**Client**

**Request for Proposal**

**Relating to Procurement of a**

**Turnkey**

**Integrated Business Information Systems Solution**

**Comprising**

**Core Business Management, Supply Chain Management,**

**Data Warehousing, ERP and other software**

**Together with**

**Integration, Implementation and**

**Project Management Services**

**For the Client Group**

**Version 257\_005\_052**

**Release 3…**

**Background**

This document set was compiled by Client Executive CIO of Client and CLIENT COMPANY2 and James Robertson (independent consultant) based on techniques developed by James over a number of years combined with Client Executive’s very considerable experience of engineering contracts. This document has undergone a number of revisions and we are confident it provides a solid foundation for use by Client when the time is right.

Client Executive can be contacted on

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See also <http://www.James-A-Robertson-and-Associates.com/>

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1. Introduction

This document will form the basis of the evaluation process.

Bidders are required to conduct themselves as trusted professional advisors and take all necessary steps to ensure a high value, high quality, high sustainability project outcome.

The final solution should be tailored to the exact way of doing business of Client.

The goal is to create a contractual framework such that Client know exactly what they are paying for and get it and so that the Contractor knows exactly what they are expected to deliver and get paid for it – the goal is an equitable and balanced contract designed to create a win-win situation.

1.1 Overview

Client is a large multi-disciplinary engineering group comprising over xx business units that operate across the spectrum of Core Business, Core Business2 xx, xx, xx, Manufacturing and other sectors.

The focus of the initial Systems and ERP implementation will likely be on the Core Business and Plant Divisions. The Core Business element of the group currently runs a proprietary and elderly custom xxx application running on an IBM xxxx (xxx). The Core Business2 contracting side of the business is currently uses xxx Accounts and, while not first priority, the goal is to move them to the same ERP if at all possible. Other Divisions will likely follow. An ERP that meets the needs of the entire group is therefore preferred although a Core Business industry specialist package is NOT ruled out at this point.

This document is targeted at ERP and Core Business Software Vendors with the intention that they assemble the most suitable software and implementation teams. The document sets out the requirements with a view to software vendors and implementers making formal submissions in a three stage phased evaluation process – see Section … below. The goal is to work towards a negotiated fixed price for the project and towards this end vendors and implementers are expected to highlight the information and business access they require in order to be able to offer a fixed price.

1.2 Project Objectives

1.2.1 To specify and procure a comprehensive, integrated ERP and Core Business Management software system solution initially for the Core Business and Plant divisions which, if practical, is also suitable for the Core Business2, Engineering and other Divisions, and which is capable of serving the Group for the next twenty years.

1.2.2 To implement this software by means of a tightly run, high quality, systems engineering project with maximum business engagement and optimum solution fit at optimized low cost.

* 1. Key Contact Person

Bidders must nominate a Key Contact Person who will receive all correspondence with regard to the bid and who will be responsible for ensuring that all other members of their team are updated with such additional information. Client ONLY accepts responsibility for making such information available to the Key Contact Person.

* 1. Assistance to Organizations Submitting Proposals

Proposers may address requests for information or clarification by email to the following people. Replies will be made by email to ALL organizations that have been invited to bid:

… ???

Mr xxx – Information Systems Manager Client Core Business at

Cut-off for questions is 16h00 two business days before the due date for submission of offers to Client.

* 1. Scope of Work

The scope of work comprises the supply of a system or combination of systems configured, customized and integrated to meet the detailed requirements of the Client Group as set out in this Request for Proposal, Requirements Specification and accompanying documents.

Deliverables must be installed and implemented at the offices of Client in Xxx and in the other offices stipulated in Section … of the file.

The successful proposer will be required to perform the following:

* + 1. Provide comprehensive Project Management and Project Administration services;
    2. Provide Change Facilitation (Change Management) services at an agreed level in partnership with Client’s Human Resources team;
    3. Provide solution Integration services as required to ensure that all system components of the solution inter-operate and function as a comprehensive business solution with a single point of entry for every item of data;
    4. Actively and formally manage project risk, taking into account the “Factors causing ERP investment failure”, the “Critical Factors for ERP Investment Success” and the principle of “Engineer against failure” as defined by James Robertson as well as any other identified risk elements. A comprehensive Risk Register should be maintained for review at Monthly Project Meetings or more frequently as required;
    5. Provide functional and operational software to meet all stated requirements to final scope negotiated during detailed project design and costing;
    6. Undertake detailed discovery to fully understand the business and scope the requirement;
    7. Develop a detailed specification of the exact business requirement, by module and / or division as appropriate, including all necessary facilitation, documentation and other elements required to fully define the optimum business application of the software supplied and ensure its effective and efficient deployment and operationalization within the business;
    8. Undertake a gap analysis identifying shortfalls in the offering relative to the in-depth definition of requirement evaluated in the detailed analysis undertaken in the previous point;
    9. Configure software to fit the requirement. This will be done in the Laboratory prior to deployment in the live environment, refer to the discussion on the Laboratory in Section … of the file. Configuration must be designed to work across the entire group and to accommodate future reasonably foreseeable growth.

