

## **TERMS OF REFERENCE**

**SPECIFICATION FOR RENDERING A SERVICE IN RESPECT OF AIR TRAVEL, DOMESTIC ACCOMMODATION AND DOMESTIC CAR RENTAL ARRANGEMENTS BY TRAVEL MANAGEMENT COMPANY/s FOR THE DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION FOR A PERIOD OF TWO (2) YEARS.**

### **1. PURPOSE**

To appoint travel management company/s (“the service provider/s”) to provide a comprehensive travel management service for all Department of International Relations and Cooperation (DIRCO) officials and approved non-officials for business purposes. This service will be rendered for all those travel management services that are arranged at the DIRCO Head Office, and will not apply to travel arrangements made at DIRCO missions abroad.

### **2. BACKGROUND**

DIRCO requires that travel arrangements in respect of its officials, or approved non-DIRCO officials in the interest of the DIRCO be made by the service provider, with due consideration to the following:

- a) The travel and accommodation arrangements will only be for persons traveling for official purposes and in the interest of the DIRCO with prior approval.
- b) In cases of group bookings, DIRCO reserves the right to exercise its own travel options and arrangements, taking into consideration any existing contract[s] with suppliers of services like charter flights or road transport.
- c) the most cost effective and practical means of travel shall be used at all times. The service provider will be required to clearly prove a reduction in costs to DIRCO by means of reports taking travel trends into consideration.

### **3. SCOPE OF WORK**

**3.1.** DIRCO requires the service provider to provide the service to all its offices in Pretoria, Johannesburg, Cape Town and Durban. This contract shall not apply to travel requirements made by any DIRCO missions abroad.

**3.2.** The appointed service provider will be required to always assist DIRCO officials concerning travel arrangements. Each requirement must thus be dealt with in such a manner, that the most economical travel option is arranged to satisfy the stated requirement.

3.3. DIRCO further reserves the right to appoint more than one service provider if deemed necessary

3.4. DIRCO may require the service provider to set up office within the premises of DIRCO in Pretoria. The travel requirements would be for a full service travel model with the same technical possibilities as a general travel agent. The dedicated DIRCO travel consultants must have 24-hour access to all the DIRCO travel bookings

#### **4. OVERALL REQUIREMENT**

DIRCO's requirement for domestic and/or international travel in line with departmental policy covers the following in total or in part;

##### **4.1. Air Travel**

4.1.1. Planning, arranging, amending of all air travel bookings through available local branch offices and agencies situated in Pretoria;

4.1.2. Payment of all travel bookings through a corporate credit card.

4.1.3. Negotiating discounts on standard tariffs for air travel with all available commercial airlines;

4.1.4. Negotiating discounts in travel rands or credits, on accumulated expenditure for air travel with all available commercial airlines.

##### **4.2. Domestic Accommodation**

4.2.1. Planning bookings, amending and paying domestic accommodation through a corporate credit card [Bill Back System] with any hotel group, private hotel or other available concern, for example guesthouses, etc. where such a requirement is referred to the service provider and approved by DIRCO.

4.2.2. Negotiating discounts on standard tariffs or reduced tariffs with all available hotel groups, private hotels or other concerns.

##### **4.3. Vehicle Rental**

4.3.1. Booking and payment through a corporate credit card [Bill Back System] of vehicles with or without the services of a driver through DIRCO's preferred car rental companies and amending any confirmed bookings if necessary.

4.3.2. Negotiating discounts on standard tariffs or reduced tariffs with all available companies.

#### **5. Value added services**

In respect of value added services DIRCO's requirements are as follows:

##### **5.1. Offices**

South African branch offices or agencies where domestic and/or international travel and accommodation requirements can be planned and/or booked and paid through a corporate credit card, and where amendments to bookings can be done, are to be available all the time.

##### **5.2. Delivery Services**

- 5.2.1. Where no e-ticket facilities are available, travel documentation will be timeously delivered to a nominated DIRCO official, his or her delegate or the point of delivery, by branch offices or agencies situated in Pretoria, Johannesburg, Cape Town and/or Durban.
- 5.2.2. Only in exceptional cases and as mutually agreed between the service provider and DIRCO Supply Chain Management Officer may air tickets and travel documentation be collected by officials or nominees of the Supply Chain Management Office from the service provider or designated collection point.

