

TRANSNET LIMITED

(Registration No. 1990/000900/06)

REQUEST FOR PROPOSAL ("RFP")

**FOR THE PROVISION OF ADVICE ON THE DESIGN AND IMPLEMENTATION OF A
GROUP WIDE SHARED SERVICES CENTRE
FOR A PERIOD: NOT EXCEEDING 28 MONTHS**

RFP NUMBER: GSM/10/11/0264
ISSUE DATE: 30th November 2010
CLOSING DATE: 21st December 2010
CLOSING TIME: 10h00

“PREVIEW COPIES ONLY”

Respondent's Signature

Date & Company Stamp

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SECTION 1: NOTICE TO BIDDERS

1 PROPOSAL REQUEST

Proposals are requested from interested / selected persons, companies, close corporations or enterprises (hereinafter referred to as the "Respondent(s)") to supply the above-mentioned requirement(s) to Transnet.

On or after 30th November 2010 the RFP documents may be inspected at, and are obtainable from the office of Thulani L Mtshwene who is on the 48th Floor of the Carlton Centre which is at 150 Commissioner Street, Johannesburg, 2001. The documents may be obtained upon payment of a vat inclusive R 750.00 per a set of document

NOTES –

- a) This amount is not refundable.
- b) A receipt for such payment made must be presented when collecting the RFP documents.
- c) RFP documents will only be available until the 15th of December 2010.

2 FORMAL BRIEFING

A formal briefing session will not be held but should Respondents have specific queries they should email these to the Transnet employee(s) indicated below:

Name: Thulani L Mtshwene
 Division: Integrated Supply Chain Management
 Email: Thulani.Mtshwene@transnet.net

In the interest of fairness and transparency any information that will be forwarded to a Respondent who has sought clarity will be made available to the other Respondents who have collected RFP documents. For this purpose all Respondents need to indicate their intention to respond by informing the above-mentioned Transnet employee (per email only) of their contact numbers as soon as possible but before the 15th of December 2010.

3 PROPOSAL SUBMISSION

Proposals in duplicate plus a CD/Flash Disk copy must reach the Secretary, Transnet Acquisition Council before the closing hour on the date shown below, and must be enclosed in a sealed envelope which must have inscribed on the outside:

RFP No:	GSM/10/11/0264
Description:	RFP FOR PROVISION OF ADVICE ON THE DESIGN AND IMPLEMENTATION OF A GROUP- WIDE SHARED SERVICE CENTRE
Closing date and time:	21 st of December 2010 at 10h00
Closing address	(refer options paragraph 4 below)

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4 DELIVERY INSTRUCTIONS FOR THIS RFP

4.1 If posted, the envelope must be addressed to the Secretary, Transnet Acquisition Council, P.O. Box 7784, Johannesburg 2000 and must be dispatched in time for sorting by the Post Office to reach the Secretary before the closing time of the RFP. In the event of the late receipt of a Proposal, the Respondent's franking machine impression will not be accepted as proof that the response was posted in time.

4.2 If delivered by hand, the envelope is to be deposited in the Transnet tender box which is located at the main entrance, Office Block, Carlton Centre, 150 Commissioner Street, Johannesburg, and should be addressed as follows:

THE SECRETARY
TRANSNET ACQUISITION COUNCIL
CARLTON CENTRE
TENDER BOX
OFFICE BLOCK FOYER
150 COMMISSIONER STREET
JOHANNESBURG

- a) The measurements of the "tender slot" are 500mm wide x 100mm high, and Respondents must please ensure that response documents or files are not 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.
- b) It should also be noted that the above tender box is located at the street level outside the main entrance in Commissioner Street and is accessible to the public 24 hours per day, 7 days a week.

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

THE SECRETARY
TRANSNET ACQUISITION COUNCIL
37TH FLOOR
CARLTON CENTRE
OFFICE BLOCK
150 COMMISSIONER STREET
JOHANNESBURG

4.4 Please note that this RFP closes punctually at 10:00 on Tuesday 21st of December 2010.

4.5 If responses are not posted or delivered as stipulated herein, such responses will not be considered and will be treated as "UNRESPONSIVE."

4.6 No email or facsimile responses will be considered.

4.7 The responses to this RFP will be opened as soon as practicable after the expiry of the time advertised for receiving them.

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- 4.8** Transnet shall not, at the opening of responses, disclose to any other company any confidential details pertaining to the Proposals / information received, i.e. service fees, deliverables, etc. The names and location of the Respondents will, however, be divulged to other Respondents upon request.
- 4.9** Envelopes must not contain documents relating to any RFP other than that shown on the envelope. **All envelopes must reflect the return address of the Respondent on the reverse side.**
- 4.10** No slips are to be attached to the response documents. Any additional conditions must be embodied in an accompanying letter. Subject only to clause 22 (*Alterations made by the Respondent to Tendered Prices*) of the General Tender Conditions, alterations, additions or deletions must not be made by the Respondent to the actual RFP documents.

5 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BBBEE")

Transnet fully endorses and supports the Government's Broad-Based Black Economic Empowerment Programme and it is strongly of the opinion that all South African business enterprises have an equal obligation to redress the imbalances of the past.

Transnet would therefore prefer to do business with local business enterprises who share these same values and who are prepared to contribute to meaningful BBBEE initiatives (including, but not limited to subcontracting and Joint Ventures) as part of their RFQ responses. Transnet will accordingly allow a "preference" in accordance with the 10% preference system, as per the Preferential Procurement Policy Framework Act 5 of 2000 (as amended), to companies who provide a BBBEE Accreditation Certificate. All procurement and disposal transactions in excess of R30 000 will be evaluated accordingly. All transactions below R30 000 will as far as possible be earmarked for EMEs.

Consequently, when Transnet invites prospective suppliers to submit Proposals for its goods and services, it urges Respondents (Large Enterprises and QSE's - see below) to have themselves accredited by any one of the various Accreditation Agencies approved by SANAS (the South African National Accreditation Systems, under the auspices of the Department of Trade and Industry (Dti)).

In terms of Government Gazette No 32476, Notice No. 810 dated 31 July 2009, as from 1 February 2010 only BBBEE Accreditation Certificates issued by SANAS approved Verification Agencies will be valid. However Accreditation Certificates issued before 1 February 2010, which are still within their 1 year validity period, will still be acceptable until their expiry date, provided that the accreditation has been undertaken in accordance with the latest Codes (i.e. those promulgated on 9 February 2007).

No certificate issued on or after 1 February 2010 by a Verification Agency which has not been approved by SANAS will be acceptable as from the 1 February 2010.

- 5.1** Enterprises will be rated by such agencies based on the following:

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- a) **Large Enterprises** (i.e. annual turnover >R35 million):
 - Rating level based on all seven elements of the BBBEE scorecard
- b) **Qualifying Small Enterprises – QSE** (i.e. annual turnover >R5 million but <R35 million):
 - Rating based on any four of the elements of the BBBEE scorecard
- c) **Exempted Micro Enterprises – EME** (i.e. annual turnover <R5 million):
 - EMEs are exempted from BBBEE accreditation
 - Automatic rating of Level 4 BBBEE irrespective of race of ownership, i.e. 100% BBBEE recognition
 - Black ownership >50% or Black Women ownership >30% automatically qualify as Level 3 BBBEE, i.e. 110% BBBEE recognition
 - EMEs should only provide documentary proof of annual turnover (i.e. audited financials) plus proof of Black ownership if Black ownership >50% or Black Women ownership >30%

5.2 In addition to the above, Respondents who wish to enter into a Joint Venture or subcontract portions of the contract to BBBEE companies, must state in their RFQs the percentage, of the total contract value that will be allocated to such BBBEE companies, should they be successful in being awarded any business. A rating certificate in respect of such BBBEE JV partners and / or subcontractor(s), as well as a breakdown of the distribution of the aforementioned percentage must also be furnished with the RFQ response to enable Transnet to evaluate / adjudicate all RFQs received on a fair basis.