Configuration will include but NOT be limited to:

* + - 1. Software settings;
      2. Business Model in the General Ledger and related modules;
      3. Master Chart of Accounts and operational Charts of Accounts for individual Business Units;
      4. Fixed Asset classification;
      5. Product / Material / Item classification / catalogue/s;
      6. Classification of Personnel;
      7. Other specific classifications;
      8. Unique attributes on Products and other classification master data;
      9. General record level attribute settings;
      10. Business Process models and workflows;
      11. Reports, models and dashboards;
      12. Other configuration settings.
    1. Establish and operate a comprehensive Business Simulation Laboratory in accordance with the approach set out in Section … of the file in order to fully test and refine the configuration and optimize as necessary. Set up and operate the laboratory in conjunction with Client, test and optimize the configuration, build and test reports, models and dashboards, standardize and document policies and procedures, create training material, train personnel and refine as necessary using a statistically representative data sample in order to ensure that the software can be deployed in the business with high reliability;

Testing of the complete configuration, including testing of any customization or custom development, will take place in the Laboratory with rigorous representative data sample testing by senior business personnel. The deployment of the software will ONLY take place once these personnel certify that the installation is robust and comprehensive AND once the implementer and the software vendor certify that they are satisfied that ALL possible situations have been thoroughly tested. The Laboratory configuration will be required to operate with full reliability for thirty calendar days.

Process optimization and documentation, development of reports and business intelligence models, development of training materials and training will ALL take place in the Laboratory PRIOR to commissioning of the software in the business, refer to the detail in the Bill of Services.

The software and configuration must operate in the Laboratory for a minimum period of one month free of material defects before Commissioning. A material defect is any defect that impacts the practical application of the software, in other words NOT a cosmetic defect.

Once the laboratory installation is certified as being fit for Commissioning all staff will be trained up in the laboratory and ONLY then will production operation commence.

Commissioning is the putting into service of the system in a component (cluster) of the business.

* + 1. Advise and guide Client with regard to selection of comprehensive statistically representative test data for the Laboratory, take-on of that data, verification of that data;
    2. Customize software if necessary to fit the requirement given that zero customization is preferred. Any customization or custom development will be required to be undertaken using a fully qualified software development team to internationally recognized software design, construct, test and deploy standards that must be agreed to before development commences. Design of customization must be undertaken by a senior and highly experienced Solution Architect;
    3. Train Client’s staff in all aspects of the operation of the software. This includes training of the internal implementation team and module specialists {super users} and training of users;
    4. Assist with the cleansing of Master Data. The level of effort expected from Client personnel is to be clearly spelt out in the proposal;
    5. Assist with take-on of Master Data, opening balances and other data to be transferred from the existing systems. The recommended approach is to be clearly discussed in the proposal;
    6. Establish a full featured Data Warehouse and Business Intelligence Environment to accommodate all future data from all modules, unless otherwise agreed and to accommodate all relevant history;
    7. Take on all history, into the Core Business Software, ERP or Data Warehouse as agreed – allow for three stages of history take-on – first take-on, increment since first take-on, final increment;
    8. Assist with verification of take-on data. Level of involvement to be clearly spelt out in the proposal;
    9. Commission the software in the business until fully operational in ALL respects in terms of the functionality supplied. Commissioning will be staged in groups of Business Units and, in some cases, also with major contracts so that the overall commissioning proceeds with minimum business disruption. There are contracts which run for many years;
    10. Manage phased acceptance and handover to Client as major milestones are completed, refer to the milestones in the Bill of Services;
    11. The software and configuration must operate in the Live Environment for a minimum period of one month free of material defects before Handover. Handover is the final acceptance of the system in full production in a component (cluster) of the business;
    12. Provide hands-on support as required to ensure effective and efficient operation of the software. This includes hands-on on-site support for:
        1. the first month after go-live;
        2. the next 3 months;
        3. the next 6 months;
        4. extra provision for the first month end;
        5. first year end;
        6. first three months following the above year end;
        7. This must include provision for Change Facilitation during this period.
    13. Provide hot-line support as required to ensure effective and efficient operation of the software on a long-term basis;

* + 1. Provide for ongoing support and maintenance of the software;
    2. Provide standard software maintenance, updates and enhancements in perpetuity. Vendors are required to declare the annual license fees for the first five years and thereafter the maximum year on year license fee increases that will be requested;
    3. Provide rates for custom additions and alterations to the software and the configuration as required for the first two years after commissioning;
    4. Other services as may be required from time to time.
  1. General Requirements

The overall requirements for the software and solution are as follows:

* + 1. The software solution shall either comprise a total solution using standard modules from standard packages (which is the preferred solution) or a combination of standard modules integrated with specialist third party modules. Limited customization may be permitted but is NOT encouraged;
    2. Where the offering comprises entirely standard software the vendor must warrant at proposal stage that all requirements can be met with the standard software with proper configuration and must include a written guarantee to this effect in their proposal offer.

Configuration of the software must at all times reflect the practical reality of the business as determined by the Client Project Team. Where there are differences of opinion within the Client Project Team the view of the Executive Sponsor will be final.

The lead Implementer Solution Architect responsible for designing the configuration must be highly experienced and be able to operate comfortably at the Executive level and evidence strategic thinking abilities at a level that ensures that the final solution is strategically appropriate and meets long term strategic goals. This person must be able to facilitate executives and senior managers to high quality practical outcomes and be able to give thought leadership guidance where this is required;

* + 1. Submission of an offer constitutes an implicit guarantee that in the event of it being found that the standard package does NOT fully meet the requirement, the standard package will be modified by the vendor as required or custom development undertaken around the standard software at no extra cost. A formal certificate certifying acceptance of these terms is provided and is a necessary pre-requisite for the offer to be considered;

* + 1. The project design provides for progressive discovery of the details of the requirement related to the product finally chosen, however, the vendor must clearly stipulate what they require in order to ensure that their assurance of using standard modules is well grounded.

