

# **Client Engagement Model Guidelines for Contract 570/2007 Transversal Services Contract**

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# **SITA**

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Approval

The signatories hereof, being duly authorised thereto, by their signatures hereto authorise the execution of the work detailed herein, or confirm their acceptance of the contents hereof and authorise the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.

  
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Foreword

This document contains a summary of the utilisation of acquisitioning the acquiring of IT Services Contract (RFB570/2007).

This document is applicable to all public bodies for action and/or information.

“Public Body” means:  
a parliament or a provincial legislature;  
a constitutional institution or Public entity as defined in Section 1 of the PFMA (Act no 1 of 1999); or  
a municipality contemplated in Section 155(1) of the constitution

References

1. Acquisitioning of IT Services – DPSA/SITA [RFB-570/2007 – 2007-09-30]

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## Client to Supplier Engagement Model for Contract RFB 570/2007

### 1 Purpose

- 1.1 The purpose of this document is to provide guidelines on how Contract RFB 570 shall be used by the client. The set guidelines shall ensure operational efficiency with respect to services required by the client.

### 2 Background

- 2.1 It was identified by the Standing Committee on Procurement of the GITO Counsel that a Contract for rendering IT Services to the client is needed. In line with the SITA Act 1998 (as amended) and the SITA regulations, this need was identified as a transversal need in Government. The Department of Public Service and Administration is thus the designated department for this contract in line with the SITA Regulations.

### 3 Definition of a service

- 3.1 The acquisition of a specific "*managed skill set*" for a period of time.
  - 3.1.1 **Inclusion:**  
delivery of the service through a skills set by supplier (Human resource management of individuals by the supplier).
  - 3.1.2 **Exclusions:**
    - 3.1.2.1 Hardware, meaning no computer hardware or peripherals may be acquired in terms of this tender;
    - 3.1.2.2 acquisition of software;
    - 3.1.2.3 no skill set may be acquired to specifically develop a total solution, meaning;
    - 3.1.2.4 Public Entities should only use this contract to obtain specific skills that it lacks in-house to render a service.
  - 3.1.2.5 Public Entities should not use this contract to acquire software
  - 3.1.2.6 Public Entities should not use this contract to lease software
  - 3.1.2.7 Public Entities are not allowed to obtain a managed skills set to execute a specific project; and
  - 3.1.2.8 Public labour-saving devices (meaning, for example, test equipment, cellular phones, back-bone equipment, consumables etc.)

**'Managed skill set'** means a group of resources that has specific skills that is contracted to supply a specific service to the client. This group will be managed by the contracted service provider.

### 4 Contract utilisation

- 4.1 The client (all public bodies) is allowed to make use of this contract. The client may:

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- 4.1.1 directly contract with the accredited suppliers enrolled on the contract for rendering services; or
- 4.1.2 enter into a Service Level Agreement with SITA to acquire and provide the services.

## **5 Description of bid model**

- 5.1 In terms of this bid, contractors are placed on two different lists under the same contract. The purpose of the two lists is to mitigate possible risk to the client. The lists encompass the following:
  - 5.1.1 List A: those service providers placed on the first list (list A) according to the accreditation criteria are providers that can reasonably be trusted to render services in excess of Rm2 (two million rand).
  - 5.1.2 List B: the purpose of list B is to provide smaller and market entrant SMMEs and BEEs that are unable to meet the full accreditation criteria of this bid, with an opportunity to do business with public bodies.
- Note** It must however be noted that the client, as accounting authority, has the ability to make use of service providers on both these lists within the delegations of the Public Financial Management Act.

## **6 Client to supplier engagement**

- 6.1 Issue a task directive: In order to engage the supplier, the client shall issue the suppliers on the list with a task directive according to the following model:
  - 6.1.1 The task directive shall be issued on a rotational basis to at least 5 (five) suppliers on the contract that are accredited to render the applicable service. Each task directive shall be published to a different group of 5 suppliers of the specific service until the whole list has had the opportunity to respond to a task directive. The client has the freedom to choose the method of publication of the task directive. The following criteria are applicable:
    - 6.1.1.1 The client is entitled to choose the method of publication of the task directive.
    - 6.1.1.2 If less than 5 (five) suppliers are accredited for the delivery of a specific service, the directive must be issued to all the accredited suppliers in the region.
    - 6.1.1.3 The client however, has the freedom to issue a directive to all the suppliers of the service on the list regardless of the region in which the client is situated.
    - 6.1.1.4 If the client is of the opinion that the services cannot be procured in the region, service providers in other regions may be issued with the task directive.

