inefficiently.

Finance managers of functional areas also capture budgets without the correct level of information. Instead of listing all the activities by quantity, unit and price, with the associated Rand value, users capture the quantity as 1 with the total Rand amount required. This restricts the capability to perform analysis since the required level of data cannot be achieved.

With the implementation of SAP BPC, the current as-is process for expense budgeting can be streamlined with workflow capabilities and allow users at the source to capture budgets directly into BPC without dispersed input files or rework required by Finance HQ. The requirement is to streamline the current expenditure budget process. This requirement would also place the onus and responsibility of cost centre budgets rightfully with the cost centre manager.

### 15.3 Automation of Driver Based Model

An Excel Driver Based Model has been developed by the Finance team with the assistance of external consultants. This model relies on the configuration of macros and various formulas within the spreadsheet. The traffic file, customer information and other external inputs are used along with manual input as a basis for the budget. The Driver Based Model is a critical budgeting tool as it creates the year's budget integration point. At present, the model is not transparent, requires a large amount of manual input and lacks version control, which causes a multitude of issues. The requirement is therefore to automate the model by incorporating it into BPC to benefit from advantages such as version control, audit trails and business process flow configuration.

### 15.4 Integrate to Transnet Group Personnel Cost Planning (PCP)

At present, Group is in the process of implementing BPC (Personnel Cost Planning), there will therefore be a requirement to integrate into PCP to allow for information sharing between the two platforms.

## 16. PERFORMANCE REQUIREMENTS

### 16.1 Performance required of the solution:

- 16.1.1 Quality assessment will be performed by TFR against processes and functions as specified by the relevant SAP functional module.

### 16.2 Performance KPI's:

- 16.2.1 Daily reports on faults attended to.
- 16.2.2 Effectively communicate on progress.
- 16.2.3 Advise TFR when necessary on best practices processes.
- 16.2.4 Ensures that all project objectives are met according to project plan.
- 16.2.5 Proactively communicate risks and issues.
- 16.2.6 Have weekly/monthly status meeting.
- 16.2.7 Provide weekly and monthly reports.
- 16.2.8 Invoicing to be based on work done.

## OTHER REQUIREMENTS

All other requirements such as post go live support, support and maintenance contract, training and delta requirement over and above the RDS functionality is documented along with the rest of the scope under section, Technical Specification/Requirements.

## **IMPLEMENTATION REQUIREMENTS**

The selected bidder will be provided with a 1 month preparation period to prepare their resources and gear up their organisation to deploy the project at TFR. This month is not billable and will merely allow the selected vendor to get his house in order in preparation for the deployment. This period will also allow TFR to ensure that all requirements and resources are in place and available for the commencement of the project. The implementation will be required before the deadline of the 31<sup>st</sup> July 2016.

### **4. GREEN ECONOMY / CARBON FOOTPRINT**

Transnet wishes to have an understanding of your company's position with regard to environmental commitments, including key environmental characteristics such as waste disposal, recycling and energy conservation. *Please submit details of your entity's policies in this regard.*

### **5. GENERAL SERVICE PROVIDER OBLIGATIONS**

- 5.1** The Service Provider(s) shall be fully responsible to Transnet for the acts and omissions of persons directly or indirectly employed by them.
- 5.2** The Service Provider(s) must comply with the requirements stated in this RFP.



## **Clause by Clause Technical Compliance Declaration**

The declaration response is to contain ONLY the following statements, "Comply", or "Do not comply" only. Comments as to the reason for the deviation from the requirement are required.

<b>CLAUSE</b> (refer to page 12-20)	<b>COMPLY</b>	<b>DO NOT COMPLY</b>	<b>COMMENT/S</b>
<b>1. RDS scope</b>			
1.1			
1.2			
1.3			
<b>2. Business scope for strategic financial planning RDS</b>			
<b>2.1 Input schedules</b>			
2.1.1			
2.1.2			
<b>2.2 Logic to be configured for worksheets script logic, business rules or dimension member formulas:</b>			
2.2.1			
2.2.2			
<b>2.3 Reports</b>			
2.3.1			
2.3.2			
2.3.3			
2.3.4			
2.3.5			
2.3.6			
<b>2.4 Data models and dimensions:</b>			
2.4.1			
2.4.2			
2.4.3			

	<b>COMPLY</b>	<b>DO NOT COMPLY</b>	<b>COMMENT/S</b>
<b>2.5 Security</b>			
2.5.1			
2.5.2			
2.5.3			
2.5.4			
<b>2.6 Business process flows:</b>			
2.6.1			
<b>2.7 Audit trail: Include audit trail functionality</b>			
<b>2.8 Master and transactional data:</b>			
2.8.1			
<b>3. Delta business scope for strategic financial planning</b>			
3.1			
3.2			
3.3			
3.4			
<b>4. Business scope for G/L financial planning RDS</b>			
4.1			
4.2			
4.3			
4.4			
4.5			
4.6			
4.7			
4.8			
4.9			
4.10			

	<b>COMPLY</b>	<b>DO NOT COMPLY</b>	<b>COMMENT/S</b>
<b>5. Delta Business scope for G/L financial planning</b>			
5.1			
5.2			
5.3			
5.4			
5.5			
5.6			
5.7			
5.8			
5.9			
5.10			
5.11			
<b>6. Integration</b>			
6.1			
6.2			
6.3			
6.4			
<b>7. Geographical/location scope</b>			
7.1			
<b>8. Support and support contracts</b>			
8.1			
8.2			
8.3			