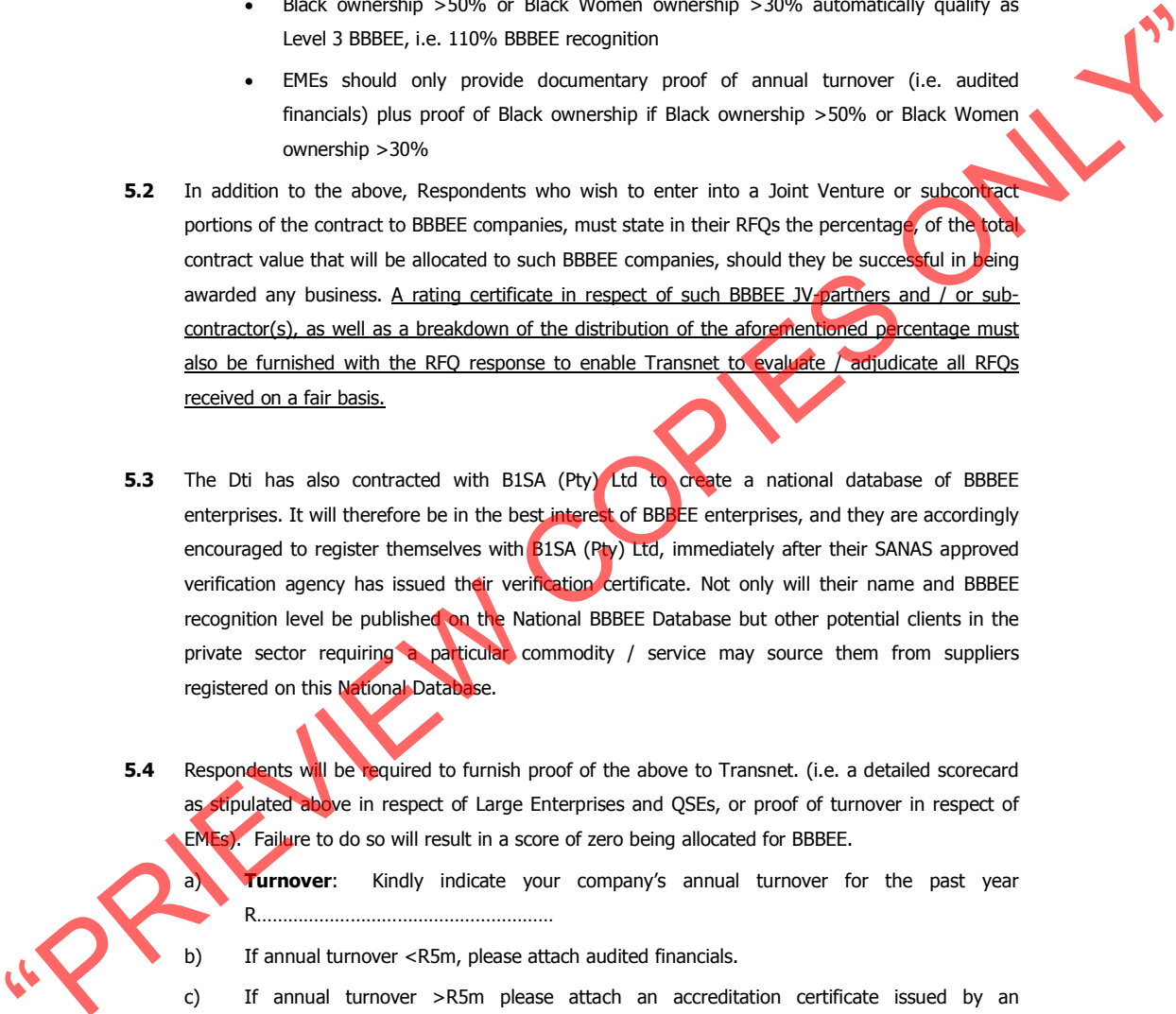
5.3 The Dti has also contracted with B1SA (Pty) Ltd to create a national database of BBBEE enterprises. It will therefore be in the best interest of BBBEE enterprises, and they are accordingly encouraged to register themselves with B1SA (Pty) Ltd, immediately after their SANAS approved verification agency has issued their verification certificate. Not only will their name and BBBEE recognition level be published on the National BBBEE Database but other potential clients in the private sector requiring a particular commodity / service may source them from suppliers registered on this National Database.

5.4 Respondents will be required to furnish proof of the above to Transnet. (i.e. a detailed scorecard as stipulated above in respect of Large Enterprises and QSEs, or proof of turnover in respect of EMEs). Failure to do so will result in a score of zero being allocated for BBBEE.

- a) **Turnover:** Kindly indicate your company’s annual turnover for the past year
R.....
- b) If annual turnover <R5m, please attach audited financials.
- c) If annual turnover >R5m please attach an accreditation certificate issued by an Accreditation Agency, together with all the relevant score sheets pertaining thereto.

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6 SOCIO-ECONOMIC OBLIGATIONS FOR FOREIGN RESPONDENTS

Foreign Respondents' socio-economic obligations under this procurement programme will fall under the associated Government initiative, namely, the Competitive Supplier Development Programme ("CSDP") as developed by the Department of Public Enterprises, details of which can be viewed at the Railways and Harbours Supply Chain Association's website, www.rhsupplychain.com

7 COMMUNICATION

7.1 Respondents are warned that a response will be liable to disqualification should any attempt be made by a Respondent either directly or indirectly to canvass any officer(s) or employee of Transnet in respect of this RFP between the closing date and the date of the award of the business.

7.2 A respondent may, however, **before the closing date and time**, direct any enquiries relating to the RFP to the Transnet employee as indicated in clause 2 above, and may also at any time after the closing date of the RFP, communicate with the Secretary of the Transnet Acquisition Council, at telephone number 011 308 3528 / 3522 or fax no. 011 308 2637 on any matter relating to its RFP response.

8 RFP STATUS

Respondents will be contacted as soon as practicable with a status update. At this time short-listed Respondents may be asked to meet with Transnet representatives at a location to be agreed.

9 INSTRUCTIONS FOR COMPLETING THE RFP

9.1 Sign one set of documents (sign 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 can be a copy of the original signed Proposal.

9.2 Both sets of documents to be submitted to the address specified above.

9.3 The following returnable documents must accompany all Proposals:

- a) Respondent's latest audited financial statements.
- b) Respondent's valid Tax Clearance Certificate.
- c) a CD copy of the RFP Proposal.

Note: Refer also to "Returnable Documents" in SECTION 3 – PROPOSAL FORM.

10 COMPLIANCE

The successful Respondent (hereinafter referred to as the "**Supplier**") shall be in full and complete compliance with any and all applicable State and Local Laws and Regulations.