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- 6.1.1.5 Nationally based clients' task directive requirements shall be published in regions or nationally for regional requirements as the client determines.
- 6.2 Task directive evaluation criteria: the contracting client that publishes the task directive shall:
- 6.2.1 Determine the evaluation criteria that are applicable to every task directive and evaluate the responses in line with those criteria.
- 6.2.2 If the cost related to a task directive is more than R30,000.00, the evaluation criteria of the Preferential Procurement Regulations, 2001 are applicable. However, this need not be requested from the suppliers as the BEE/SME status of all suppliers shall be published with this contract information on the SITA Contracting Portal and the client shall be able to obtain it from there. The client shall thus **not** be responsible for re-evaluating the BEE/SME part of the accredited suppliers but make use of the points published on the SITA website. However the client is entitled the freedom to re-evaluate the scoring as required. It is reiterated that a policy of set-asides may not be followed. Business must be awarded points for equity ownership in which case no points for equity ownership shall be scored by businesses owned solely by white males. It may not, however, be a pre-condition that suppliers must score a minimum mark for equity ownership or be excluded from evaluation.
- 6.2.3 All responses to the task directive shall be evaluated on the principle of minimising risk and optimising the decision of risk between the supplier as the contractor and the public body as the principal. It is therefore essential that, amongst others, at least the capacity and ability of potential suppliers should include specific evaluation criteria for the specific service required. As an example, it may be specified that, for specific types of consultants, the bidders must submit proof of their qualifications and indicate proof of their ability to execute the service, etc. These minimum qualification criteria should be compiled by the accounting officers and the criteria shall vary from service to service. Accounting officers or authorities are empowered to group services according to the requirements identified in their environments.
- 6.2.4 Bids received should be evaluated against the criteria specified in the task directives. It must be emphasized that no additional evaluation criterion may be included after the closure of the validity period of the task directive. Only suppliers that meet the requirement specified may be evaluated to render the specific service.
- 6.2.5 When public bodies are in a need of the services specified in the contract, they are empowered to only approach those companies listed on the contract to submit quotations in response to a task directive.

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6.2.6 The supplier scoring the highest number of points should be appointed unless objective criteria justifies the award to another supplier, as prescribed in section 2(f) of the PPPFA Act No. 5 of 2000.

**6.3 Selection and contracting:**

6.3.1 After the client has made a selection of a successful supplier, the client shall enter into an independent contract and SLA with the supplier (a draft contract shall be available on [www.sita.co.za](http://www.sita.co.za)).

6.3.2 The client must provide the SITTA contract manager on this contract with a copy of all orders placed for services in this contract on a quarterly basis.

6.3.2.1 That is:  
6.3.2.1.1 end of June;  
6.3.2.1.2 end of September;  
6.3.2.1.3 end of December; and  
6.3.2.1.4 end of March.

6.3.3 However if the client desires to obtain the services through SITTA, the task directive may be issued by the client to SITTA or the service can be negotiated in an SLA with SITTA.

6.3.3.1 If SITTA has the capacity to render this service it may choose not to engage suppliers on this contract for the delivery of this service.

6.3.3.2 SITTA can also be required to issue a task directive to the suppliers on the Contract on behalf of a department.

6.3.4 A template for the task directive is available on [www.sita.co.za](http://www.sita.co.za).

6.3.5 The suppliers can be requested to respond to a task directive within 5 (five) working days. Only in exceptional cases can less than 5 (five) working days be negotiated with the suppliers on the list. Continued use of shorter time frames can be viewed as not fair as suppliers would not have been given sufficient time to prepare their responses, and as such, may be prejudiced.

**7 Bid evaluation process**

If a departmental official has any interests in a bidding company it is illegal for such an official to participate in the evaluation process of the responses on the task directive.

**8 Termination of a service**

8.1 The client is entitled to terminate the services of the provider if unsatisfactory performance by the service provider is proven.

8.2 The client reserves the right to, after following the necessary escalation procedure, terminate the contract for the provision of the service.

8.2.1 The following escalation procedure should be followed:

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8.2.1.1 The supplier shall be notified of the unsatisfactory service via the agreed communication model as per the supplier/client contract.

8.2.1.2 If a satisfactory solution cannot be reached between the client and the supplier the contractual agreement can be terminated by the client or the contractor with the following implications if the service provider is found to be at fault:

8.2.1.2.1 the supplier is responsible for its own cost as well as the cost that may have been incurred by the client regarding the service; and

8.2.1.2.2 if a new supplier is appointed for the delivery of this service at a loss to the client, the loss shall be recovered from the first supplier.

**Note Termination of service shall be strictly addressed in the contract between the supplier and the client.**

## **9 Blacklisting suppliers or services rendered by a supplier**

9.1 Contractors on the services list can be blacklisted, provided the following process is followed:

9.1.1 After informing the supplier of its intention, the client can write a submission to SITA: Contract Management to recommend the amber listing of the service rendered by the supplier (if the supplier is accredited for more than one service, the listing shall impact only the service that is recommended for amber listing). The submission must contain all relevant facts pertaining to the non-conformance or unacceptable performance of the relevant service rendered to the client. This shall result in the amber listing of the specific service that the contractor provides. The amber listing is an indication to the client community that rendering the specific service was questionable in the past. The SITA contract manager shall request the same documentation from the relevant supplier in terms of the rules of Natural Justice.