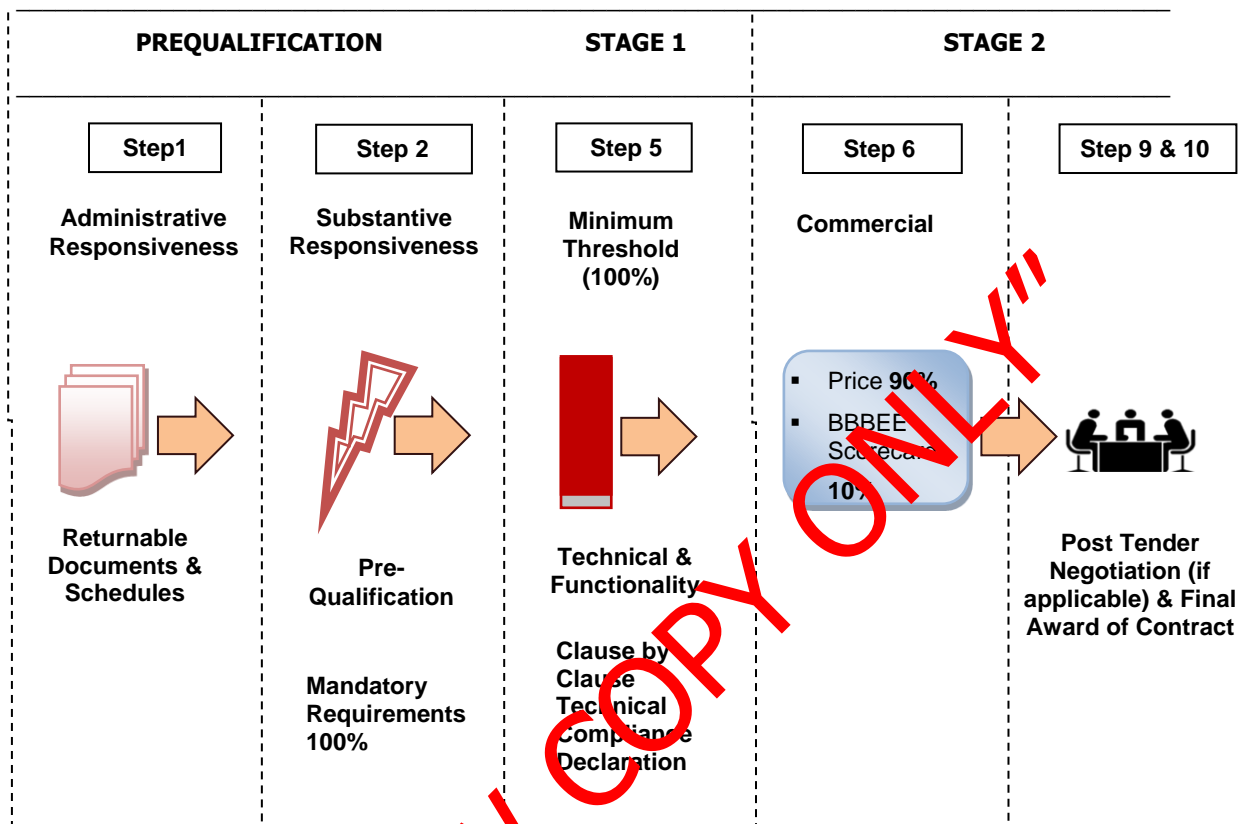
	<i>COMPLY</i>	<i>DO NOT COMPLY</i>	<i>COMMENT/S</i>
<b>9. User training and knowledge transfer</b>			
9.1			
9.2			
9.3			
9.4			
9.5			
9.6			
9.7			
9.8			
<b>10. Reports</b>			
10.1			
10.2			
10.3			
<b>11. Vendor Evaluation Criteria</b>			
11.1			
11.2			
11.3			
11.3.1			
11.4			
11.5			
11.6			
11.7			
11.8			
11.9			
11.10			

	<b>COMPLY</b>	<b>DO NOT COMPLY</b>	<b>COMMENT/S</b>
<b>12. Other</b>			
12.1			
12.2			
12.3			
12.4			
12.5			
12.6			
<b>12.7 Programme Structure</b>			
12.7.1			
12.7.2			
<b>12.8 Technical</b>			
12.8.1			
12.8.2			
12.8.3			
12.8.4			
<b>12.9 Compliance</b>			
12.9.1			

**"PREVIEW COPY ONLY"**

## 6. EVALUATION METHODOLOGY AND CRITERIA

Transnet will utilise the following methodology and criteria in selecting a preferred Service Provider, if so required:



**NB:** Evaluation of the various stages will normally take place in a sequential manner. However, in order to expedite the process, Transnet reserves the right to conduct the different stages of the evaluation process in parallel. In such instances the evaluation of bidders at any given stage must therefore not be interpreted to mean that bidders have necessarily passed any previous stage(s).

### 6.1 STEP 1: Administrative Responsiveness

Administrative responsiveness check	RFP Reference
<ul style="list-style-type: none"> <li>Whether the Bid has been lodged on time.</li> </ul>	Section 1 paragraph 3
<ul style="list-style-type: none"> <li>Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time.</li> </ul>	Section 4
<ul style="list-style-type: none"> <li>Provide the name of subcontractor if applicable.</li> </ul>	Section 2 (Point 6, Step 1 Returnable docs)
<ul style="list-style-type: none"> <li>Verify the validity of all returnable documents.</li> </ul>	Section 4
<b>The test for administrative responsiveness (Step One) must be passed for a Respondent's Proposal to progress to (Step Two) for further pre-qualification</b>	

## 6.2 STEP 2: Substantive Responsiveness (Pre-qualification) Mandatory 100%

The service provider must provide evidence of compliance to the following:

- Provide a quality assurance plan which displays the quality checks that occur at each stage of the project.
- Provide a high quality activity base project plan.
- Financial Capacity (Audited Financials). Current year plus 2 previous years.
- Provide a similar successful implemented project (1) with reference (subject to onsite verification).
- Bidders must provide proof that their entity is an accredited SAP partner.
- The business entity must provide a valid SAP certification for (SAP ECC, SAP HANA, SAP Business Objects, BW, ASAP RDS and integration into other SAP modules).
- Human resources that the bidder intend assigning to the project to perform the tasks must be skilled in the required SAP technologies with relevant experience. Please attach resources CV's for proof. (TFR reserves the right to interview any of the project resources).

**NB: Non-compliance with the abovementioned mandatory requirements shall result in disqualification of the prospective bidders.**

*The test for substantive responsiveness (Step Two) must be passed for a Respondent's Proposal to progress to (Step Five) for further evaluation*

## 6.3 STEP 5: Technical Evaluation: 100% Minimum Threshold

Technical Criteria	% Weightings
Clause by clause Technical Compliance Declaration.	100%

*The minimum threshold for technical/functionality (Step five) must be met for a Respondent's Proposal to progress to (Step six) for final evaluation*

## 6.4 STEP 6: Evaluation and Final Weighted Scoring

### a) Price Criteria [Weighted score 90 points]:

Evaluation Criteria	RFP Reference
---------------------	---------------

Transnet will utilise the following formula in its evaluation of Price:

$$PS = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where:

$Ps$  = Score for the Bid under consideration

$Pt$  = Price of Bid under consideration

$Pmin$  = Price of lowest acceptable Bid

### b) Broad-Based Black Economic Empowerment criteria [Weighted score 10 points]

- B-BBEE - current scorecard / B-BBEE Preference Points Claims Form
- Preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table indicated in Section 7, 4 (4.1) of the B-BBEE Preference Points Claim Form.

## 6.5 SUMMARY: Applicable Thresholds and Final Evaluated Weightings

Thresholds	Minimum Percentage [100%]
Technical	100%

Evaluation Criteria	Final Weighted Scores
Price	90
BBBEE	10
<b>TOTAL SCORE:</b>	<b>100</b>

**NB: HIGHEST RANKED BIDDER/S WILL BE SUBJECT TO SITE VISIT**

## 7. STEP 9: Post Tender Negotiations (if applicable)

Transnet reserves the right to conduct post tender negotiations with a shortlist of Respondent(s). The shortlist could comprise of one or more Respondents. Should Transnet conduct post tender negotiations, Respondents will be requested to provide their best and final offers to Transnet based on such negotiations. A final evaluation will be conducted in terms of 90/10.



## 8. STEP 10: Final Contract Award

Transnet will negotiate the final terms and condition of the contract with the successful Respondent(s). This may include aspects such as Supplier Development, the B-BBEE Improvement Plan, Price and Delivery. Thereafter the final contract will be awarded to the successful Respondent(s).

### **IMPORTANT NOTICE TO RESPONDENTS**

Transnet has appointed a Procurement Ombudsman to investigate any **material complaint** in respect of RFPs exceeding R5million [five million S.A. Rand] in value. Should a Respondent have any material concern regarding an RFP process which meets this threshold, a complaint may be lodged with the Ombudsman for further investigation. The Ombudsman reserves the right to refer the complaint to an external service provider for investigation.

It is incumbent on the Respondent to familiarise himself/herself with the Terms of Reference OF the Ombudsman which are available for review at Transnet's website [www.transnet.net](http://www.transnet.net).