11 ADDITIONAL NOTES

11.1 All returnable documents as indicated in the Proposal Form (SECTION 3) must be returned with the response

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- 11.2** Respondents are to note that Proposals in which firm prices are quoted for the duration of any resulting contract may receive precedence over prices which are subject to adjustment
- 11.3** Changes by the Respondent to its submission will not be considered after the closing date
- 11.4** The person or persons signing the Proposal must be legally authorised by the Respondent to do so (Refer SECTION 4). A list of those person(s) authorised to negotiate on your behalf (if not the authorised signatories) must also be submitted along with the Proposal together with their contact details.
- 11.5** All prices must be quoted in South African Rands
- 11.6** Transnet reserves the right to undertake post-tender negotiations with selected Respondents or any number of short-listed Respondents and may wish to visit the Respondent's place of work during this process.
- 11.7** Intellectual Property Rights of all materials used and Deliverables conceived in the course of the contract shall be and will remain the exclusive property of Transnet.
- 11.8 Unless otherwise expressly stated, all Proposals furnished pursuant to this Request shall be deemed to be offers. Any exceptions to this statement must be clearly and specifically indicated. Transnet reserves the right to reject any or all offers.**

FAILURE TO OBSERVE ANY OF THE AFOREMENTIONED REQUIREMENTS MAY RESULT IN A PROPOSAL BEING REJECTED

12 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 a Proposal in response to it. In particular, please note that Transnet reserves the right to:

- 12.1** modify the RFP's Services and request Respondents to re-bid on any changes
- 12.2** reject any Proposal which does not conform to instructions and specifications which are detailed herein
- 12.3** disqualify Proposals submitted after the stated submission deadline
- 12.4** not necessarily accept the lowest priced Proposal
- 12.5** reject all Proposals, if it so decides
- 12.6** award a contract in connection with this Proposal at any time after the RFP's closing date
- 12.7** award only a portion of the proposed Services which are reflected in the scope of this RFP
- 12.8** split the award of the contract between more than one Supplier
- 12.9** make no award of a contract

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

13 LEGAL REVIEW

Any Proposal submitted by a Respondent is subject to review and negotiation of the proposed contract by Transnet's Legal Counsel.

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Respondents to complete this SECTION:

NAME OF RESPONDENT

PHYSICAL ADDRESS

.....

Respondent's contact person

Name.....

Designation.....

Telephone.....

Cell Phone.....

Facsimile.....

Email.....

Website.....

Transnet urges its clients, suppliers and the general public to report any fraud or corruption on the part of Transnet's employees to TIP-OFFS ANONYMOUS : 0800 003 056

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SECTION 2: BACKGROUND, OVERVIEW AND SCOPE OF REQUIREMENTS

1 BACKGROUND

Transnet Limited is a public company with the Government of the Republic of South Africa as its sole Shareholder. As the operator and custodian of South Africa's major transport infrastructure, Transnet is responsible for ensuring the country's bulk freight transportation system operates according to world-class standards and as an integral part of the overall economy.

Transnet's key role, as defined by the Shareholder, is to assist in lowering the cost of doing business in South Africa and to enable economic growth. Transnet is a focused freight transport company delivering integrated, efficient, safe, reliable and cost-effective services. This quality of delivery promotes economic growth in South Africa by providing Transnet's customers with access to world-class integrated logistics solutions and creating transport capacity ahead of demand.

Transnet delivers this role through effective strategic support units, port, and rail and pipeline operations and consists of the following operating divisions:

- Transnet Freight Rail;
- Transnet Rail Engineering;
- Transnet National Ports Authority;
- Transnet Port Terminals;
- Transnet Pipelines;

And the following support units:

- Transnet Capital Projects;
- Transnet Property; and
- Transnet Corporate Centre (Including Transnet Foundation).

The Transnet Operating Divisions currently operate as independent businesses, under pinned by strategic support units. It is the intention of Transnet that a Shared Service Centre be designed and implemented based on world class practices, with best in class processes, technologies and systems that support the achievement of a service where there are high levels of customer satisfaction.

The strategic objective of establishing a Shared Service Centre is to optimise synergies and leverage economies of scale within Transnet by the consolidation of the administrative and support functions from the various operating divisions into a single organisational entity. This should allow operating divisions to focus on driving the growth of their core businesses as guided by the Transnet growth strategy.

The culture of the centre is to be one where there is ongoing improvement to achieve a level of superior performance, which is competitive and cost effective, and where governance practices adhere to the highest ethical standards. The success of delivering on these commitments will enable Transnet to deliver on its overall mandate – improving customer service and lowering the cost of doing business in the South African economy.

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The objective of the implementation of a Shared Services Centre (SSC) is to, harmoniously/seamlessly, bring together the following support functions:

- Human Resources;
- Finance;
- Procurement; and
- Information Technology.

By operating these functions along leading practice business principles and associated ICT support effectively and efficiently, Transnet intends to enhance the focus of their business units on their core business and customer services.

2 EXECUTIVE OVERVIEW

Transnet has performed a feasibility study to assess the viability of implementing a Shared Services Centre. The scope of the feasibility study included primarily detailed assessment of the Finance, Procurement and ICT functions. Based on the results of the feasibility study, Transnet EXCO approved the design and implementation phase of a Shared Services Centre for Finance and Procurement supported by world class Information Technology. The implementation of a Shared Services Centre for HR was approved by Transnet EXCO in 2008 and this process is driven by another . The outcomes of the feasibility study which must be used as a basis for the design and implementation of a Shared Service Centre included the following:

- Baseline model;
- In scope / out of scope processes;
- Evaluation of various scenarios and selection of a preferred scenario;
- High level design of the preferred scenario;
- Recommended migration plan and roadmap for implementation; and
- Conceptual business case for shared services.

The approved preferred scenario is:

- One Shared Service Centre for Finance, Procurement and HR supported by IT;
- Implementation of one single instance of SAP, as an end-state. To be deliberated in future by the wider organisation;
- Johannesburg as preferred location.

Bidders that tender for the work will be provided with further relevant information from the feasibility assessment upon request.

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Primary objectives of this design and implementation phase of the SSC:

The primary objective of this phase is to design and implement the new Shared Services organisation. This structure will take into account the results of the feasibility study, outcomes of the HR design phase, Transnet future objectives, and other operational dynamics. The project deliverables will include:

- PART A: BUSINESS CASE
- PART B: SHARED SERVICES CENTRE VISION AND STRATEGY
- PART C: TECHNOLOGY REQUIREMENTS
- PART D: PHYSICAL LOCATION OF THE SSC
- PART E: DESIGNING THE CENTRE
- PART F: SSC IMPLEMENTATION / TRANSITION
- PART G: BUSINESS REALISATION, CONTINUOUS IMPROVEMENT AND SUSTAINABILITY
- PART H: CHANGE MANAGEMENT REQUIREMENTS

The design and implementation of the Shared Services Centre will be executed utilising largely internal Transnet resources from Operating Divisions and low level of support from suitably experienced services providers. Service providers will primarily be required to guide and support Transnet in the process.

Transnet is calling for bidders to submit proposals on the provision of **advice** on the execution of the design and implementation of a Shared Service Centre for Finance, Procurement and ICT. The bidders must base their proposals on a low level of technical support basis and provide resources with suitable skills and experience to provide advice on the design and implementation deliverables outlined under Sections 3- Scope of requirements Part A – H.

The bidders will be required to provide stream leads and/or subject matter experts to provide the following for each of the deliverables outlined in Part A - H:

- **Thought leadership, including leading best practices;**
- **Subject matter expertise;**
- **Gateway reviews of outcomes;**

The number of resources required is outlined in SECTION 6: Service Fees and Costs.

3 SCOPE OF REQUIREMENTS**3.1 FUNCTIONS**

The functions to be included in the design and implementation of the Shared Services Centre are:

- Finance;
- Procurement; and
- Information Technology.

The design of the Human Resources function is currently conducted by a separate service provider and the successful bidder will be required to work closely with this service provider.

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3.2 OPERATING DIVISIONS

The following operating divisions and support units are in scope:

Operating divisions:

- Transnet Freight Rail;
- Transnet Rail Engineering;
- Transnet National Ports Authority;
- Transnet Port Terminals;
- Transnet Pipelines;

Support units:

- Transnet Capital Projects;
- Transnet Property; and
- Transnet Corporate Centre (Including Transnet Foundation).