1.7 Submission of Stage 1 Proposals

Submission of First Stage Proposals requires submission of five bound proposal sets together with both a physical and electronic copy of this Request for Proposal and all other documents Annexures signed by an officer of the proposing company to be delivered to the offices of Client in Xxx by 16h00 on Friday …

* 1. General Notice regarding Procurement Process

The selection of the preferred contractor will be based on the criteria contained in the Adjudication Schedule in Section … of the file of which cost is only one factor.

As such, whilst cost is extremely important, the lowest cost offer will not necessarily be successful.

Client reserve the right to terminate the process at conclusion of stage 1, 2 or 3.

If proposals do not comply with the terms of this Request for Proposal, such proposal may not be considered and may be disqualified.

Should you need to know more about Client please visit our website at [http://www.client.co.za/](http://www.basilread.co.za/)

* 1. Final Approval of Successful Bidder

Offers will be adjudicated in accordance with the process and schedule set out in detail in the “Procurement Schedule” in Section … of the file.

Client reserves the right to accept any offer that is presented and reserves the right to reject all offers if it sees fit.

* 1. Timing

The timing of the procurement process will determine the commencement date of the project. The successful bidder is expected to commence work on the detailed planning (Stage 3) within two weeks of notification of their acceptance and to finalize the detailed planning within two months from notification of their acceptance and to commence work on the project within two weeks from acceptance of the final fixed cost proposal and plan and signing of the contract.

* 1. Documentation Supplied

The following documentation is supplied in a series of files:

* + 1. **Invitation to Bid**
    2. **Confidentiality and Non-Disclosure Agreement**

This document must be signed before bidders will be given the bid documents.

* + 1. **Request for Proposal**

This document which sets out the key legal and contractual terms of the project and the overall project approach.

* + 1. **Headline Requirements Specification**

The principal requirements – more detailed requirements in Section … of the file.

* + 1. **Specification of Laboratory Approach**

Configuration, testing, development of reports, development of training material and training is to take place in a simulated business environment termed the Laboratory – this document sets out what is required.

* + 1. **Client Standard Procurement Documents**

Submissions must comply with all standard Client procurement terms and conditions and required documentation.

* + 1. **Client Integrated Annual Report**

Supplied in order to give background to the bid and so that bidders understand the business.

* + 1. **Procurement Timeline**

The Timeline for this procurement process. Bidders are required to diarize these dates and to arrange their affairs in order to attend all presentations, site visits, walkthrough’s, etc set out in this Annexure. Failure to attend any of these events may prejudice submissions or result in disqualification.

* + 1. **Business Unit Schedule**

List of Client companies Grouped by Functional Operating Divisions or Clusters defining the sequence in which different components of the Client Group will be moved to the new systems.

* + 1. **Software Schedule**

Schedule of the software that we think we need – this is indicative only, vendors are required to assess the software that is required to fill the full requirement and to add or exclude items on this list as necessary to ensure that the full requirement is met.

* + 1. **Bill of Services**

The “Bill of Services” is a detailed schedule for cost analysis provided in the form of an Excel Spreadsheet. This schedule must be fully completed in the Spreadsheet provided without any structural change and will form the basis of the cost proposal. Full rows and full columns may be added in appropriate locations. Bidders are responsible for inserting formulae and validating formulae.

The final offer price must be derived directly off this schedule. This schedule will furthermore form the basis for determining Business2 payment quanta and milestones to the successful bidder and will also form the basis of the detailed project schedule (Gantt Chart) including the Work Breakdown Structure. In the event of a discrepancy between the Bill of Services and other documentation the Bill of Services will be regarded as the final authority with regard to the scope of work and the budget.

All prices and fees must be quoted EXCLUDING VAT.

The Bill of Services lists all the headline activities that we consider necessary to achieve the desired outcome. Bidders are free to bid in more or less detail than the Bill of Services but it must be noted that the final Bill of Services will form the basis of the contract and all payment and performance milestones will be based on the Bill of Services.

The Bill of Services will give rise to a schedule of “Allowable Fees” which will determine what is paid for every activity. Every item is required to constitute a fixed price offer and the entire summation of the Bill of Services will give rise to the offer price.

Bidders are required to complete the Spreadsheet supplied by Client electronically and to provide both a signed printed copy and an electronic version of the data that can be used by the adjudication team to evaluate and analyze the offer.

The first stage offer must include a high level Gantt Chart based on the Bill of Services and the second stage offer must include a detailed Gantt Chart based on the Bill of Services that logically flows from the first Gantt Chart. The final project Gantt Chart is required to follow directly from the Gantt Chart submitted in Stages 1 and 2 of the procurement process.

* + 1. **Bid Compliance Checklist**

All the items on the Bid Compliance Checklist must be furnished or initialed as indicated in the table. If any of the documents listed in this checklist are missing or if any of the required declarations have not been signed or initialed this may prejudice of disqualify offers.