An official complaint form may be downloaded from this website and submitted, together with any supporting documentation, within the prescribed period, to [procurement.ombud@transnet.net](mailto:procurement.ombud@transnet.net).

For transactions below the abovementioned threshold a complaint may be lodged with the Chief Procurement Officer of the relevant Transnet Operating Division/Specialist Unit.

Respondents are to note that a complaint must be made in good faith. If a complaint is made in bad faith, Transnet reserves the right to place such a Bidder on its List of Excluded Bidders.

### Section 3: PRICING AND DELIVERY SCHEDULE

Respondents are required to complete the table below:

Item No	Deliverables	Unit Price [ZAR]	Total Price (ZAR)
1.	Supply and configuration (as per clause 2 of scope inclusion) for the RDS; Strategic Financial Planning		
2.	Configuration of Delta requirements for the RDS: Strategic Financial Planning (as per clause 3 of scope inclusion)		
3.	Supply and configuration (as per clause 4 of scope inclusion) for the RDS; G/L Financial Planning		
4.	Configuration of Delta requirements for the RDS: G/L Financial Planning (as per clause 5 of scope inclusion)		
5.	Configuration of Integration requirements (as per clause 6 of scope inclusion)		
6.	Training: Train the trainer for business super users (refer to clause 9.2 of scope inclusion)		
7.	Training: Technical training for ICTM team (refer to clause 9.4 of scope inclusion)		
8.	Supply of documentation and provision for training material (for all training) (refer to clause 9.5 of scope inclusion)		
9.	Assistance to LER for capturing training on the E-Learning platform and provision for certification to trained users (refer to clause 9.5 of scope inclusion)		
10.	Support Contracts (see clause 8.2 of scope inclusion); 3 months post go-live support		
11.	Support Contracts (see clause 8.3 of scope inclusion); 1 year support contract		
12.	Provision for the pricing associated with the development of reports must be included in the items listed above (where applicable).		
	<b>OTHER:</b> Other costs quoted that are not covered as per above need to be detailed so that the evaluation committee can review these costs for acceptance.		

<b>13.</b>	Support Services: Assist TFR Change Management team to manage change as a result of system implementation		
<b>14.</b>	Assistance with Data Cleansing Activities		
<b>15.</b>	Potential Travel Costs		
<b>16.</b>	Licensing, hardware, Software, Devices, Networks – Not Applicable as catered for by TFR		
<b>TOTAL PRICE (Exclusive of VAT)</b>		<b>R</b> _____	<b>R</b> _____

**Notes to Pricing:**

- a) Item 6 and 7 (Train the trainer and technical training) must be quoted per person.
- b) Prices must be quoted in South African Rand, exclusive of VAT.
- c) Prices quoted must be held valid for a period of **90 days** from closing date of this RFP.
- d) **To facilitate like-for-like comparison bidders must submit pricing strictly in accordance with this pricing schedule and not utilise a different format. Deviation from this pricing schedule could result in a bid being declared non responsive.**
- e) Please note that should you have offered a discounted price(s), Transnet will only consider such price discount(s) in the final evaluation stage if offered on an unconditional basis.
- f) Respondents are to indicate whether prices quoted would be subject to adjustment after a period of **12 months**, and if so which proposed adjustment factor(s) would be utilised.
- g) Respondents, if awarded the contract, are required to indicate that their prices quoted would be kept firm and fixed for a period of 12 months, subject thereafter to adjustment (i.e. after the initial period of 12 months), utilising the following price index/indices/adjustment formula. [Not to be confused with bid validity period Section 1, clause 1]

<b>YES</b>	
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## 1. "AS AND WHEN REQUIRED" CONTRACTS

- 1.1 Purchase orders will be placed on the Service provider(s) from time to time as and when Services are required.
- 1.2 Transnet reserves the right to place purchase orders until the last day of the contract for deliveries to be effected, within the delivery period / lead time specified, beyond the expiry date of the contract under the same terms and conditions as agreed upon.
- 1.3 The Respondent must state hereunder its annual holiday closedown period [if applicable] and whether this period has been included in the delivery lead time offered:

\_\_\_\_\_  
Respondents are required to indicate below the action that the Respondent proposes to take to ensure continuity of supply during non-working days or holidays  
\_\_\_\_\_

## 2. EXCHANGE AND REMITTANCE

The attention of the Respondents is directed to clause 16 [*Exchange and Remittance*] of the General Bid Conditions. If Transnet is requested by the Respondent to effect payment overseas direct to the Respondent's principal or service provider, which is not a registered South African Company please complete the details below, using the rate of exchange published by the South African Reserve Bank 7 [seven] calendar days before the closing date of this RFP:

- a. ZAR 1.00 [South African currency] being equal to \_\_\_\_\_ [*foreign currency*]
- b. \_\_\_\_\_ % in relation to tendered price(s) to be remitted overseas by Transnet
- c. \_\_\_\_\_ [Name of country to which payment is to be made]
- d. Beneficiary details:
- e. Name [Account holder] \_\_\_\_\_  
Bank [Name and branch code] \_\_\_\_\_  
Swift code \_\_\_\_\_  
Country \_\_\_\_\_
- f. \_\_\_\_\_ [Applicable base date of Exchange Rate used]

Respondents are advised that should a contract be awarded for deliveries on an "as and when required" basis, any future remittance(s) to overseas principals/service providers, as instructed above, will be based on the currency rate of exchange related to the contractual price of the Services at that time.

Respondents should note that Transnet would prefer to receive fixed price offers expressed in South African Rand [ZAR].

### 3. SERVICE LEVELS

- 3.1 An experienced national account representative(s) is required to work with Transnet's procurement department. [No sales representatives are needed for individual department or locations]. Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.
- 3.2 Transnet will have quarterly reviews with the Service provider's account representative on an on-going basis.
- 3.3 Transnet reserves the right to request that any member of the Service provider's team involved on the Transnet account be replaced if deemed not to be adding value for Transnet.
- 3.4 The Service provider guarantees that it will achieve a 95% [ninety-five per cent] service level on the following measures:
- a. Random checks on compliance with quality/quantity/specifications
  - b. On-time delivery
- If the Service provider does not achieve this level as an average over each quarter, Transnet will receive a 1.5% [one and a half per cent] rebate on quarterly sales payable in the next quarter
- 3.5 The Service provider must provide a telephone number for customer service calls.
- 3.6 Failure of the Service provider to comply with stated service level requirements will give Transnet the right to cancel the contract in whole, without penalty to Transnet, giving 30 [thirty] calendar days' notice to the Service provider of its intention to do so.

#### Acceptance of Service Levels:

YES	
-----	--

NO	
----	--

### 4. TOTAL COST OF OWNERSHIP AND CONTINUOUS IMPROVEMENT INITIATIVES

- 4.1 Respondents shall indicate whether they would be committed, for the duration of any contract which may be awarded through this RFP process, to participate with Transnet in its continuous improvement initiatives to reduce the total cost of ownership [TCO], which will reduce the overall cost of transportation services and related logistics provided by Transnet's operating divisions within South Africa to the ultimate benefit of all end-users.

#### Accepted:

YES	
-----	--

NO	
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If "yes", please specify details in paragraph 4.2 below.