3.3 DELIVERABLES

The deliverables of the design and implementation of the SSC are:

PART A: BUSINESS CASE

The conceptual business case developed at feasibility study phase will be refined and a detailed business case developed.

PART B: SHARED SERVICES CENTRE VISION AND STRATEGY

The vision and strategy for the shared service centre will be developed and include elements such as SSC processes, organisational design, customer services, finance and operations, migration, information technology, human resources, performance management, culture and work environment. This strategy must align with the overall Transnet mission.

PART C: TECHNOLOGY REQUIREMENTS

Technology required to drive and support effectiveness and efficiencies within the SSC will be defined. The design will address multiple instances of SAP and non-SAP system interfaces and applications, in the initial design phase with a view of a single instance of SAP as an end state. The design will include:

- Appropriate technology at each work station (PC and phones);
- Connectivity to remote applications ;
- Appropriate level of shared technology (eg. Fax machines, printers, copiers, scanners, phone system)

PART D: PHYSICAL LOCATION OF THE SSC

Physical location (including infrastructure requirements) and the process to relocate staff to the selected location for all functions will be defined.

1. This design will provide for facilities for a number of people (to be defined) to be migrated to the centre to begin work on a date to be decided, and allocated to various SSC processes.

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2. All required site services, for example security; utilities; phones services, and a process to manage them will be included in the design.
3. Operating environment will be assessed at a high level to include telecommunication, electricity power, natural hazards, etc.

PART E: DESIGNING THE CENTRE

The SSC end to end business process design, people design and technology design including the Retained Organisation. The processes to be designed will be based on the results of the In-Out Analysis conducted at feasibility study phase. The high level design developed at feasibility study phase will be used as input to the processes to be defined. **The design will address how the process will work at the SSC when work is migrated, and include elements such as cost, technology, best practice, schedule and culture.** The design will include the following:

1. SSC end to end business process design. Business process and system design will include outlining the activity splits, hand-offs and integration points between the SSC and the retained organisation.
 - i. Detailed end to end process documentation and blueprint, with defined underlying system (e.g. SAP);
 - ii. Detailed transition checklist and migration plans including resource requirements;
 - iii. Process performance measures and expectations;
 - iv. Defined training material and process;
 - v. RACIs (Roles and Responsibility matrix) and RACM's (Risk and Control Matrix);
 - vi. Process and control effectiveness;
 - vii. Customer service agreement;
 - viii. Interface activities between the SSC and its customers must be designed;
 - ix. A fully functional customer response process must be provided;

The designed process must satisfy internal and external audit requirements.

2. Operating model. The model will be effective, efficient, scalable and flexible. It will describe how the future business will operate in a shared services environment. The envisioned operating model will establish an optimal service level to be governed by SLA's. Service management framework and maintenance agreements will be defined to ensure world-class service and will comprise how to design and execute versus governance set-up;
3. A detailed funding and costing model including chargeback model. The funding model will describe how the SSC will be funded, and propose a charge out model. The costing model will include infrastructure, people, legal & regulatory requirements, recruitment, relocation, learning and development costs. The proposed model will take into account implementation costs, on-going operational costs and savings. The model will demonstrate the financial impact of scaling up or down workload;
4. Governance model for the shared services centre, including culture and work environment;

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5. Organisational structure for all shared services functions, including size, breakdown of terms and functions, roles, skills required and reporting lines. The outputs will include the HR guideline and transition plan for the centre, staffing process and defined process specific training.
6. Conceptual organisation structure for the retained organisation;
7. Regulatory and compliance model and relevant considerations;
8. Policies and procedures based on the to-be integrated business solution;
9. Controls mechanisms and operating standards;
10. Detailed business and project risk assessments;
11. Data migration strategy. The strategy will consider the volume of data and quality of data to be migrated;
12. Benefits realisation strategy, plan and tracking tool including payback periods and earned valued analysis;
13. A proposal on how the SSC will manage current and future outsourced processes that are candidates for SSC;
14. A detailed implementation plan defining all project related activities, critical path milestones, risks, resources and activity duration.

PART F: SSC IMPLEMENTATION / TRANSITION

1. Business transformation implementation plan detailed and executed. It is critical that legal and regulatory requirements defined during design are complied with;
2. A cut-over plan detailing the migration to the envisaged solution. The plan will address migration sequence in quantitative and qualitative terms;
3. A handover strategy and plan to the business;
4. Training strategy, material and process defined and executed;
5. SSC Human Resources requirements to be finalised – hiring, retention strategy, etc;

PART G: BUSINESS REALISATION, CONTINUOUS IMPROVEMENT AND SUSTINABILITY

1. Sustainability and continuous improvement strategy, including disaster recovery plan;
2. Performance monitoring strategy;
3. Benefits realisation strategy, plan and tracking tool including payback periods and earned valued analysis;
4. SLA's and maintenance agreements.

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PART H: CHANGE MANAGEMENT REQUIREMENTS

1. Change Management and communication strategy including a analysis of overall change impact across the organisation;
2. Change management to consider all transformation activities required to make the change effort seamless. All HR considerations as well as the practicalities of relocating the operations from current to future locations should be considered;
3. Training strategy and plan.

PART I: OTHER REQUIREMENTS

For the above PARTS A – H, all the following must be outlined in the proposal. Exclusion of any will render the bidder response as disqualified.

1. Approach and plan on how the bidder will provide thought leadership, including leading best practices; subject matter expertise; and gateway reviews of each deliverable of the design and implementation. This should support cross functional management processes;
2. The proposed timelines for the design and implementation of the SSC;
3. Programme governance and methodology to use for the design and implementation of the SSC;
4. Quality and business acceptance criteria should be defined. This will be agreed with the business at the outset of the programme;
5. The number of resources proposed to carry out the activities – provide details of skills and relevant shared services experience, and exact role that each resource will play in performing the project;
6. A project costs should be detailed and quantified for all project sections;
7. A plan on Transnet support (no. of people) that would be needed as dedicated resources, including the level of commitment or availability required - full time or part time;
8. Include all assumptions built into the proposal.
 - a. Assumptions made at each phase of the project;
 - b. Highlight which assumptions, if not met, have implications on timelines and cost;
 - c. Highlight which assumptions, if not met, have impact on quality of outputs;
 - d. If assumptions in (c) are not met and quality of output is affected, indicate remedial measures to be utilised to mitigate quality related risks;
9. Quality assurance - Transnet expects timely delivery of the project within budget and outputs of highest quality. Minimizing re-work of components will reduce downtimes, additional expenditures and ensure quick releases of results. Respondents are requested to include a detailed section on the Respondents' formal quality assurance programs or policies. If the respondents do not have a formal quality assurance Policy they must develop one and employ it for this project.
10. Tools and methods. Please provide:
 - Tools and methodologies to be applied at each phase of the project;
 - Functionality of such tools and methodologies;
 - Comparison of tools and methodologies with best practice;

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4 GENERAL INFORMATION

- 4.1 It is anticipated that the project will be completed within a period not exceeding 28 months.
- 4.2 It is required that all Transnet operating divisions will be included in the scope of this Proposal.
- 4.3 **The results of the feasibility study and outcomes of the HR shared services design will be used as a basis for developing deliverables Part A – H. The successful bidder will be expected to familiarise him/herself with these results at own cost.**
- 4.4 The service provider(s) will be required to work closely with the service provider currently conducting the design of the Human Resources Shared Services function.
- 4.5 The service provider(s) shall be fully responsible to Transnet for the acts and omissions of persons directly or indirectly employed by them.
- 4.6 The service provider(s) must provide the identified information requested and comply with the requirements stated in the RFP.
- 4.7 **The bidders are required to have a minimum of five (5) years experience in implementing projects of a similar nature in organisations with at least 10 000 employees and a minimum revenue of R10 billion at the time of implementation. Failure to meet this requirement will result in disqualification.**
- 4.8 Bidders must provide specific information and reference on 4.7 above.