* + 1. **Bid Adjudication Schedule**

The Bid Adjudication Schedule sets out the basis for evaluation that will be used by the Client Adjudication Team. Proposers are advised to ensure that their offer fully addresses all the criteria set out in this section. Failure to supply information in support of compliance with all these criteria may prevent the bid adjudication panel from accurately assessing your submission and may therefore prejudice your chances of being awarded the contract.

* + 1. **Table of Contents of Submission**

The structure of the bid submission document pack is prescribed and set out in this section. Offer documents must exactly follow the sequence set out in this Table of Contents.

* + 1. **Certificates to Use on the Project**

Various Certificates are prescribed for the project. The Certificates in this section may be viewed as drafts and bidders are invited to suggest improvements.

* + 1. **Detailed Requirements Specification**

A more detailed schedule of requirements. This document is still at a headline level as the successful contractor will be required to undertake in-depth requirements specification workshops in order to make sure that they knowledge of the business divulged in those workshops is fully internalized by the Implementation Team.

* + 1. **Schedule of Reference Documents**

This schedule lists all the documents in the Reference Document pack and contains limited information about the documents as well as ratings of criticality.

* + 1. **Reference Documents Part 1**

Sample Documentation with regard to the manner in which Client currently conducts business. While Client have made every effort to ensure that this documentation is fully representative this is NOT guaranteed. The successful contractor is required to validate the completeness of these packs during the requirements workshops. This pack is NOT definitive in terms of the items required in the final solution. It is merely intended to provide contextual information. The successful bidder is required to budget to undertake COMPREHENSIVE discovery and investigation in order to fully scope the required deliverables in arriving at a fixed price.

* + 1. **Reference Documents Part 2**

As above.

* + 1. **Reference Documents Part n**

As above.

1. Summary of Approach

2.1 Terms of Engagement

The contract is for the supply of a specific system, or combination of systems, together with support of these systems for as long as they are in use at Client or until terminated by Client for any reason.

All submissions must comply with Client Procurement and Supply Chain Management Standards and other requirements as set out in the standard procurement documentation accompanying this Request for Proposal in Section … of the file.

All submissions must address all requirements for sustainability, access to source code, sustainable support and other issues specified in this document.

2.2 Approach to Pricing

The approach to pricing the contract is directed at achieving an enforceable fixed contract price.

This will be achieved through a four stage process:

**2.2.1 Stage 0: Approach to Software Vendors to comment on documentation and nominate recommended Prime Contractors**

Software Vendor companies that are considered to have potentially suitable software solutions will be approached to attend an initial briefing and be supplied with the Request for Proposal pack described above excluding the Reference Document pack and asked to nominate recommended Prime Contractors who have the capability to assemble the required team and the willingness to engage in a process leading to a fixed contract price in accordance with these documents. Participants will also be invited to comment on the contractual documents and make suggestions for improvement and refinement.

**2.2.2 Stage 1: First Round Bids with a Tolerance of 40%**

The first round offer is for an all-inclusive price with a tolerance of 40%. In other words, the final fixed price may NOT exceed the initial offer by more than 40%.

This is to discourage under-quoting in the first round. This bid will be the result of an initial process during which invited bidders will submit written proposals accompanied by a presentation to the adjudication team. It is envisaged that this stage will reduce the number of eligible bidders to between three and four.

**2.2.3 Stage 2: Short List Bidders engage further to reduce Tolerance to 20%**

Short list bidders will engage with Client further by attending further presentations and walkthroughs of the business and arranging visits to reference sites leading to a further presentation to the Adjudication Panel.

The second round offer is for an all-inclusive price with a tolerance of 20% as per the definition above. This will form the basis of appointment of the successful bidder. All input to this point will be at bidders’ expense.

**2.2.4 Stage 3: Finalization of Offer**

The final price will be a negotiated fixed price after the successful bidder has been allowed 40 business days of reasonable access to the business in order to fully scope the project, undertake a requirements gap analysis, draw up a comprehensive project schedule, complete all contractual negotiations and negotiate the price of the project. This stage will be undertaken for a fixed fee set in Stage 2.

Client reserve the right NOT to take all modules or to negotiate a phased approach of agreed duration.

Once this final price has been contracted no change of pricing will be considered unless Client fundamentally fails to perform in terms of granting due access to the business or the scale or nature of Client’s business changes materially to the extent that a Change of Scope can reasonably be negotiated.

The final price may include a contingency as set by the bidder but draw down on that contingency will require approval by Client and verification that it is related to a real change in scope or functionally.

Section … below contains a list of undertakings given by Client in order to make a fixed fee practical and equitable.

* 1. Multi-Party Proposals through a Single Source of Supply -- the Prime Contractor

Client requires a single provider, named the Prime Contractor, to offer a complete solution. This solution may comprise one or more standard software products or modules from one or more Software Vendors implemented by one or more Implementation Service suppliers. Prime Contractors may assemble any mix of products and implementation service providers as they deem appropriate. The Prime Contractor may be a Software Vendor or an Implementation Firm:

* + 1. There must be a clearly defined Prime Contractor and clearly defined contractual arrangements between the Prime Contractor and each of the other partners;
    2. The Prime Contractor will be held accountable for providing all partner products and services as accepted on award of the contract;
    3. The Prime Contractor should also furnish a document signed by each sub-contractor / partner confirming their agreement with all elements of the proposal relating to their services and software as well as their commitment to the project for its entire duration;
    4. The Prime Contractor must accept full technical and contractual accountability and liability for the performance of all sub-contractors / partners;
    5. The Prime Contractor is required to quote for all services associated with the complete deployment of the solution.