### **5.3. Staff**

- 5.3.1. The service provider must allocate a sufficient number of staff to manage this account.

### **5.4. Twenty-Four (24) Hour Service**

- 5.4.1. Personnel from the service provider must be available on a 24-hour basis, so that as and when required, unexpected changes to travel plans can be made.
- 5.4.2. Bidders are expected to advise DIRCO on the manner in which they will satisfy this requirement.

### **5.5. Workshops**

- 5.5.1. The service provider must at corporate level arrange a roll out induction workshop as well as regular follow-up workshops to all DIRCO staff within South Africa, during which relations and functioning between its branch offices and agencies and DIRCO officials can be structured and maintained.

### **5.6. Travel Manual**

- 5.6.1. The service provider, once appointed, must within an agreed period of time jointly with DIRCO Supply Chain Management officials draft DIRCO's Travel Manual to ensure that it is in accordance with all relevant Bid document and procedures as well as the Subsistence and Transport Policies of DIRCO.

### **5.7. Other**

- 5.7.1. The service provider must also assist whenever possible with the arrangements where special assistance is required (e.g. arranging for excess baggage, special meals).

## **6. General Requirements**

DIRCO has the following general requirements:

### **6.1. Management Reports**

Management Reports must be available not later than the 15<sup>th</sup> of the following month during the duration of the contract and must cover the following:

- All transactions processed per account, detailed per each Chief Directorate in DIRCO.
- The number of changes, amendments and cancellations made.
- All savings achieved in the form of travel rands.

- Exception reports of all afterhour's transaction.
- Detailed report per suppliers per category of services (Air travel, accommodation and car rental).
- Detailed monthly / quarterly reports on hotel accommodation specifying hotel grading utilized.
- BBEE and SMME suppliers utilized.
- Quarterly review reports.

## 6.2. Tariff/Discount Adjustments

Notices of imminent tariff adjustments, especially in respect of air travel must be made available and distributed within DIRCO via e-mail. The service provider will be responsible for ensuring continuous negotiations to ensure lower tariffs or higher discounts.

## 7. OPERATING PROCEDURES

**A Service Level Agreement to which the General Conditions of Contract will be applicable will be concluded between DIRCO and the service provider to ensure a seamless travel service.** This service level agreement will also be utilized to evaluate the service level and guarantee that improvement is continual.

## 8. RESPONSIBILITIES

### 8.1. The Service Provider

The service provider will be responsible for the following:

- 8.1.1. When making bookings for travel, preference must be given to the instructions of DIRCO officials and in compliance with DIRCO's travel policy, in respect of the following:
  - 8.1.1.1. Date, routes, passenger class, preferred seating, special meals/ assistance and with due consideration to the most cost effective arrangement for air travel accommodation and ground transport. Requests must be processed immediately upon receipt to ensure availability of service. Failure to do so will result in the service provider being held liable for any difference in costs incurred.
  - 8.1.1.2. Alternative arrangements must be timeously suggested if confirming travelling route is impossible or if it can be proven that, with deviations from original arrangements, could result in financial savings.
- 8.1.2. Timeous delivery to DIRCO official, his or her nominee or point of delivery/collection, of all the required travel documentation, such as the air tickets, and vouchers in respect of hotel bookings.
- 8.1.3. Timeous submitting of proof that the required services have been rendered and/or used, so that payment of a corporate credit card statement can be arranged by DIRCO. Such proof will include linking invoices to the requests submitted and for which order numbers were issued.

Copies of original travel documentation must be made in line with the number of invoices to be generated by the specific request. These copies must be numbered to ensure that each invoice has its own order form [Travel Requisition Form]. Invoices are to be submitted with copies of the relevant Travel Requisition Form

8.1.4. The names and telephone numbers of personnel available on a 24-hour basis must be updated regularly and submitted in electronic format to DIRCO.

8.1.5. Ensure confidentiality in respect of all travel arrangements concerning all travelers.

8.1.6. Every six (6) months meetings with all Local Travel Coordinators in DIRCO must be held to discuss any problems and new developments which will enhance service delivery.