5 EXCHANGE AND REMITTANCE

The attention of the Respondents is specially directed to clause 7 (Exchange and Remittance) of the General Tender Conditions. The Respondent is also to note that the particulars of the exchange rate on which the Respondent has based its tendered price(s), is/are to be stipulated hereunder *only if Transnet is requested by the Respondent to effect payment overseas direct to the Respondent's principal/supplier.*

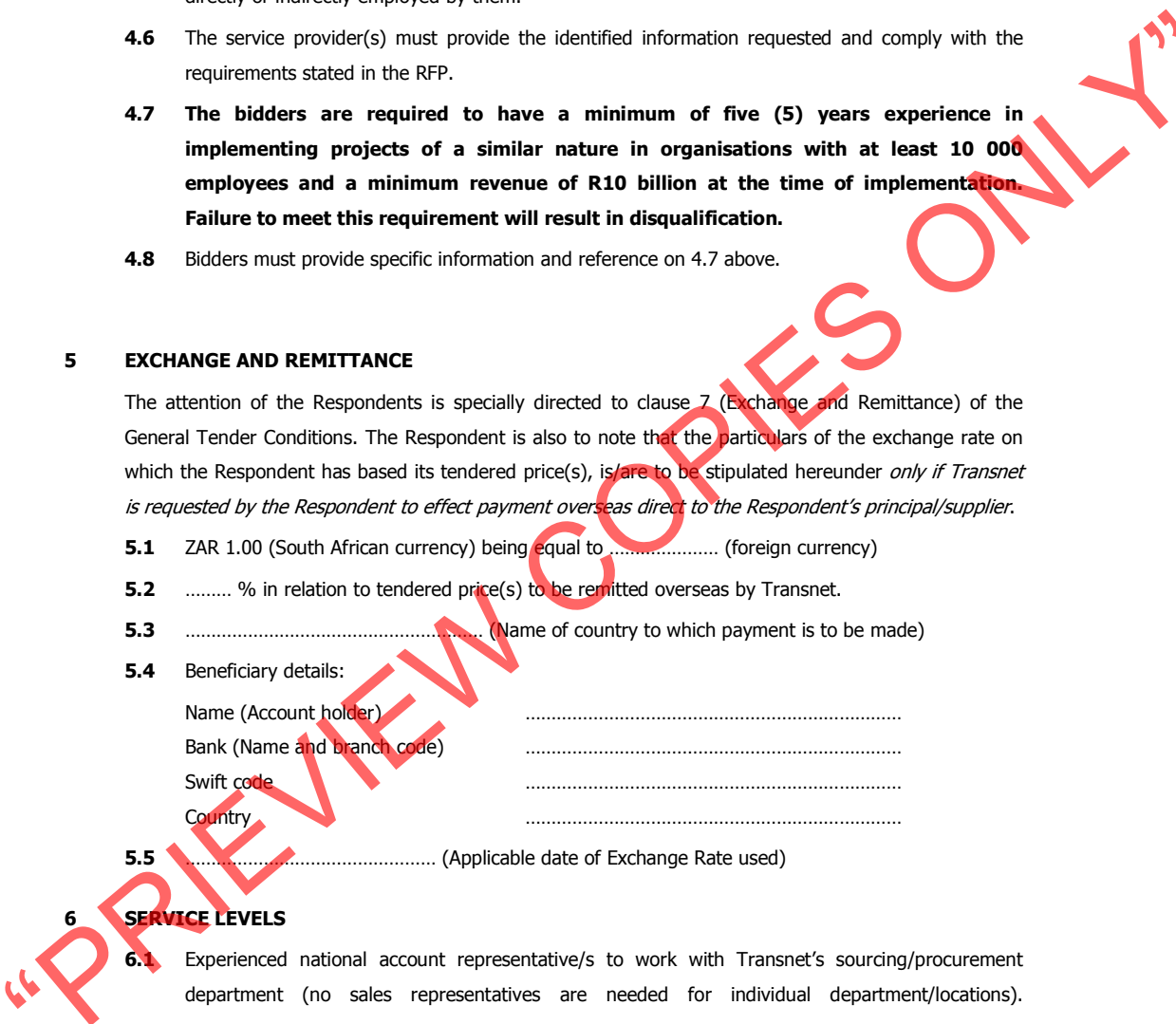
- 5.1 ZAR 1.00 (South African currency) being equal to (foreign currency)
- 5.2 % in relation to tendered price(s) to be remitted overseas by Transnet.
- 5.3 (Name of country to which payment is to be made)
- 5.4 Beneficiary details:
 Name (Account holder)
 Bank (Name and branch code)
 Swift code
 Country
- 5.5 (Applicable date of Exchange Rate used)

6 SERVICE LEVELS

- 6.1 Experienced national account representative/s to work with Transnet's sourcing/procurement department (no sales representatives are needed for individual department/locations).

Respondent's Signature

Date & Company Stamp



Additionally, there shall be a minimal number of people, fully informed and accountable for this agreement.

- 6.2** Transnet will expect the successful respondent to provide Transnet with weekly progress updates and will have monthly reviews with the Supplier's account representative on an ongoing basis.
- 6.3** Transnet reserves the right to request that any member of the Supplier's team involved on the Transnet account be replaced if deemed not to be adding value for Transnet.
- 6.4** Supplier guarantees that it will achieve a 100% service level on the following measures. If the Supplier does not achieve this level as an average over each quarter, Transnet will receive a 50% rebate on monthly fees payable in the next quarter if the Supplier fails to provide:
 - a) Complete delivery of KPIs;
 - b) Quality and On-time delivery;
 - c) Timely response to client requests and feedback;
 - d) Consistent and correct use of models in conducting analysis;
 - e) Senior management and committed resources visibility;
 - f) Senior management accountability of supplier's deliverables;
- 6.5** Supplier must provide a toll-free number or alternative number for customer service calls.
- 6.6** Failure of the Supplier to comply with stated service level requirements will give Transnet the right to cancel the contract in whole, without penalty, giving 30 (thirty) days' notice to the Supplier.
- 6.7** If the supplier fails to remedy the breach within 30 (thirty) days of receipt of notice from Transnet of that breach, then Transnet shall be entitled without further notice, in addition to any other remedy available to it at law, including obtaining an interdict, to terminate the contract, in either event without prejudice to Transnet's right to claim damages.

Accepted:

YES		NO	
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7 CONTINUOUS IMPROVEMENT INITIATIVES AND VALUE ADD

- 7.1** Respondents shall indicate whether they are committed to participate in the continuous improvement initiatives of Transnet to reduce the overall cost of transportation within South Africa during the duration of the contract.