This includes:

* + - 1. Detailed requirements analysis;
      2. Gap analysis;
      3. Customization if found to be necessary;
      4. Configuration;
      5. Testing – including setting up and running a laboratory to test the configuration;
      6. Commissioning;
      7. Post implementation support;
      8. Hot line / help desk support;
      9. Other support;
      10. Updates and upgrades;
      11. Enhancement;
      12. Other services as may be required from time to time.

The full scope of work is set out in the Bill of Services

* 1. Proposed Client Undertakings to Balance Fixed Price

The fixed fee required by Client places the Implementer at risk financially if the Client team does not perform as expected.

Accordingly, the following undertakings are proposed. Bidders may suggest alternate or additional measures if they consider it appropriate.

In exchange for the fixed price required, Client undertake to:

* + 1. **Best team**

Mobilize appropriately experienced staff and equipped staff who are able to competently guide the configuration and implementation and make inputs to the project. This team will include a highly experienced Project Facilitator who will guide the Client team in an advisory capacity;

* + 1. **Retain team**

Within reason keep this team available for the duration of the project;

* + 1. **Executive engagement**

Ensure that the agreed level of Executive Engagement is maintained at all times;

* + 1. **On time and full attendance**

Ensure that designated personnel arrive on time for all scheduled meetings, work sessions, etc and attend for the full scheduled duration;

* + 1. **Active and full engagement**

Ensure that team members engage actively in these sessions i.e. NOT doing emails, sending sms’s, or distracted in other ways;

* + 1. **Off-line work diligently and thoroughly performed**

Ensure that all off-line (out of workshop) work such as review of documentation, testing, etc is conscientiously carried out with full engagement and constructive contribution;

* + 1. **Tight management of iterations**

Ensure that Client personnel do all that is required in order to complete each iteration of a piece of work thoroughly and diligently such that the work is completed in the agreed number of iterations and to agreed deadlines;

* + 1. **Timeous response to unavoidable time impacts**

Timeously notify the Implementer Project Manager and workshop Facilitator in the event of unexpected illness or accident that necessitates rescheduling or substitution;

* + 1. **Reasonable compensation for standing time of Implementer Team members attributable to Client**

Pay for standing time when workshops commence late or are rescheduled at the last minute because of late arrival or non-arrival of key Client personnel where it can be demonstrated that the Implementer team member concerned could not be utilized in alternative productive activities;

* + 1. **Schedule delays caused by Client**

Make allowance in promised delivery dates for schedule delays in Critical Path items caused by Client or its personnel;

* + 1. **Pay for extended work or rework resulting from BR team omissions or wrong decisions**

Pay for extended work or rework resulting from failure of Client personnel to conscientiously and thoroughly review documents, conduct testing, clean data, etc. In other words, if an iteration is agreed as complete and then during commissioning it is found that reasonably foreseeable issues were NOT identified during that iteration as a consequence of omission or carelessness on the part of Client staff the implementer will be entitled to payment for the rework or extended work.

Similarly, if the Client team agree to a specification or other document and the configuration or other work is executed in accordance with that specification or other document and it is subsequently found that the Client staff were mistaken such that remediation is required such remediation will be for the account of Client;

* + 1. **Claims for standing time**

Where the implementer wants to claim standing time or rework, notification of intention to claim must reach the Client Contract Manager by 09h00 on the next Business Day following the lost time incident;

* + 1. **Maintain a harmonious team atmosphere at all times**

Ensure that team members conduct themselves courteously, constructively and harmoniously and take measures to discipline and, if necessary remove, staff members who become contentious, argumentative or who generate strife;

* + 1. **Accommodation**

Client will provide office space and furniture for on-site work.

* + 1. **Notwithstanding the above, Client will NOT pay the Implementer for:**
       1. **Implementer under quoting or under estimating scope**

None of the above should be taken as indicating that Client will pay for under quoting or under estimating on the part of the bidder;

* + - 1. **Implementer sloppiness**

Where work has been done by implementer staff that is sub-standard or contains excessive errors indicative of a lack of precision and attention to detail Client reserve the right to “stop the clock” and postpone further work sessions until the work has been redone to an acceptable standard;

* + - 1. **Implementer team member lack of knowledge or experience**

Where Implementer team members are found to lack the knowledge or experience necessary to play their role. In such cases Client reserve the right to request that the team member be removed and replaced by a person with the necessary knowledge and experience.

2.5 Headline items to be addressed in the Stage 1 Offer

The Stage 1 Offer must address all items raised in this Request for Proposal and other documents in the RFP pack.

**2.5.1 Prescribed Table of Contents**

The Offer must take the form of a series of Lever Arch files with the contents structured in exact accordance with the Table of Contents contained in Section … of the RFP File.

**2.5.2 Bid Compliance Checklist**

All documents, statements and certificates listed in the Bid Compliance Checklist must be provided and all items on the Checklist must be initialed either in the YES or NO columns to signify compliance or non-compliance. The signed Checklist must be submitted.