- 4.2 Respondents must briefly describe their commitment to TCO and continuous improvement initiatives and give examples of specific areas and strategies where cost reduction initiatives can be introduced. Specific areas and proposed potential savings percentages should be included. Additional information can be appended to the Respondent's Proposal if there is insufficient space available below.

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## 5. RISK

Respondents must elaborate on the control measures put in place by their entity, which would mitigate the risk to Transnet pertaining to potential non-performance by a Service provider, in relation to:

### 5.1 Quality and specification of Services delivered :

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### 5.2 Continuity of supply:

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### 5.3 Compliance with the Occupational Health and Safety Act, 85 of 1993:

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## 6. REFERENCES

Please indicate below a minimum of 3 company names and contact details of previous or existing customers whom Transnet may contact to seek third party evaluations of your service levels:

NAME OF COMPANY	CONTACT PERSON	TELEPHONE

**7. FINANCIAL STABILITY**

Respondents are required to submit their latest audited financial statements for the past 3 years with their Proposal in order to enable Transnet to establish financial stability.

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**SIGNATURE OF WITNESSES**

**ADDRESS OF WITNESSES**

1 \_\_\_\_\_

Name \_\_\_\_\_

2 \_\_\_\_\_

Name \_\_\_\_\_

**SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:** \_\_\_\_\_

NAME: \_\_\_\_\_

DESIGNATION: \_\_\_\_\_

#### Section 4: PROPOSAL FORM AND LIST OF RETURNABLE DOCUMENTS

I/We \_\_\_\_\_

[name of entity, company, close corporation or partnership] of full address

\_\_\_\_\_

carrying on business trading/operating as \_\_\_\_\_

represented by \_\_\_\_\_

in my capacity as \_\_\_\_\_

being duly authorised thereto by a Resolution of the Board of Directors or Members or Certificate of Partners, dated \_\_\_\_\_ to enter into, sign execute and complete any documents relating to this proposal and any subsequent Agreement. The following list of persons are hereby authorised to negotiate on behalf of the abovementioned entity, should Transnet decide to enter into Post Tender Negotiations with shortlisted bidders.

**FULL NAME(S)**

**CAPACITY**

**SIGNATURE**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I/We hereby offer to supply the abovementioned Services at the prices quoted in the schedule of prices in accordance with the terms set forth in the documents listed in the accompanying schedule of RFP documents

I/We agree to be bound by those conditions in Transnet's:

- (i) Terms and Conditions of Contract – Services OR Master Agreement;
- (ii) General Bid Conditions – Services; and
- (iii) any other standard or special conditions mentioned and/or embodied in this Request for Proposal.

I/We accept that unless Transnet should otherwise decide and so inform me/us in the letter of award/intent, this Proposal [and, if any, its covering letter and any subsequent exchange of correspondence], together with Transnet's acceptance thereof shall constitute a binding contract between Transnet and me/us.



Should Transnet decide that a formal contract should be signed and so inform me/us in a letter of intent [the **Letter of Intent**], this Proposal [and, if any, its covering letter and any subsequent exchange of correspondence] together with Transnet's Letter of Intent, shall constitute a binding contract between Transnet and me/us until the formal contract is signed.

I/We further agree that if, after I/we have been notified of the acceptance of my/our Proposal, I/we fail to enter into a formal contract if called upon to do so, or fail to commence the provision of Services within 4 [four] weeks thereafter, Transnet may, without prejudice to any other legal remedy which it may have, recover from me/us any expense to which it may have been put in calling for Proposals afresh and/or having to accept any less favourable Proposal.

I/We accept that any contract resulting from this offer will be for a period of ..... only.

Furthermore, I/we agree to a penalty clause/s to be negotiated with Transnet, which will allow Transnet to invoke a penalty against us for non-compliance with material terms of this RFP including the delayed delivery of the Goods due to non-performance by ourselves, failure to meet B-BBEE Improvement Plan commitments. A penalty of up to 100% of the outstanding portion of the Supplier Development commitment will be applied and Transnet reserves the right to set this off against any payment due to the Respondent. In addition, I/we agree that non-compliance with any of the material terms of this RFP, including those mentioned above, will constitute a material breach of contract and provide Transnet with cause for cancellation.

#### **ADDRESS FOR NOTICES**

The law of the Republic of South Africa shall govern any contract created by the acceptance of this RFP. The *domicilium citandi et executandi* shall be a place in the Republic of South Africa to be specified by the Respondent hereunder, at which all legal documents may be served on the Respondent who shall agree to submit to the jurisdiction of the courts of the Republic of South Africa. Foreign Respondents shall, therefore, state hereunder the name of their authorised representative in the Republic of South Africa who has the power of attorney to sign any contract which may have to be entered into in the event of their Proposal being accepted and to act on their behalf in all matters relating to such contract.

Respondent to indicate the details of its *domicilium citandi et executandi* hereunder:

Name of Entity: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

#### **NOTIFICATION OF AWARD OF RFP**

As soon as possible after approval to award the contract(s), the successful Respondent [the **Service Provider**] will be informed of the acceptance of its Proposal. Unsuccessful Respondents will be advised in writing of the name of the successful Service Provider and the reason as to why their Proposals have been unsuccessful, for example, in the category of price, delivery period, quality, B-BBEE status or for any other reason.

## VALIDITY PERIOD

Transnet requires a validity period of 90 [ninety] working days [from closing date] against this RFP.

## NAME(S) AND ADDRESS / ADDRESSES OF DIRECTOR(S) OR MEMBER(S)

The Respondent must disclose hereunder the full name(s) and address(s) of the director(s) or members of the company or close corporation [C.C.] on whose behalf the RFP is submitted.

- (i) Registration number of company / C.C. \_\_\_\_\_
- (ii) Registered name of company / C.C. \_\_\_\_\_
- (iii) Full name(s) of director/member(s)      Address/Addresses      ID Number(s)

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## DISCLOSURE OF PRICES TENDERED

Respondents must indicate below whether Transnet may disclose their tendered prices and conditions to other Respondents:

YES		NO	
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## PRICE REVIEW

The successful Respondent(s) [the Service Provider] will be obliged to submit to an annual price review. Transnet will be benchmarking this price offering(s) against the lowest price received as per a benchmarking exercise. If the Service Provider's price(s) is/are found to be higher than the benchmarked price(s), then the Service Provider shall match or better such price(s) within 30 [thirty] days, failing which the contract may be terminated at Transnet's discretion or the particular service(s) purchased outside the contract.

## RETURNABLE DOCUMENTS

All Sections, as indicated in the footer of each page, must be signed, stamped and dated by the Respondent.

**Returnable Documents** means all the documents, Sections and Annexures, as listed in the tables below.

### a) Mandatory Returnable Documents

***Failure to provide all mandatory Returnable Documents at the closing date and time of this tender will result in a Respondent's disqualification. Bidders are therefore urged to ensure that all these Documents are returned with their Proposals.***

Please confirm submission of the mandatory Returnable Documents detailed below by so indicating [Yes or No] in the table below:

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
<b>SECTION 2:</b> Clause by Clause Technical Compliance Declaration.	
A Quality Assurance Plan Document.	
A High Quality Activity Base Project Plan.	
Audited Financial Statements. (current year plus 2 previous years)	
A similar successful implemented project (1) with reference.	
Bidders must provide proof that their entity is an accredited SAP partner.	
Valid SAP Certification for (SAP BPC, SAP HANA, SAP Business Objects, BW, ASAP RDS and integration into other SAP modules), and attach resources CV's.	
<b>SECTION 3:</b> Pricing and Delivery Schedule.	

b) **Essential Returnable Documents**

In addition to the requirements of section (a) above, Respondents are further required to submit with their Proposals the following **Essential Returnable Documents** as detailed below.