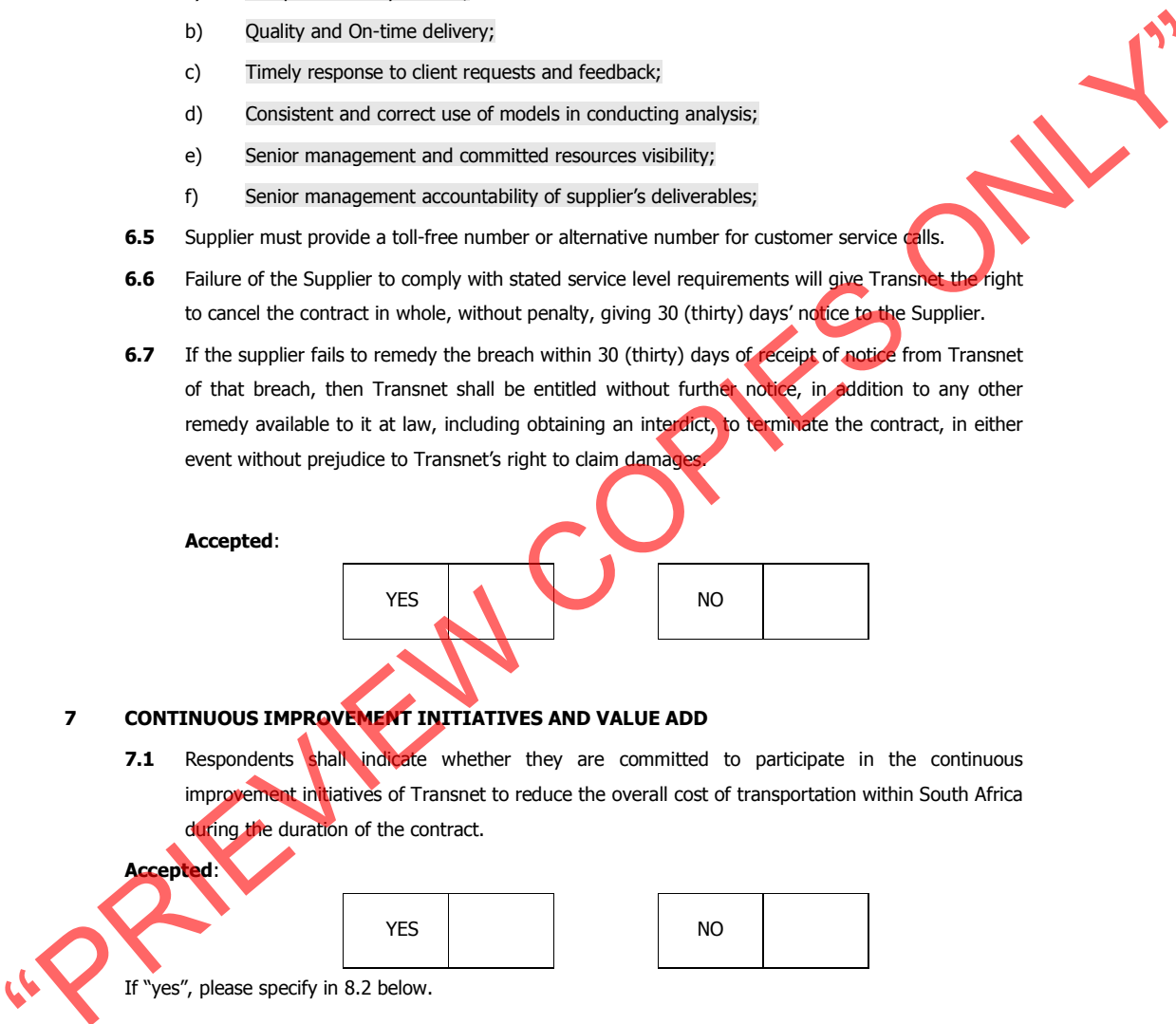
Accepted:

YES		NO	
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If "yes", please specify in 8.2 below.

Respondent's Signature

Date & Company Stamp



7.2 Respondents must briefly describe their commitment to the 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.

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8 RISK

Respondents must elaborate on the control measures put in place by their company, which mitigate the risk to Transnet, pertaining to potential non-performance by a Supplier in relation to -

8.1 quality of the Service(s) provided:

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Respondent’s Signature

Date & Company Stamp

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9 REFERENCES

Please indicate below the company names and contact details of existing customers whom Transnet may contact to seek third party evaluations of your current service levels:

Name of Company	Size of revenue and number of employees at time of implementation	Contact Person	Telephone number

10 EVALUATION CRITERIA

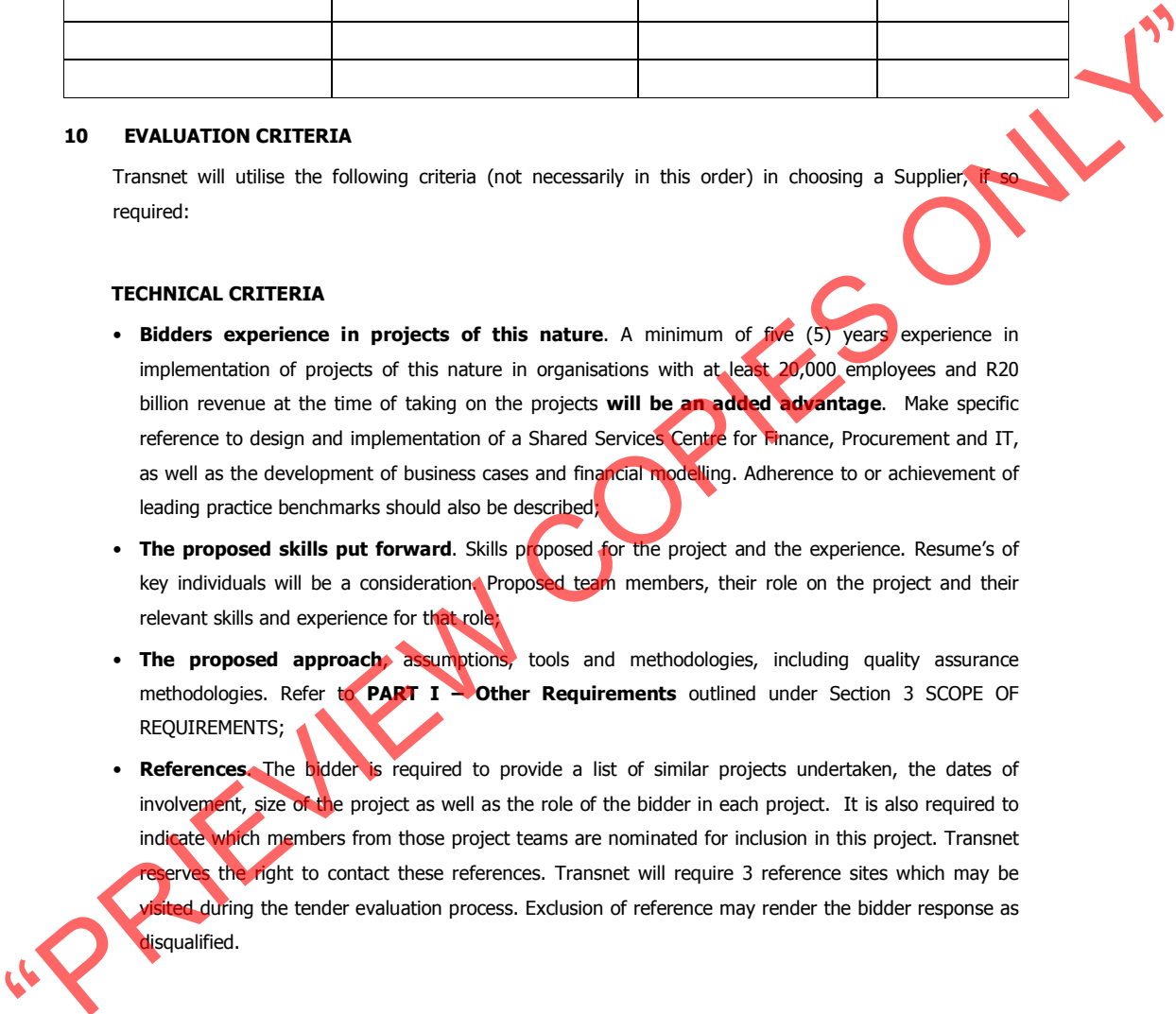
Transnet will utilise the following criteria (not necessarily in this order) in choosing a Supplier, if so required:

TECHNICAL CRITERIA

- Bidders experience in projects of this nature.** A minimum of five (5) years experience in implementation of projects of this nature in organisations with at least 20,000 employees and R20 billion revenue at the time of taking on the projects **will be an added advantage.** Make specific reference to design and implementation of a Shared Services Centre for Finance, Procurement and IT, as well as the development of business cases and financial modelling. Adherence to or achievement of leading practice benchmarks should also be described;
- The proposed skills put forward.** Skills proposed for the project and the experience. Resume’s of key individuals will be a consideration. Proposed team members, their role on the project and their relevant skills and experience for that role;
- The proposed approach** assumptions, tools and methodologies, including quality assurance methodologies. Refer to **PART I – Other Requirements** outlined under Section 3 SCOPE OF REQUIREMENTS;
- References.** The bidder is required to provide a list of similar projects undertaken, the dates of involvement, size of the project as well as the role of the bidder in each project. It is also required to indicate which members from those project teams are nominated for inclusion in this project. Transnet reserves the right to contact these references. Transnet will require 3 reference sites which may be visited during the tender evaluation process. Exclusion of reference may render the bidder response as disqualified.

 Respondent’s Signature

 Date & Company Stamp



FINANCIAL

- Pricing (fees) - Whilst not the sole factor for consideration, competitive pricing will be critical;
- The grades of staff to be used and the rates applying, and the overall blended rate anticipated for the project;
- Financial strength;

OTHER

- Compliance - Completeness of your responses and content of the Proposal
- BBBEE status of company or CSDP offering
- Compliance with Transnet's Standard Terms and Conditions of Contract
- Additional value-added services

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Respondent's Signature

Date & Company Stamp

SECTION 3: PROPOSAL FORM

I/We _____

(name of company, close corporation or partnership)

of (full address) _____

carrying on business under style or title of (trading 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, as the case may be, dated _____ a certified copy of which is annexed hereto, hereby offer to supply the above-mentioned Services at the prices quoted in the schedule of Service Fees in accordance with the terms set forth in the accompanying letter(s) reference _____ and dated _____ (if any) and the documents listed in the accompanying schedule of RFP documents.

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

- (i) Standard Terms and Conditions of Contract, Form US7 - Services;
- (ii) General Tender Conditions – Services; and
- (iii) any other standard or special conditions mentioned and/or embodied in the Request for Proposal form; and;-

I/We accept that unless Transnet should otherwise decide and so inform me/us in the facsimile or letter of acceptance, 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 the facsimile or letter of acceptance, this Proposal (and, if any, its covering letter and any subsequent exchange of correspondence) together with Transnet's letter of acceptance/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 the Services within 4 (four) weeks, 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.

Respondent's Signature

Date & Company Stamp

I/We accept that any contract resulting from this offer will be for a period **not exceeding 28 months**; and agree to a penalty clause to be negotiated with Transnet, which will allow Transnet to invoke a penalty (details to be negotiated) against us should the delivery of the Services be delayed due to non-performance by us.

The law of the Republic of South Africa shall govern the contract created by the acceptance of this RFP. The *domicillium 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 accredited agent in the Republic of South Africa who is empowered 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 the contract.

Respondent to indicate *domicillium citandi et executandi* hereunder:

NOTIFICATION OF AWARD OF RFP

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

VALIDITY PERIOD

Transnet desires a validity period of 3 (three) months (from closing date) against this RFP. It should be noted that Respondents may offer an earlier validity period, but that their Proposals may be disregarded for that reason. Should Respondents be unable to comply with this validity period, an alternative validity period must be stated hereunder:

This RFP is valid until _____ (State alternative validity period/date).

TAX (VAT) REGISTRATION NUMBER

The Respondent must state hereunder the tax registration number which is applicable to Value-Added Tax:

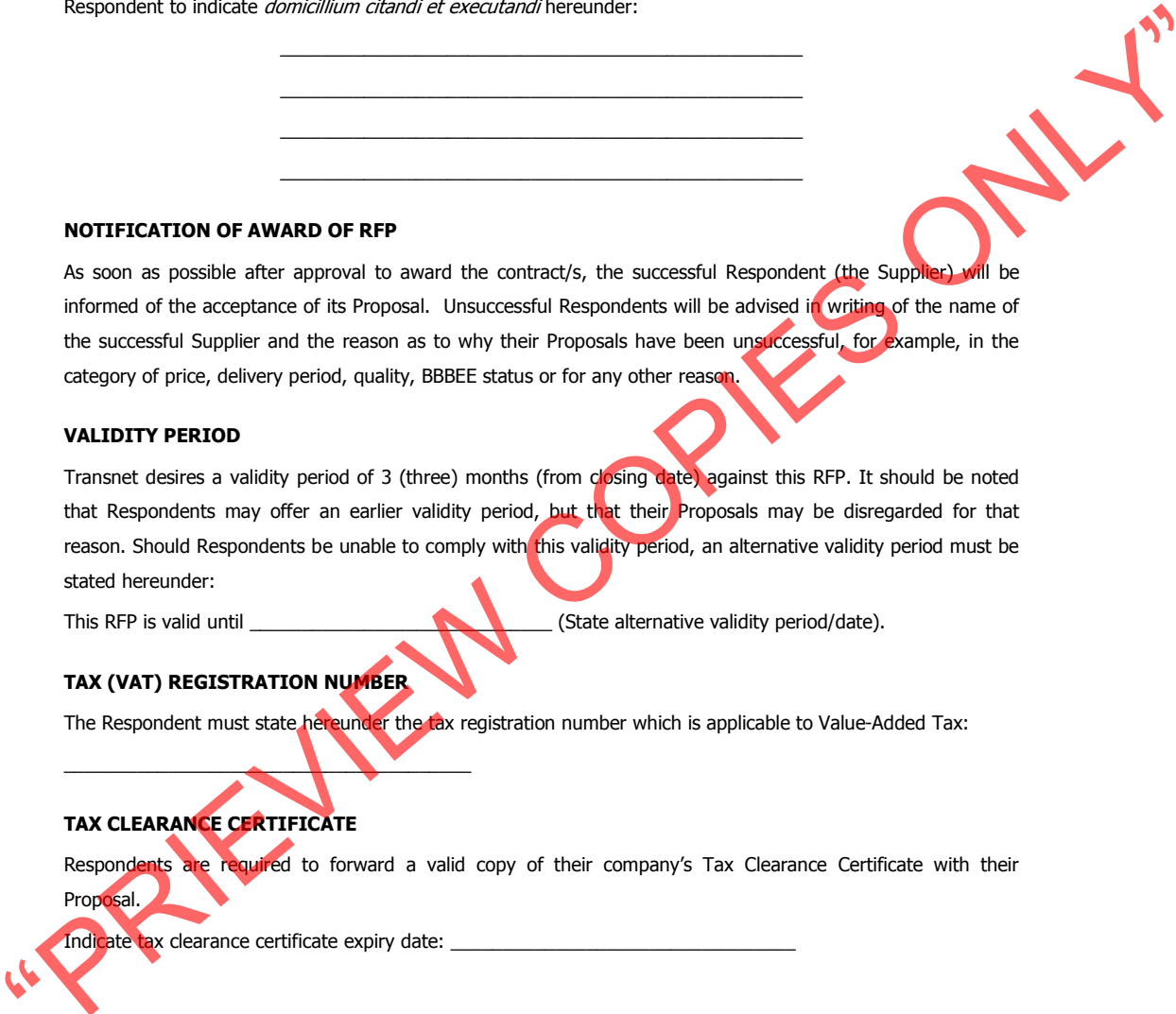
TAX CLEARANCE CERTIFICATE

Respondents are required to forward a valid copy of their company's Tax Clearance Certificate with their Proposal.