**2.5.3 Bid Adjudication Schedule**

All items on the Bid Adjudication Schedule must be explicitly addressed within the bid documents in a logical manner that enables the Adjudicators to quickly assess the level of compliance and quality of the offering. It is recommended that this is achieved by inserting text boxes in the electronic copies of the Request for Proposal, Headline Requirements Specification and other documents as most appropriate to address the topic.

**2.5.4 Annotated Request for Proposal, Headline Requirements, etc**

As indicated above, commentary in support of the bid is, as far as practical, to be addressed through text boxes inserted in the appropriate locations in electronic copies of the Request for Proposal bid pack documents which are then to be printed and submitted in the manual files as well as in electronic form.

**2.5.5 Software Schedule**

The Software Schedule is to be completed in terms of license and other costs and any additional software items that are identified as being required must be added.

**2.5.6 Hardware Schedule**

The Hardware Schedule is to be completed.

**2.5.7 Bill of Services**

The Bill of Services is to be fully completed with additional rows and columns added as necessary. Bidders are required to insert formulae themselves and are responsible for the accuracy of totals and sub-totals. The proposed Project Schedule (Gantt Chart) is to align exactly with the structure of the Bill of Services.

**2.5.8 Other Documents**

Other documents as required to fully document the offer are to be slotted in to the Offer Files in accordance with the Table of Contents.

**2.5.9 Consequences of Non-Compliance**

Client will accept no responsibility for submissions that do not comply with the above.

**2.5.10 Specific Items**

The following items must be included:

2.5.10.1 Overview of the proposed implementation approach;

2.5.10.2 Motivation as to why the proposed software and implementation team is most appropriate to meeting the needs of Client;

2.5.10.3 List of assumptions made in the Cost Proposal;

2.5.10.4 List of contractual terms that the Implementer is unable or unwilling to comply with together with proposed alternative terms which are considered acceptable;

2.5.10.5 List of queries and points requiring clarification;

2.5.10.6 List of high level business functionality and / or scope requirements that are not met by the proposed solution and alternative solutions that may be available;

2.5.10.7 List of non-standard RFP requirements which are considered to drive costs excessively and unnecessarily. In such cases propose changes which could result in material savings whilst maintaining the overall intent of the RFP;

2.5.10.8 Summary of professional fee rates for standard work, travelling and standing time per staff designation. Travelling will only be paid outside of Xxx;

2.5.10.9 Travelling rate per kilometer and any other costs associated with travel outside of Xxx;

2.5.10.10 Schedule of extraordinary or non-standard requirements in the Request for Proposal that are considered to drive costs excessively (£5,000 minimum per item). In other words, items that drive costs above levels that bidders would consider necessary in order to produce a high quality outcome. Unless such items are identified in the bid there will be no basis for the proposer to later contend that the requirements were unnecessarily onerous;

A proposal that does not contain detailed pricing in the specified format will be disqualified.

1. Key Principles and Considerations to be Applied
   1. Key Principles to be Applied

3.1.1 Take advantage of downturn in the economy

3.1.2 Position the new Client systems to support optimum operational effectiveness in support of a future economic upturn

3.1.3 Create a strategic resource that supports competitive advantage

3.1.4 Robust engineering approach in all respects;

3.1.5 Submission of an offer constitutes an explicit guarantee that the offer fully meets the requirement stated in the RFP, unless explicitly excluded, within the specified costs. An affidavit confirming this is required;

3.1.6 This RFP is specifically targeted at ERP and Core Business Software Vendors who are required to nominate and partner with the most appropriately qualified Implementer(s);

3.1.7 A single legal entity as Prime Contractor, who may be either the Software Vendor or an Implementer, is required to take full responsibility for all components of the offer and the ultimate solution. This Prime Contractor may collate an offering comprising multiple software products and / or implementation partners;

3.1.8 The offer must be made by a single Prime Contractor who accepts full contractual responsibility for the performance of the software as well as the performance of their team including performance of sub-contractors and partners;

3.1.9 Key Implementation Personnel to be committed for the duration of the project;

3.1.10 Precision configuration. All configuration and validation data will be designed in consultation with Client to high standards of structure and precision using the standards and approach advocated by James Robertson;

3.1.11 Client owns the data engineering which will be developed with the assistance of the Project Facilitator. Includes Chart of Accounts, Product Catalogue, other taxonomies, master data and differentiating business processes;

3.1.12 All master data cleaning will be undertaken by a combination of Client personnel and Implementer personnel. The split is to be agreed.

3.1.13 This document, as accepted during the proposal process will become an integral part of the Contract Documentation;

3.1.14 This tender process is based on a “Bill of Services” (allowables) costing approach with fixed price per software and implementation element (including management, configuration and customization);

3.1.15 Proposal documentation is required to exactly follow the Table of Contents contained in Section … of the file;

* + 1. The project is intended to be run with a high level of business engagement;