## 9. SPECIAL CONDITIONS

### 9.1. International Air Transport Association (IATA) Membership

Only bids of recognized Travel Management Companies, that are official members of IATA, will be accepted

### 9.2. Documentary Proof.

Documentary proof of standard tariffs will be obtained by the service provider and be made available to DIRCO on request. However, documentary proof will be obtained for all other benefits negotiated and submitted with the bidder's offer.

### 9.3. Domestic and International Services.

Separate prices/discounts for domestic and international services must be furnished. The right is reserved to allocate the two services as separate entities.

### 9.4. Discounts.

Any bid submitted will reflect all discounts tendered for any service. To distinguish between standard discounts, special discounts and cumulative discounts, if any, they will all be reflected separately and the conditions applicable thereto also shown separately. It must also be clearly stipulated whether any discounts represent credits or travel rands. Discounts for early payment must also be indicated.

### 9.5. Service Fees.

9.5.1. Service providers must submit their detailed fixed service fee **per transaction** in respect of the following:

- 9.5.1.1. Domestic air travel arrangements
- 9.5.1.2. International air travel arrangements
- 9.5.1.3. Domestic accommodation arrangements
- 9.5.1.4. Car hire arrangements
- 9.5.1.5. Secure Parking facilities at the airports
- 9.5.1.6. Cancellations
- 9.5.1.7. Value-add service requests (excess baggage, Wheelchair requests, etc.)

9.5.2. **All service fees must include VAT**

9.5.3. Service fees charged by the service provider must be billed to a corporate credit card on the same invoice for actual cost and not directly to DIRCO.

**NB: The service fee must be fixed for each transaction and will not be based on the percentage of the value of the transaction.**

## 10. FORMAT OF THE BID

The following tables reflect various aspects, which have to be addressed by all bidders. In each case, information and documentary proof concerning various airline companies, hotel groups, etc., must be furnished. The list below is not exhaustive and thus bidders could furnish any additional information where applicable. **The bidder must reflect all information required so that their offer can be easily adjudicated and compared on the same basis with other bids received.**

### 10.1. Air Travel

ASPECT	COMMENTS
<b>Financial Aspects</b>	
Special Tariffs	What specially negotiated tariffs are offered other than the normal tariffs?
Special Discounts	What specially negotiated discounts are offered? Supply proactive recommendations on the use of best deals versus tariffs which qualify for corporate agreement miles/rands. <b>Documented proof must be provided.</b>
<b>Credits</b>	
Classes of Travel	What classes of travel qualify for credits?
Accumulated Credits	What specially negotiated credits based on accumulated travel/ sliding scale are offered?
Availability of Credits	Are credits available as travel rands, cheque or cash?
<b>Offer Firm or Not (indicate hereunder)</b>	
Special Tariffs	Are specially negotiated tariffs firm for duration of contract?
Special Discounts	Are specially negotiated discounts firm for duration

	of contract?
Accumulated Credits	Is sliding scale for accumulated credits firm for duration of contract?
Proof of Negotiations	Has proof of specially negotiated tariffs, discounts and sliding scale been submitted?

## 10.2. Accommodation

ASPECT	COMMENTS
<b>Financial Aspects</b>	
Special Tariffs	What specially negotiated tariffs are offered?
Special Discounts	What specially negotiated discounts are offered?
Offer Firm or Not	Are specially negotiated discounts firm for duration of contract?
Proof of Negotiations	Has proof of specially negotiated tariffs and discounts been submitted?

## Car rental

ASPECT	COMMENTS
Special Tariffs	What specially negotiated tariffs are offered?
Special Discounts	What specially negotiation discounts are offered?
Offer Firm or Not	Are specially negotiated discounts firm for duration of contract?
Proof of Negotiations	Has proof of specially negotiated tariffs and discounts been submitted

### 10.3. General aspects

ASPECT	COMMENTS
<b>Service Costs</b>	
Delivery of Documents	What are the costs to deliver travel documents?
Collection of Tickets	What are the costs to collect travel documents at designated points?
Management Reports	What are the costs to produce required management reports?
Air Travel Bookings	What are the costs to arrange air travel requirements?
Accommodation Bookings	What are the costs to arrange accommodation?
No-show Fees	What are the fees for not traveling or booked accommodation?
Service Costs Firm	Are the costs firms for duration of contract period?
<b>Management of Account</b>	
24 Hour Availability	In what way are personnel available for 24 hours?
Security Measures	What security measures are in place to prevent financial/security irregularities?
Comply to Specification	Does the offer comply with the specification?
Reconciliation of Account	In which manner will the account be reconciled monthly?
<b>Representativity</b>	
Local Branch Offices	Where are branch offices situated locally?
Local Agents	Which and how many local agents will be used