***Failure to provide all Essential Returnable Documents may result in a Respondent's disqualification at Transnet's sole discretion. Bidders are therefore urged to ensure that all these documents are returned with their Proposals.***

Please confirm submission of these Essential Returnable Documents by so indicating [Yes or No] in the table below:

ESSENTIAL RETURNABLE DOCUMENTS & SCHEDULES	SUBMITTED [Yes or No]
Receipt for payment of RFP documents [paragraph 1]	
SECTION 2: Name of subcontractor if applicable.	
SECTION 4 : Proposal Form and List of Returnable documents	
<ul style="list-style-type: none"> <li>- Valid and original, or a certified copy, of your entity's B-BBEE Accreditation Certification as per the requirements stipulated in the B-BBEE Claims Form Section 7. <b>Note:</b> failure to provide these required documents at the closing date and time of the RFP will result in an automatic score of zero being allocated for preference.</li> </ul>	
<ul style="list-style-type: none"> <li>- In the case of Joint Ventures, a copy of the Joint Venture Agreement or written confirmation of the intention to enter into a Joint Venture Agreement.</li> </ul>	
<ul style="list-style-type: none"> <li>- Latest Financial Statements signed by your Accounting Officer or latest Audited Financial Statements plus 2 previous years.</li> </ul>	
SECTION 5 : RFP Declaration and Breach of Law Form	
Original and valid Tax Clearance Certificate [Consortia / Joint Ventures must submit a separate Tax Clearance Certificate for each party]	
SECTION 7 : B-BBEE Preference Claim Form	
SECTION 8 : Certificate of attendance of compulsory RFP Briefing	

**c) Additional Documents**

In addition to the requirements of paragraphs (a) and b) above, Respondents are further requested to submit with their Proposals the following **additional documents** as detailed below.

Please confirm submission of these additional documents by so indicating [Yes or No] in the table below:

ADDITIONAL DOCUMENTS	SUBMITTED [Yes or No]
ANNEXURE A : B-BBEE Improvement Plan	

## CONTINUED VALIDITY OF RETURNABLE DOCUMENTS

The successful Respondent will be required to ensure the validity of all returnable documents, including but not limited to its Tax Clearance Certificate and valid B-BBEE Verification Certificate, for the duration of any contract emanating from this RFP. Should the Respondent be awarded the contract **[the Agreement]** and fail to present Transnet with such renewals as and when they become due, Transnet shall be entitled, in addition to any other rights and remedies that it may have in terms of the eventual Agreement, to terminate such Agreement forthwith without any liability and without prejudice to any claims which Transnet may have for damages against the Respondent.

**By signing these RFP documents, the Respondent is deemed to acknowledge that he/she has made himself/herself thoroughly familiar with all the conditions governing this RFP, including those contained in any printed form stated to form part hereof, and Transnet SOC Ltd will recognise no claim for relief based on an allegation that the Respondent overlooked any such condition or failed properly to take it into account for the purpose of calculating tendered prices or otherwise.**

Bidders furthermore agree that Transnet SOC Ltd shall recognise no claim from them for relief based on an allegation that they have overlooked any RFP/contract condition or failed to take it into account for the purpose of calculating their offered prices or otherwise.

Bidders accept that an obligation rests on them to clarify any uncertainties regarding any bid which they intend to respond on, before submitting the bid. The Bidder agrees that he/she will have no claim based on an allegation that any aspect of this RFP was unclear but in respect of which he/she failed to obtain clarity.

Alternatively, for all existing vendors, please provide vendor number(s) here:

Transnet Operating Division	Unique Vendor Number	Yes / No
Transnet Group		
TFK, etc.		

In the Yes/No column above, please confirm that all the information e.g. company address and contact details, banking details etc. are still correct as at the time of allocation of the vendor number(s).

\*(available on Transnet's website or upon request)

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**SIGNATURE OF WITNESSES**

**ADDRESS OF WITNESSES**

1 \_\_\_\_\_  
Name\_\_\_\_\_

\_\_\_\_\_

2 \_\_\_\_\_  
Name\_\_\_\_\_

\_\_\_\_\_

**SIGNATURE OF RESPONDENT'S AUTHORIZED REPRESENTATIVE:**

\_\_\_\_\_  
NAME: \_\_\_\_\_  
DESIGNATION: \_\_\_\_\_

**FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET  
FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS**

**Section 5: RFP DECLARATION AND BREACH OF LAW FORM**

NAME OF ENTITY: \_\_\_\_\_

We \_\_\_\_\_ do hereby certify that:

1. Transnet has supplied and we have received appropriate responses to any/all questions [as applicable] which were submitted by ourselves for RFP Clarification purposes;
2. we have received all information we deemed necessary for the completion of this Request for Proposal [RFP];
3. we have been provided with sufficient access to the existing Transnet facilities/sites and any and all relevant information relevant to the Services as well as Transnet information and Employees, and has had sufficient time in which to conduct and perform a thorough due diligence of Transnet's operations and business requirements and assets used by Transnet. Transnet will therefore not consider or permit any pre- or post-contract verification or any related adjustment to pricing, service levels or any other provisions/conditions based on any incorrect assumptions made by the Respondent in arriving at his Bid Price.
4. at no stage have we received additional information relating to the subject matter of this RFP from Transnet sources, other than information normally received from the designated Transnet contact(s) as nominated in the RFP documents;
5. we are satisfied, insofar as our entity is concerned, that the processes and procedures adopted by Transnet in issuing this RFP and the requirements requested from Bidders in responding to this RFP have been conducted in a fair and transparent manner; and
6. furthermore, we declare that a family, business and/or social relationship **exists / does not exist** [delete as applicable] between an owner / member / director / partner / shareholder of our entity and an employee or board member of the Transnet Group including any person who may be involved in the evaluation and/or adjudication of this Bid.
7. In addition, we declare that an owner / member / director / partner / shareholder of our entity **is / is not** [delete as applicable] an employee or board member of the Transnet Group.
8. If such a relationship as indicated in paragraph 6 and/or 7 exists, the Respondent is to complete the following section:

FULL NAME OF OWNER/MEMBER/DIRECTOR/  
PARTNER/SHAREHOLDER:

ADDRESS:

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Indicate nature of relationship with Transnet:

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*[Failure to furnish complete and accurate information in this regard will lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet.]*

9. We declare, to the extent that we are aware or become aware of any relationship between ourselves and Transnet [other than any existing and appropriate business relationship with Transnet] which could unfairly advantage our entity in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.
10. We accept that any dispute pertaining to this Bid will be resolved through the Ombudsman process and will be subject to the Terms of Reference of the Ombudsman. The Ombudsman process must first be exhausted before judicial review of a decision is sought.
11. We further accept that Transnet reserves the right to reverse an award of business or decision based on the recommendations of the Ombudsman without having to follow a formal court process to have such award or decision set aside.