3.1.17 Implementers are required to propose an approach in terms of which the use of internal resources is optimized;

* + 1. Project scheduling should take place using a Critical Chain approach (all slack accumulated to the end of the timeline for allocation by the Project Manager in consultation with Client);
    2. No custom software development using developers based outside of Xxx will be permitted unless the software house concerned is the parent software company that developed the original software. In such cases travel costs must be explicitly specified in the Bill of Service. The Solution Architect responsible for specifying the Custom Development is required to spend sufficient time in the Offices of Client to fully understand the requirement and ensure that the specification is robust. Off-site specification will not be accepted. The developer of the final product must also spend time on-site during the testing and polishing phase of software development;
    3. Acceptance of each review cycle of specifications, testing or any other iterative refinement process will include a formal declaration by both the Client team members involved AND the Implementer team members involved that the iteration has been thoroughly and rigorously executed. Both sides will face sanction if it is found that this declaration is unfounded;
    4. Deliverables must include a comprehensive set of end user training material in the form of manuals and Computer Based Training applications. These training materials must relate to the configuration of the software as implemented at Client and may NOT be generic;
    5. Deliverables must include full documentation of the configuration in a manner suitable for maintenance purposes. Vendors are required to specify how they will comply with this requirement in their offer documentation.
  1. Critical System Considerations

**Concept list – actual list to be formulated in consultation with Client Management**

* + 1. **Support strategic growth -- grow with the Group -- support the global vision**

The Client group has grown dramatically in recent years and further growth is possible. This growth was in large measure as a consequence of acquisitions and this is expected to continue. Acquisition of entities with disparate systems create their own challenges in terms of migration into the Enterprise. The new solution must be suitable for this.

xxx

* 1. Critical Implementer Selection Criteria

The buying decision will be a composite of the most suitable software AND a high level of certainty that the implementer/s is able to deliver a high quality outcome and can be held contractually liable for damages that result to the business in the event of a failed or sub-optimal implementation.

The following Critical Success Factors will be applied in selecting the implementer:

To review with Client management

* + 1. **Strategic understanding of and insight into the business – including what makes it thrive**

Understand our business and where we are going to take the business. Demonstrate an intuitive feel.

* + 1. **Maturity and executive custody**

“Gray haired” project team leadership (sponsor, project manager and other key team members). Contractually named and committed senior team members and approved by Client who remain on the Project for the full duration of the Contract and cannot be removed by the implementer. These team members must provide thought leadership and be able to interface effectively with Client executives.

The account executive who markets the contract should remain on the project team and remain accountable for his undertakings for the duration of the contract.

* + 1. **Industry Track Record**

Track record with comparable client businesses. Demonstrated commitment to working in partnership. Size of backup and support. Implementation experience over a variety of relevant organizations.

* + 1. **Implementer track record in Core Business in Xxx**

Operations in Xxx carry their own specific complexities and it is vital that any implementer bidding for this work can prove conclusively that they have robust and deep experience of implementations in Xxx and that the software is proven in Xxx. This requirement pertains particularly to logistics, transportation and procurement activities;

* + 1. **Legally accountable**

Software Company and Implementer accept accountability for their actions and advice including go-live certification.

Willing to sign a robust legal contract which addresses all points in the bid documentation and other points that may be identified during negotiations after the contract is awarded.

Submission of a price proposal will be taken as signifying willingness to comply with these terms:

* + - 1. **Fit for purpose**

The software company and implementation partner must certify in writing that the software is fit for purpose and will work effectively for all divisions of Client.

* + - 1. **Team members to be contracted**

The following key team members are to attend the formal short list bid presentations. CV’s are to be provided and Client may interview each person privately in order to satisfy themselves that the candidate is suitable.

Once accepted a team member may not be removed from the project by the Implementer except in extreme circumstances such as death, serious long term illness or serious long term injury.

Team members to be contracted are:

* + - * 1. Software Vendor Account Manager who sold the project;
        2. Implementer Account Manager who sold the project;
        3. Implementer Project Executive Sponsor;
        4. Implementer Strategic Solution Architect;
        5. Implementer Project Manager;
        6. Implementer Core Business Industry Team Leader;
        7. Implementer Supply Chain team leader;
        8. Implementer Finance team leader;
        9. One person may fill more than one of these roles.
      1. **Software vendor liability**

The software vendor is liable for business damage or disruption that results in quantifiable financial loss consequent on software defects. There must be a guaranteed turnaround time for rectification of mission critical defects that impair business operation.

There must be a guaranteed turnaround for rectification of defects that impair business operation.

* + - 1. **Implementation partner liability**

The implementation partner is liable for business damage or disruption that results in quantifiable financial loss that is NOT consequent on negligence or provable error by Client personnel or on project policy decisions taken by Client personnel that go against a written dissenting opinion tabled by the implementer.

Force majeure is excluded from liability.

* + - 1. **Right to maintain and repair**

The software company and implementation partner will be required to contractually recognize the right of Client to maintain and repair the software installation in perpetuity subject to commercially valid (market related) license fees being paid.

This includes but is not limited to:

* + - * 1. Right to decline an upgrade and receive open ended support on the current version at reasonable rates;
        2. Right to a copy of the source code and development environment if such support is declined;
        3. Right to the source code if support is withdrawn for any reason other than breach by Client or force majeure;
        4. Six months to reinstate support after force majeure failing which support will be deemed to have been withdrawn permanently;
        5. Escrow agreement in support of the above together with unlimited licenses – installation must be able to grow with the business even if support is discontinued;
        6. Other measures necessary to ensure that Client are able to use the software forever if required.
      1. **Implementer Go-Live Certificate**

Implementer to certify in writing that the installation is ready to run live and accept liability for damages if live operation is unstable or unreliable at a level that causes business damage.

* + - 1. **Software Vendor Go-Live Certificate**

Software company to certify in writing that the installation is ready to run live and accept liability for damages if software is unstable or unreliable at a level that causes business damage when in production – this clause applies even after go-live.