	and where are they situated?
International Agents	Which and how many international agents will be used and where are they situated?
<b>Value-add Services</b>	What value-add services are being offered?
<b>Transfer of skills</b>	
Promotion of SMME's	What does the bidder do to promote SMME's
Development of Travel Service Industry	How does the bidder develop skills in the travel services industry?
Documentary Proof	Submit documentary proof of actions taken to transfer skills
<b>Organisation Credentials</b>	
Member of IATA	Is the bidder a official member of IATA
Company Profile	Supply date of formation, share holding, location of offices, number of professional staff in each office
<b>Financial Statements (As per independent auditors)</b>	<b>Provide the latest audited Financial Statements of your organization.</b>
Current Client Base	Supply references (names and contact person) of major clients.
Experience	Supply actual detailed examples of large travel accounts being managed.
Company's Standard Conditions	Supply details of the conditions
Travel Policies	Indicate how DIRCO's travel policy will be adhered to.
Corporate Agreements	Indicate how corporate agreements will be managed.
Recommendations	Supply recommendations on the

	standardisation, adherence to departmental policy and proactive management of agreements to ensure maximum benefits.
--	--

**11. EVALUATION METHODOLOGY**

The Bid must be properly submitted on or before the closing date and time specified on the invitation, fully completed in ink (as per all standard conditions of bid). The Bid documents must be lodged in the tender box at DIRCO, Oliver Tambo Building, 460 Soutpansberg Road, Rietondale.

**11.1. Phase 1:**

To be considered for phase two (2) of the evaluation, bidders must comply with the following special conditions or responsiveness criteria.

**11.1.1. Responsive Criteria**

Non-adherence to the responsive criteria would result in the bid being disqualified.

REQUIREMENTS	YES	NO
Valid Tax Clearance Certificate submitted with the bid.		
Official membership with IATA ( <b>certified copy of membership certificate must be furnished</b> )		
Detailed fixed service fee per transaction		
All prices to include VAT		
Attendance of compulsory briefing session		
24 Hour availability		

**11.2. Phase 2:**

A panel will evaluate all bids received from bidders on functionality. A bidder that scores less than (65%) of the 100 points allocated in respect of "functionality" will be regarded as submitting a non-responsive bid and will be disqualified and therefore will not be considered for the last phase of evaluation, where the successful bidders will compete for price points and BBBEE points.

**11.2.1. Functionality Criteria**

REQUIREMENT		WEIGHT
<b>Management of Account</b>		
24 Hour Availability	Give detailed after hour procedure <ul style="list-style-type: none"> <li>- Number of consultants on duty</li> <li>- Indicate whether services are inhouse</li> </ul>	<b>10</b>

	<p>or outsourced</p> <ul style="list-style-type: none"> <li>- What is the company's turnaround time</li> <li>- How do you make sure you get proper authorisation</li> </ul>	
Security Measures	<p>How do you ensure confidentiality?</p> <ul style="list-style-type: none"> <li>- Indicate how you will ensure only authorized personnel travel</li> </ul>	<b>10</b>
Reconciliation of Account	<p>Provide a detailed process of how will the accounts be reconciled.</p> <ul style="list-style-type: none"> <li>- Indicate on which day on the month will the Diners credit card statement be reconciled</li> <li>- The date in which the invoices will be delivered</li> <li>- How refunds will be processed</li> </ul>	<b>15</b>
<b>Empowerment Objectives</b>		
Promotion of SMME's/HDI's	<p>Please list the SMME/HDI that will benefit from this bid and how. Provide details of projects the Bidder has been involved with to promote SMME/HDI's</p>	<b>10</b>