#### BREACH OF LAW

12. We further hereby certify that I/we (the bidding entity and/or any of its directors, members or partners) **have/have not been** [delete as applicable] found guilty during the preceding 5 [five] years of a serious breach of law, including but not limited to a breach of the Competition Act, 89 of 1998, by a court of law, tribunal or other administrative body. The type of breach that the Respondent is required to disclose excludes relatively minor offences or misdemeanours, e.g. traffic offences. This includes the imposition of an administrative fine or penalty.

Where found guilty of such a serious breach, please disclose:

NATURE OF BREACH:

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DATE OF BREACH: \_\_\_\_\_

Furthermore, I/we acknowledge that Transnet SOC Ltd reserves the right to exclude any Respondent from the bidding process, should that person or entity have been found guilty of a serious breach of law, tribunal or regulatory obligation.



SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

For and on behalf of  _____  duly authorised hereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	Registration No of Company/CC
Place:	Registration Name of Company/CC

"PREVIEW COPY ONLY"

**FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET  
FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS**

**Section 6: RFP CLARIFICATION REQUEST FORM**

RFP No: **HOAC-HO-19354**

RFP deadline for questions / RFP Clarifications: Before **10:00 on 21 October 2015**

TO: Transnet SOC Ltd  
ATTENTION: Patricia Chauke  
EMAIL: [Patricia.Chauke@transnet.net](mailto:Patricia.Chauke@transnet.net)  
DATE: \_\_\_\_\_  
FROM: \_\_\_\_\_

RFP Clarification No *[to be inserted by Transnet]* .....

**REQUEST FOR RFP CLARIFICATION**

\_\_\_\_\_  
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# FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS

## Section 7: B-BBEE PREFERENCE POINTS CLAIM FORM

This preference form contains general information and serves as a claim for preference points for Broad-Based Black Economic Empowerment [B-BBEE] Status Level of Contribution.

### 1. INTRODUCTION

- 1.1 A total of ..... preference points shall be awarded for B-BBEE Status Level of Contribution.
- 1.2 Failure on the part of a Bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System [SANAS] or a Registered Auditor approved by the Independent Regulatory Board of Auditors [IRBA] or an Accounting Officer as contemplated in the Close Corporation Act [CCA] together with the bid will be interpreted to mean that preference points for B-BBEE Status Level of Contribution are not claimed.
- 1.3 Transnet reserves the right to require of a Bidder, either before a Bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by Transnet.

### 2 GENERAL DEFINITIONS

- 2.1 "all applicable taxes" include value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.1 "B-BBEE" means Broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 2.2 "B-BBEE status of contributor" means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.3 "Bid" means a written offer in a prescribed or stipulated form in response to an invitation by Transnet for the provision of goods, works or services;
- 2.4 "Broad-Based Black Economic Empowerment Act" means the Broad-Based Black Economic Empowerment Act, 2003 [Act No. 53 of 2003];
- 2.5 "comparative price" means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
- 2.6 "consortium or joint venture" means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract;
- 2.7 "contract" means the agreement that results from the acceptance of a bid by Transnet;

- 2.8 **"EME"** means any enterprise with an annual total revenue of R5 [five] million or less as per the 2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of R10 [ten] million or less as per the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928;
- 2.9 **"firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs and excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the recurring costs of any service, for the execution of the contract;
- 2.10 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.11 **"non-firm prices"** means all prices other than "firm" prices;
- 2.12 **"person"** includes reference to a juristic person;
- 2.13 **"QSE"** means any enterprise with an annual total revenue between R5 [five] million and R35 [thirty five] million as per the 2007 version of the B-BBEE Codes of Good Practice and means any enterprise with an annual total revenue of between R10 [ten] million and R50 [fifty] million as per the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928
- 2.14 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **"subcontract"** means the primary contractor's assigning or leasing or making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Empowerment Act and promulgated in the Government Gazette on 9 February 2007;
- 2.17 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### 3 ADJUDICATION USING A POINT SYSTEM

- 3.1 The Bidder obtaining the highest number of total points for the evaluation criteria as enumerated in Section 2 of the RFP will be awarded the contract, unless objective criteria justifies the award to another bidder.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- 3.3 Points scored will be rounded off to 2 [two] decimal places.
- 3.4 In the event of equal points scored, the Bid will be awarded to the Bidder scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more Bids have scored equal points including equal preference points for B-BBEE, the successful Bid will be the one scoring the highest score for functionality.
- 3.6 Should two or more Bids be equal in all respect, the award shall be decided by the drawing of lots.

### 4 POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 4.1 In terms of the Preferential Procurement Regulations, 2011, preference points shall be awarded to a Bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points [Maximum 10]
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

- 4.2 Bidders who qualify as EMEs in terms of the 2007 version of the Codes of Good Practice must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EME's with B-BBEE Status Level Certificates.
- 4.3 Bidders who qualify as EMEs in terms of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928 are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R10 million or less and the entity's Level of Black ownership.

- 4.4 In terms of the 2007 version of the Codes of Good Practice, Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.5 The Department of Trade and Industry recently revised the Codes of Good Practice on 11 October 2013 [Government Gazette No. 36928]. The Revised Codes will replace the Black Economic Empowerment Codes of Good Practice issued on 9 February 2007. The Revised Codes provide for a transitional period ending 30 April 2015. During the transitional period, companies may elect to be measured in terms of the Revised Codes or the 2007 version of the Codes. Companies which are governed by Sector-specific Codes will be measured in terms of those Sector Codes.
- 4.6 As such, Transnet will accept B-BBEE certificates issued based on the Revised Codes. Transnet will also continue to accept B-BBEE certificates issued in terms of the 2007 version of the Codes provided it was issued before 1 May 2015. Thereafter, Transnet will only accept B-BBEE certificates issued based on the Revised Codes.
- 4.7 In terms of the Revised Codes of Good Practice, Bidders who qualify as QSEs must comply with all the elements of B-BBEE for the purposes of measurement. QSEs that are at least 51% or 100% Black owned are only required to obtain a sworn affidavit on an annual basis confirming that the entity has an Annual Total Revenue of R50 million or less and the entity's Level of Black ownership. Large enterprises must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 4.8 A trust, consortium or joint venture will qualify for points for its B-BBEE status level as a legal entity, provided that the entity submits its B-BBEE status level certificate.
- 4.9 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.
- 4.10 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialised scorecard contained in the B-BBEE Codes of Good Practice.
- 4.11 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 subcontracting more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not qualify for at least the same number of points that such a Bidder qualifies for, unless the intended subcontractor is an EME that has the capability and ability to execute the subcontract.
- 4.12 A person awarded a contract may not subcontract more than 25% [twenty-five per cent] of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

- 4.13 Bidders are to note that in terms of paragraph 2.6 of Statement 000 of the Revised Codes of Good Practice issued on 11 October 2013 in terms of Government Gazette No. 36928, any representation made by an entity about its B-BBEE compliance must be supported by suitable evidence or documentation. As such, Transnet reserves the right to request such evidence or documentation from Bidders in order to verify any B-BBEE recognition claimed.

## 5 B-BBEE STATUS AND SUBCONTRACTING

### 5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

B-BBEE Status Level of Contributor \_\_\_\_\_ = \_\_\_\_\_ [maximum of 10 points]

Note: Points claimed in respect of this paragraph 5.1 must be in accordance with the table reflected in paragraph 4.1 above and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit in the case of an EME or QSE.