9.1.2 If, however, further documented complaints are received by SITA from the client with regards to the same specific service of the same supplier, such a supplier can be blacklisted for rendering the said service.

9.1.3 Blacklisting in this regard shall mean that the supplier shall, for the duration of the validity of accreditation, not be allowed to further render this specific service to the client. Blacklisting is valid for the duration of the 3 year process of this contract. Application for renewed listing for the specific service may be submitted again when the contract is renewed after (3) (three) years.

9.1.4 A client shall be allowed to apply for the total blacklisting of a service provider so that no further services can be rendered in terms of this contract for the duration of validity of this contract (i.e. 3 (three) years). The following requirements must be met: \*

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9.1.4.1 The supplier must have been blacklisted for at least one service on the contract during the validity period of the contract.

9.1.4.2 A recommendation to this effect with full documentation must be made to the contract manager at SITA who shall investigate the application for blacklisting. An evaluation panel shall evaluate the complaint documentation and make a recommendation to the SITA Procurement Authority. The SITA Procurement Authority shall be responsible to communicating the reasons for blacklisting to the supplier. A member of the DPSA shall be part of the evaluation panel to ensure that all prescripts, with regard to the SITA Act 1998, transversal tenders and SITA regulations, are followed.

**Note** The application to totally blacklist a supplier must come from the Legal department of the client and must show that the stipulations of the contract between the supplier and the client were breached.

## **10 Security clearance of the employees of a service provider**

10.1 The client is responsible for identifying the necessary security clearance level necessary for each service that shall be rendered by the supplier. In this regard:

10.1.1 the level of security clearance shall be specified in the task directive;

10.1.2 as an interim measure, an oath of secrecy can be signed until clearance is obtained; and

10.1.3 the cost of the security clearance is for the service provider.

**Note** If an employee of the service provider delivering the service is found to be without a relevant security clearance, the person may be removed without notice by the client.

## **11 Workmen's Compensation Act**

The service provider is responsible in terms of the Workmen's Compensation Act.

## **12 Tariffs**

12.1 The service providers are not requested, in terms of the tender, to quote costs for the delivery of services. However the onus is on the accounting officer of the department to ensure that market-related tariffs are effected for services rendered to the client.

12.2 The service providers quote must include VAT calculated as:

**Cost of service = sub total plus VAT = Total**

## **13 Marketing by suppliers to the client**

Suppliers that are accredited in terms of this contract may market their services directly to the client base.

## 14 List of preferred suppliers

Two lists of preferred suppliers per service category (list A and list B) shall be maintained by SITA. These lists shall be published on the SITA Procurement Portal through which client access may be obtained.

## 15 Tender management

The administration of this contract allows for 6 (six) monthly updates to the suppliers and supplier services listed on list A and B of this contract. This implies that for the first 6 months of the validity of this contract, no changes may be allowed or additions made. Suppliers can thus apply to either be added to the contract list or change their services as listed on the contract. However, no new additions to the lists shall be allowed during the last 6 (six) months of the validity of this contract (3 [three] years).

## 16 Upgrading/updating of solution offer

16.1 In terms of this bid, a prospective supplier can apply for accreditation in order to become a supplier.

16.2 The accreditation of all suppliers on the contract shall expire 3 (three) years after the inception of the contract. SITA shall go through an entirely new accreditation process at the time of the expiry of this contract.

16.3 New services suppliers may be added on the contract during the set 3 (three) years of validity according to the following model:

16.3.1 Bidders shall be accredited according to the "accreditation process" described in this model. The application documents shall be published on the SITA website 5 (five) months after the close of this bid.

16.3.2 The validity period for the listing (accreditation) of new suppliers on the contract shall terminate 6 (six) months before the revision date of this tender.

16.3.3 At the time of re-accreditation (after 3 (three) years) the accreditation validity of the listing of all suppliers on the contract at the time expires. Thus, even if a new supplier comes onto the contract 6 (six) months before the expiry date, the validity of accreditation expires.

16.3.4 An existing service provider listed on List A or B shall be allowed to change its services portfolio by adding new or removing existing services accredited for.

## 17 Removal of suppliers from Contract 570/2007

A supplier who submits information that is fraudulent, factually untrue or inaccurate, for example members who do not exist, BEE credentials, experience, etc., shall be removed from the supplier list.

## **Annex A : Abbreviations/acronyms**

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BEE	-	Black Economic Empowerment
GITO	-	Government Information Technology Office
IT	-	Information Technology
PPPFA	-	Preferential Procurement Policy Framework Act
RFB	-	request for bid
SITA	-	State Information Technology Agency
SLA	-	service level agreement
SMME	-	Small Medium Micro Enterprise
VAT	-	value added tax

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