Development of Travel Service	Give details of how does the bidder develop skills in the travel industry (submit documentary proof)	<b>5</b>
<b>Capacity to Deliver</b>		
Current Client Base	Supply references (names and contact person) Supply actual detailed examples of large travel accounts and their travel value.	<b>5</b>
Experience of management and staff	Supply the management structure and Resume's (abridged cv's) of individuals to be operationally involved.	<b>10</b>
Travel Policies	Indicate which steps will the bidder take to ensure that the department's travel policy is adhered to.	<b>5</b>
Corporate Agreements	Provide detailed process of how the corporate agreements will be managed <ul style="list-style-type: none"> <li>- How they will be negotiated</li> <li>- How the bidder will ensure consultants utilize corporate agreements</li> <li>- When reports will be submitted to track support of the corporate</li> </ul>	<b>10</b>

	agreements	
Service delivery	<p>Demonstrate the ability to provide a comprehensive air travel and accommodation service, and your in-depth knowledge of the industry.</p> <ul style="list-style-type: none"> <li>- Substantiate why it would benefit DIRCO to use the travel management company as opposed to going to airlines and hotels directly</li> <li>- Provide details of the travel options the bidder gives to the client</li> <li>- Demonstrate how the bidder will assist DIRCO to save costs,</li> <li>- What value-add services do you offer,</li> </ul>	<b>15</b>
Financial Status	Please provide the latest Audited Financial statements of your company as presented by an independent auditor.	<b>5</b>
<b>Total</b>		<b>100</b>

**Values: 1=Poor, 2=Fair, 3=Good, 4=Very Good, 5=Excellent**

#### **11.2.2 POINTS AWARDED FOR PRICE**

#### **THE 90/10 PREFERENCE POINT SYSTEMS**

A maximum of 90 points is allocated for price on the following basis:

90/10

$$P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

### Points awarded for B-BBEE Status Level of Contribution

In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must 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 (90/10 system)
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Bidders who qualify as EMEs in terms of the B-BBEE Act 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 EMEs with B-BBEE Status Level Certificates.

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.

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal-entity, provided that the entity submits their B-BBEE status level certificate.

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. Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that

such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise

that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-

contractor is an EME that has the capability and ability to execute the sub-contract.

A person awarded a contract may not sub-contract more than 25% 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 sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## 12. PRICE

The bidders should provide a detailed breakdown in which the costs will be allocated, according to the table below. **Costs must be VAT inclusive**

**NB: The service fee must be fixed for each transaction and not be based on the percentage of the value of the transaction.**

REQUIREMENT	COST PER TRANSACTION (VAT INCL)
<b>International and Regional</b>	
International and Regional – more than 4 sectors	
International Voyager /Travel Rands Tickets	
Changes to International ticket after issue	
<b>Domestic</b>	
Domestic Ticket	

REQUIREMENT	COST PER TRANSACTION (VAT INCL)
Internet Booking	
Domestic ticket more than 4 sectors	
Domestic changes made to an issued ticket	
<b>Additional Services</b>	
Hotel & Guest House – direct settlement	
Hotel & Guest House – bill back to the agent	
International hotel – direct settlements	
International hotel – prepaid	
Car hire – settle direct	
Car Hire – bill back voucher if required	
Bus tickets	
Rail tickets	
Emergency services	
Forex Requirements	
Parking	

### 13. CONTRACT PERIOD

13.1. The contract will be valid for period of two (2) years from the date of award, and will be reviewed annually as agreed upon in writing by both the DIRCO and the successful bidder.

### 14. COMPULSORY INFORMATION SESSION

14.1. A compulsory briefing session will held on the 24<sup>th</sup> August 2012 at 10AM at the Department of International Relations and Cooperation, 460 Soutpansberg Road, Rietondale.

### 15. CONTACT PERSONS AND SUBMISSIONS

All enquiries can be directed to the Director: Supply Chain Management as per fax: (012) 323 0357

Enquiries pertaining to the completion of bid documents can be directed to:  
(012) 301 8594/674



Prospective service providers should submit their bonded proposals in a sealed envelope with the details of the specific bid on the outside of the envelope to:

**Per hand**

Department of International Relations and Cooperation

Pretoria

0001

or

**Post**

The Bid Office

Department of International Relations and Cooperation

Private Bag X 152

Pretoria

0001

Submissions should be posted to be received or hand delivered to the mentioned addresses on or before 11:00 on the closing date.

Prospective service suppliers are encouraged to submit their proposals before the closing time and date, as late submissions will not be accepted.

***E-Mailed or faxed submissions shall not be accepted. Non compliance with any of the above conditions will result in your bid being disqualified***