### 5.2 Subcontracting:

Will any portion of the contract be subcontracted? YES/NO [delete which is not applicable]

If YES, indicate:

- (i) What percentage of the contract will be subcontracted? .....%
- (ii) The name of the subcontractor .....
- (iii) The B-BBEE status level of the subcontractor .....
- (iv) Is the subcontractor an EME? YES/NO

### 5.3 Declaration with regard to Company/Firm

- (i) Name of Company/Firm.....
- (ii) VAT registration number.....
- (iii) Company registration number.....
- (iv) Type of Company / Firm [TICK APPLICABLE BOX]

- ☐ Partnership/Joint Venture/Consortium
- ☐ One person business/sole propriety
- ☐ Close Corporations
- ☐ Company (Pty) Ltd

(v) Describe Principal Business Activities

.....  
.....

(vi) Company Classification [TICK APPLICABLE BOX]

☐ Manufacturer

☐ Supplier

☐ Professional Service Provider

☐ Other Service Providers, e.g Transporter, etc

(vii) Total number of years the company/firm has been in business.....

#### **BID DECLARATION**

I/we, the undersigned, who warrants that he/she is duly authorised to act on behalf of the company/firm, certify that points claimed, based on the B-BBEE status level of contribution indicated in paragraph 4 above, qualifies the company/firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 6 above, the contractor may be required to furnish documentary proof to the satisfaction of Transnet that the claims are correct.
- (iii) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, Transnet may, in addition to any other remedy it may have:
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) restrict the Bidder or contractor, its shareholders and directors, and/or associated entities, or only the shareholders and directors who acted in a fraudulent manner, from obtaining business from Transnet for a period not exceeding 10 years, after the *audi alteram partem* [hear the other side] rule has been applied; and/or
  - (e) forward the matter for criminal prosecution.

#### **WITNESSES:**

1. ....

2. ....

SIGNATURE OF BIDDER

DATE:.....

COMPANY NAME: .....

ADDRESS:.....



**FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET  
FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS**

**Section 8: CERTIFICATE OF ATTENDANCE OF RFP BRIEFING**

It is hereby certified that –

1. \_\_\_\_\_

2. \_\_\_\_\_

Representative(s) of \_\_\_\_\_ *[name of entity]*

attended the RFP briefing in respect of the proposed Services to be rendered in terms of this RFP on  
\_\_\_\_\_ 20\_\_\_\_

\_\_\_\_\_  
**TRANSNET'S REPRESENTATIVE**

\_\_\_\_\_  
**RESPONDENT'S REPRESENTATIVE**

DATE \_\_\_\_\_

DATE \_\_\_\_\_

EMAIL \_\_\_\_\_

## FOR THE PROVISION OF ACTIVITY BASED BUDGETING SOLUTION FOR TRANSNET FREIGHT RAIL FOR A PERIOD OF TWENTY ONE (21) MONTHS

### Section 9: B-BBEE IMPROVEMENT PLAN

Transnet encourages its Suppliers to constantly strive to improve their B-BBEE rating and requests that Respondents submit a B-BBEE improvement plan. Respondents are therefore requested to indicate whether they will maintain or improve their BBBEE status over the contract period.

#### Additional contractual requirements

Should a contract be awarded through this RFP process, the successful Respondent(s) may be contractually committed, *inter alia*, to the following conditions:

- a) The original B-BBEE Improvement Plan may require certain additions and updates in order to ensure that Transnet is satisfied that developmental objectives will be met.
- b) The Supplier will need to ensure that the relevant mechanisms and procedures are in place to allow Transnet access to information to measure and verify the Supplier's compliance with its stated B-BBEE Improvement commitments.
- c) The Supplier will be required to provide
  - (i) quarterly status reports for Transnet; and
  - (ii) a final B-BBEE Improvement Plan report, to be submitted to Transnet prior to the expiry date of the contract, detailing delivery, implementation and completion of all B-BBEE Improvement components.
- d) All information provided by the Supplier in order to measure its progress against its stated targets will be auditable.

Respondents are requested to submit their B-BBEE Improvement Plan as an **additional document** with their Proposals by completion of **Annexure A** appended hereto.

## ANNEXURE A: B-BBEE IMPROVEMENT PLAN

Transnet encourages its Suppliers/Service Providers to constantly strive to improve their B-BBEE rating. Whereas Respondents will be allocated points in terms of a preference point system based on its B-BBEE scorecard, in addition to such scoring, Transnet also requests that Respondents submit a B-BBEE improvement plan. Respondents are therefore requested to indicate the extent to which their ownership, management control, Supplier Development, Preferential Procurement and Enterprise Development will be maintained or improved over the contract period.

Respondents are requested to submit their B-BBEE Improvement Plan as an additional document with their Proposals.

*Respondents are to insert their current status (%) and future targets (%) for the B-BBEE Improvement Plan [i.e. not the % change but the end-state quantum expressed as a percentage] in the table below. This will indicate how you intend to sustain or improve your B-BBEE rating over the contract period. On agreement, this will represent a binding commitment to the successful Respondent.*

*Transnet reserves the right to request supporting evidence to substantiate the commitments made in the B-BBEE Improvement Plan.*

OWNERSHIP INDICATOR	Required Responses	Current Status (%)	Future Target (%)
1. The percentage of the business owned by Black <sup>2</sup> persons.	<i>Provide a commitment based on the extent to which ownership in the hands of Black persons as a percentage of total ownership of the organisation would be sustained or increased over the contract period.</i>		
2. The percentage of your business owned by Black women.	<i>Provide a commitment based on the extent to which ownership in the hands of Black women as a percentage of total ownership of the organisation would be sustained or increased over the contract period.</i>		
3. The percentage of the business owned by Black youth <sup>3</sup>	<i>Provide a commitment based on the extent to which ownership in the hands of Black youth as a percentage of total ownership of the organisation would be sustained or increased over the contract period.</i>		
4. The percentage of the business owned by Black persons living with disabilities	<i>Provide a commitment based on the extent to which ownership in the hands of Black disabled persons as a percentage of total ownership of the organisation would be sustained or increased over the contract period.</i>		
5. New Entrants <sup>4</sup> (Early stage business)	<i>Provide a commitment based on the extent to which new entrants will be supported over the contract period.</i>		

2 "**Black**" means South African Blacks, Coloureds and Indians, as defined in the B-BBEE Act, 53 of 2003

3 "**Black youth**" means Black persons from the age of 16 to 35

4 "**New Entrants**" means an early stage business which is similar to a start-up. However, an early stage business is typically 3 years old or less.