Indicate tax clearance certificate expiry date: _____

Respondent's Signature

Date & Company Stamp



BANKING DETAILS

BANK: _____
BRANCH NAME / CODE: _____
ACCOUNT HOLDER: _____
ACCOUNT NUMBER: _____

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:

.....

REGISTRATION CERTIFICATE

Respondents must submit a certified copy of their company's Registration Certificate with their Proposal.

NAME AND ADDRESS OF ACCREDITED AGENT

Provide hereunder, if applicable, details of the accredited agent in the Republic of South Africa appointed as local representative by foreign Respondents and whose address shall be regarded as the Respondent's *domicilium citandi et executandi* in terms of the Standard Terms and Conditions of Contract, Form US7 – Services.

Name.....
Address.....
.....

Respondent's Signature

Date & Company Stamp



CONFIDENTIALITY

All information related to a subsequent contract, both during and after completion, is to 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 will have to be obtained from Transnet.

DISCLOSURE OF PRICES TENDERED

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

YES		NO	
-----	--	----	--

PRICE REVIEW

The successful Respondent(s) 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 the benchmarking exercise. If the Respondent's price(s) is/are found to be higher than the benchmarked price(s), then the Respondent shall match or better such price(s) within 30 days - failing which the Contract may be terminated at Transnet's discretion or the particular item(s) or service(s) purchased outside the contract.

RETURNABLE DOCUMENTS

Respondents are required to submit the following returnable documents with their responses (see tick):

Notice to Bidders – SECTION 1	✓
Background overview – SECTION 2	✓
Proposal Form – SECTION 3	✓
Resolution of Board of Directors (Respondent's Representative) – SECTION 4	✓
Certificate of Acquaintance with RFP Documents – SECTION 5	✓
Service Fees and Costs – SECTION 6	✓
General Tender Conditions – SECTION 7	✓
Conditions of Contract, Form US7 – SECTION 8	✓
Audited Financials for previous year	✓
Valid Tax Clearance Certificate	✓
VAT Registration Certificate	✓
BBBEE Accreditation Certificate	✓
Non-Disclosure Agreement – SECTION 9	✓
RFP Declaration Form – SECTION 10	✓

 Respondent's Signature

 Date & Company Stamp

NOTE: All sections, as indicated in the footer of each page, must be signed and dated by the Respondent.

By signing the 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 Limited 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.

SIGNED at _____ on this ____ day of _____ 2010.

SIGNATURE OF WITNESSES

ADDRESS OF WITNESSES

1 _____

2 _____

SIGNATURE OF RESPONDENT'S AUTHORISED REPRESENTATIVE:

NAME: _____

DESIGNATION: _____

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Respondent's Signature

Date & Company Stamp

SECTION 4: SIGNING POWER – RESOLUTION OF BOARD OF DIRECTORS

NAME OF COMPANY: _____

It was resolved at a meeting of the Board of Directors held on _____ that

FULL NAME(S)	CAPACITY	SIGNATURE
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in his/her capacity as indicated above is/are hereby authorised to enter into, sign, execute and complete any documents relating to Tenders, Proposals and/or Contracts for the supply of Goods.

FULL NAME _____		SIGNATURE CHAIRMAN
-----------------	--	--------------------

FULL NAME _____		SIGNATURE SECRETARY
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Respondent’s Signature

Date & Company Stamp

SECTION 5: CERTIFICATE OF ACQUAINTANCE WITH RFP DOCUMENTS

NAME OF COMPANY: _____

I/We do _____

hereby certify that I/we acquainted myself/ourselves with all the documentation comprising this RFP and all conditions contained therein, as laid down by Transnet Limited for the carrying out of the proposed supply/service/works for which I/we submitted my/our response.

I/We furthermore agree that Transnet Limited shall recognise no claim from me/us for relief based on an allegation that I/we overlooked any RFP/contract condition or failed to take it into account for the purpose of calculating my/our offered prices or otherwise.

SIGNED at _____ on this ____ day of _____ 2010

WITNESS : _____
SIGNATURE OF RESPONDENT

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Respondent's Signature

Date & Company Stamp

SECTION 6: SERVICE FEES AND COSTS

PRICING SCHEDULE & DELIVERY

**PRICING SCHEDULE
(Professional Services)**

NAME OF BIDDER:RFP NO:

CLOSING TIME 10:00 ON TUESDAY 21st December 2010

- A. Bidders are required to indicate a fixed price (based on hourly / daily rates) based on the resources to be allocated to the project, total estimated time for completion of all phases and including all expenses inclusive of VAT for the project.
R.....
- B. Persons who will be involved in the project and rates applicable (certified invoices must be rendered in terms hereof). Include resumes of each resource.

Stream	Name of resource	Required Level	Hourly Rates	Daily Rates	Man hours
Delivery lead		Partner/Director			
Processes re-design					
- Finance subject matter expert / stream lead		Senior manager			
- Procurement subject matter expert / stream lead		Senior manager			
Shared Services - SS subject matter expert		Senior manager			
Human Resources / People		Senior manager			
Technology		Manager			
Change and Communications		Manager			
SSC infrastructure / facilities		Manager			
Programme Management		Manager			

Respondent's Signature

Date & Company Stamp

C. Phases according to which the project will be completed, cost per phase and man-days to be spent

----- R----- days
----- R----- days
----- R----- days
----- R----- days
----- R----- days

D. Period required for commencement with project after acceptance of bid

.....

E. Estimated man-days for completion of project

.....

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Respondent's Signature

Date & Company Stamp

SECTION 7: GENERAL TENDER CONDITIONS - SERVICES

Refer General Tender Conditions attached hereto.

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Respondent's Signature

Date & Company Stamp

**SECTION 8: STANDARD TERMS AND CONDITIONS OF CONTRACT
FOR THE PROVISION OF SERVICES TO TRANSNET**

Refer Standard terms and conditions attached hereto.

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Respondent's Signature

Date & Company Stamp

SECTION 9: NON-DISCLOSURE AGREEMENT (“NDA”)

Complete and sign the Non-Disclosure Agreement attached hereto

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Respondent's Signature

Date & Company Stamp

SECTION 10: RFP DECLARATION FORM

NAME OF COMPANY: _____

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 bid clarification purposes;
2. we have received all information we deemed necessary for the completion of this Request for Proposal (RFP);
3. at no stage have we received additional information relating to the subject matter of this RFP from Transnet sources, other than information formally received from the designated Transnet contact(s) as nominated in the RFP documents;
4. we are satisfied, insofar as our company 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
5. furthermore, we acknowledge that a direct relationship exists between a family member and/or an owner / member / director / partner / shareholder (unlisted companies) of our company and an employee or board member of the Transnet Group as indicated below: *[delete this paragraph if not applicable]*

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

ADDRESS:

Indicate nature of relationship with Transnet:

(Failure to furnish complete and accurate information in this regard may lead to the disqualification of a response and may preclude a Respondent from doing future business with Transnet)

Respondent's Signature

Date & Company Stamp



6. 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 company in the forthcoming adjudication process, we shall notify Transnet immediately in writing of such circumstances.

SIGNED at _____ on this ____ day of _____ 2010

For and on behalf of duly authorised thereto	AS WITNESS:
Name:	Name:
Position:	Position:
Signature:	Signature:
Date:	Date:
Place:	Place:

“PREVIEW COPIES ONLY”

Respondent's Signature

Date & Company Stamp