MANAGEMENT CONTROL INDICATOR	Required Responses	Current Status (%)	Future Targets (%)
6. The percentage of Black Board members in relation to the total number of Board members	<i>Provide a commitment based on the extent to which the number of Black Board members, as a percentage of the total Board, would be sustained or increased over the contract period.</i>		
7. The percentage of Black female Board members in relation to the total number of Board members	<i>Provide a commitment based on the extent to which the number of Black female Board members, as a percentage of the total Board, would be sustained or increased over the contract period.</i>		
8. Black Executives directors as a percentage of all executive directors	<i>Provide a commitment based on the extent to which the number of Black executive Directors as a percentage of all Executive Directors would be sustained or increased over the contract period.</i>		
9. Black female Executives directors as a percentage of all executive directors	<i>Provide a commitment based on the extent to which the number of Black female executive Directors as a percentage of all Executive Directors would be sustained or increased over the contract period.</i>		
Other Executive Management	Required Response	Current Status (%)	Future Targets (%)
10. Black Executive Management as a percentage of all executive directors	<i>Provide a commitment based on the extent to which the number of Black executive Managers as a percentage of all Executive Directors would be sustained or increased over the contract period.</i>		
11. Black Female Executive Management as a percentage of all executive directors	<i>Provide a commitment based on the extent to which the number of Black female executive Managers as a percentage of all Executive Directors would be sustained or increased over the contract period.</i>		
Senior Management	Required Response	Current Status (%)	Future Targets (%)
12. Black employees in Senior Management as a percentage of all senior management	<i>Provide the percentage of Blacks that would be appointed or retained by the Board and would be operationally involved in the day to day <b>senior management</b> of the business, with individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of <b>overall strategy</b>, over the contract period.</i>		
13. Black female employees in Senior Management as a percentage of all senior management	<i>Provide the percentage of Black females that would be appointed or retained by the Board and would be operationally involved in the day to day <b>senior management</b> of the business, with</i>		

	<i>individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of <b>overall strategy</b>, over the contract period.</i>		
<b>Middle Management</b>	<b>Required Response</b>	<b>Current Status (%)</b>	<b>Future Targets (%)</b>
14. Black employees in Middle Management as a percentage of all middle management	<i>Provide the percentage of Blacks that would be retained or appointed by the organisation in the <b>middle management</b> cadre and would be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the <b>day to day management</b> of the organisation, over the contract period.</i>		
15. Black female employees in Middle Management as a percentage of all middle management	<i>Provide the percentage of Black females that would be retained or appointed by the organisation in the <b>middle management</b> cadre and would be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the <b>day to day management</b> of the organisation, over the contract period.</i>		
<b>Junior Management</b>	<b>Required Response</b>	<b>Current Status (%)</b>	<b>Future Targets (%)</b>
16. Black employees in Junior management as a percentage of all junior management	<i>Provide a commitment based on the extent to which the number of Black Junior Managers as a percentage of the total junior Managers, would be sustained or increased over the contract period.</i>		
17. Black female employees in Junior management as a percentage of all junior management	<i>Provide a commitment based on the extent to which the number of Black female Junior Managers as a percentage of the total junior Managers, would be sustained or increased over the contract period.</i>		
<b>Employees with disabilities</b>	<b>Required Response</b>	<b>Current Status (%)</b>	<b>Future Targets (%)</b>
18. Black employees with disabilities as a percentage of all employees	<i>Provide a commitment based on the extent to which the percentage of Black disabled employees, in relation to the total of all employees in the organisation, would be sustained or increased over the contract period.</i>		

PREFERENTIAL PROCUREMENT INDICATOR	Required Responses	Current Status (%)	Future Targets (%)
19. B-BBEE procurement spend from all Empowering Suppliers <sup>5</sup> based on the B-BBEE procurement recognition level as a percentage of total measured procurement spend	<i>Provide a commitment based on the extent to which B-BBEE spend from all Empowering Suppliers would be sustained or increased over the contract period.</i>		
20. 20 B-BBEE procurement spend from all Empowering Suppliers QSEs based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	<i>Provide a commitment based on the extent to which B-BBEE spend from Empowering Supplier QSEs would be sustained or increased over the contract period</i>		
21. B-BBEE procurement spend from Exempted Micro- Enterprise based on the applicable B-BBEE procurement recognition Levels as a percentage of Total Measured Procurement Spend	<i>Provide a commitment based on the extent to which B-BBEE spend from EMEs would be sustained or increased over the contract period</i>		
22. B-BBEE procurement spend from Empowering Suppliers that are at least 51% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	<i>Provide a commitment based on the extent to which spend from Empowering Suppliers who are more than 51% Black-owned would be maintained or increased over the contract period.</i>		
23. B-BBEE procurement spend from Empowering Suppliers that are at least 50% black women owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	<i>Provide a commitment based on the extent to which spend from Empowering Suppliers who are more than 30% Black women-owned would be maintained or increased over the contract period.</i>		

<sup>5</sup> **"Empowering Suppliers"** means a B-BBEE compliant entity, which should meet at least three of the following criteria if it is a Large Enterprise or one if it is a QSE:

(a) At least 25% of cost of sales excluding labour cost and depreciation must be procured from local producers or local supplier in SA, for service industry labour cost are included but capped to 15%.

(b) Job creation - 50% of jobs created are for Black people provided that the number of Black employees since the immediate prior verified B-BBEE Measurement is maintained.

(c) At least 25% transformation of raw material/beneficiation which include local manufacturing, production and/or assembly, and/or packaging.

(d) Skills transfer - at least spend 12 days per annum of productivity deployed in assisting Black EMEs and QSEs beneficiaries to increase their operation or financial capacity.

24. B-BBEE Procurement Spent from Designated Group <sup>6</sup> Suppliers that are at least 51% Black owned	<i>Provide a commitment based on the extent to which spend from suppliers from Designated Group Suppliers that are at least 51% Black owned would be maintained or increased over the contract period.</i>		
<b>SUPPLIER DEVELOPMENT INDICATOR</b>	<b>Required Response</b>	<b>Current Status (%)</b>	<b>Future Target (%)</b>
25. Annual value of all Supplier Development <sup>7</sup> Contributions made by the Measured entity as a percentage of the target	<i>Provide a commitment based on the percentage in your organisation's annual spend on Supplier Development initiatives, will be maintained or improved over the contract period.</i>		
<b>ENTERPRISE DEVELOPMENT INDICATOR</b>	<b>Required Response</b>	<b>Current Status (%)</b>	<b>Future Target (%)</b>
26. The organisation's annual spend on Enterprise Development <sup>8</sup> as a percentage of Net Profit after Tax [NPAT]	<i>Provide a commitment based on the retention or increase in your organisation's annual spend on Enterprise Development initiatives, as a percentage of its Net Profit after Tax, over the contract period.</i>		

<sup>6</sup> "Designated Groups" means:

- a) unemployed black people not attending and required by law to attend an educational institution and not awaiting admission to an educational institution;
- b) black people who are youth as defined in the National Youth Commission Act of 1996;
- c) black people who are persons with disabilities as defined in the Codes of Good Practice on employment of people with disabilities issued under the Employment Equity Act;
- d) black people living in rural and under developed areas; and
- e) black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011.

<sup>7</sup> "Supplier Development" means monetary or non-monetary contributions carried out for the benefit of value-adding suppliers to the Measured Entity, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:

- (a) Supplier Development Contributions to suppliers that are Exempted Micro-Enterprises or Qualifying Small Enterprises which are at least 51% black owned or at least 51% black women owned.

Supplier Development within the contest of the B-BBEE scorecard must be differentiated from Transnet's Supplier Development Initiatives. Whereas the former relates to the definition above, the latter relates to improving the socio-economic environment through initiatives that are committed to as part of a contract award that contribute to the development of a competitive supplier base in relation to a particular industry.

<sup>8</sup> "Enterprise Development" means monetary and non-monetary contributions carried out for the following beneficiaries, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:

- (a) Enterprise Development Contributions to Exempted Micro-Enterprises or Qualifying Small Enterprises which are at least 51% Black owned or at least 51% Black women owned;