* + 1. **Deliver on deadlines and budget**

History of projects where deadlines and budgets have been consistently met. Please furnish a document with contactable references;

* + 1. **Methodology**

Proven implementation methodology customized to the specifics of this client and project;

* + 1. **Willingness to comply with Laboratory requirements**

Willing to run laboratory to our specification and timeline in accordance with requirements set out in Section … of the file and details in the Bill of Services.

Do not run live until the entire configuration has been fully tested in the Laboratory and certified by relevant parties, refer Certificate in Section … of the file.

* 1. Critical Core Business ERP Solution and Integration Components

The following items have been identified as particularly important in the Core Business industry.

* + 1. Tight integration of personnel costs into ..;
    2. Tight integration of;
    3. Tight integration of …direct comparison of allowable versus actual;

1. Key Contractual Terms
   1. Project Governance – Project Board and Project Management Team

Refer to Section … below for details of proposed governance and to Section … below for details of proposed regular project meetings relating to the overall management of the project.

Implementers are invited to make suggestions for improvement.

* 1. Key Personnel
     1. Bidders must provide a list of the key personnel who will work on the project together with CV's of each of the key personnel as part of their offer as well as other documentation supporting the knowledge and experience that qualifies them for their proposed role;
     2. Senior key personnel must attend the short list proposal presentations (Stage 2) and must be contractually bound to the project;
     3. Key personnel may be interviewed during the short list process (Stage 2) with regard to their knowledge and experience and availability for the project;
     4. The purpose of Vendor and Implementer personnel attending briefings, walkthroughs, etc is to gain understanding of the requirement, the Client business and the envisaged solution. Substitution of these key people after initial engagement will result in loss of this knowledge. Time required to recover this knowledge will be at the Implementers expense;
     5. Client reserves the right to decline any Key Person put forward at the proposal presentation or during subsequent negotiations;
     6. Once the contract has been awarded substitution of Key Personnel will only be considered in the event of death, serious injury or illness or other unavoidable circumstance;
     7. Bidders and key personnel are expected to guarantee the availability of Key Personnel for the duration of the contract. A certificate to this effect is required with regard to each key person put forward and must be signed by the employer, the prime contractor if different to the employer and the team member themselves. “Transfer to another project”, "received an offer of better employment" or “leaving the country” are NOT acceptable reasons for substitution. Refer to Certificate in Section … of the file;
     8. If for any reason any of the key personnel has to be substituted, they may only be substituted by personnel with equivalent knowledge, experience and proven track record. The need to substitute, plus the details of the person it is proposed to substitute with, must be presented in writing at a formal meeting with Client called to discuss the situation;
     9. Client has the right to veto substitution; if necessary the vendor may have to sub-contract the person back in for the duration of the project. Switching losses including rework and “getting up to speed” of a substitute will be for the account of the implementer;
     10. Failure of the implementer to comply with this requirement may result in cancellation of the contract or suspension of the contract until the implementer complies. Client will NOT be liable for any costs associated with such contract suspension or termination;
     11. The project will NOT proceed in the absence of the full complement of personnel that formed part of the offer;
     12. Should it be found at any time that a Key Person does not evidence the level of knowledge, experience and ability presented at the proposal presentation or in the bid documents Client reserves the right to require the replacement of that person;

Key personnel must be available as required at reasonable levels of involvement for critical inputs throughout commissioning and for the first year after formal handover in order to ensure continuity of knowledge and experience of the solution. In the event that they leave the employ of the Implementer the Implementer will be required to sub-contract them in when required failing which Client reserves the right to contract them directly.

* 1. Track Record

Proposers must furnish comprehensive evidence of their knowledge and experience of implementing the proposed software in the Core Business Industry in Xxx AND in Xxx. References with contact telephone numbers and email addresses must be furnished and site visits will be required in the case of short list (Stage 2) proposers.

References and reference sites must be logically relevant to Client. Use of generic non-relevant references or reference sites may result in proposers being disqualified.

* 1. Extent of Work – Project Schedule

Proposers must furnish a high level project schedule based on the Bill of Services (same level of detail).

The final project schedule must be developed to a level of management detail of not more than three weeks elapsed time per work breakdown structure element such that the exact progress of the project relative to plan can be accurately reported at monthly project board meetings. Any particular work package should be “not commenced”, “in progress” or “completed” at monthly project status meetings and may not be “in progress” for more than one monthly project status meeting – if this rule is broken an orange flag is to be raised and if an activity runs over three status meetings a red flag is to be raised.

* 1. Retention

A performance retention of 10% will be withheld on all interim payments against the following major milestones:

* + 1. Declaration of readiness to commence live operation, this includes acceptance of the full Laboratory Configuration. Issue certificate of readiness by Client Executive Sponsor, 50% of retention amount up to that point will be paid;
    2. Formal declaration of project completion and final handover to Client – balance of retention will be paid.
    3. Software licenses will be paid as the software is deployed or users are added in the production environment.
  1. Conditions for Proposals

All Proposers responding to this Request for Proposal must meet the following conditions in order to be considered:

* + 1. Proposers MUST attend the Request for Proposal briefing and the supplementary briefing;
    2. Proposers must complete all the bid forms;
    3. Proposal documentation must be structured according to the Bid Table of Contents provided in Section … of the file;
    4. Proposers must fully complete the Software Schedule, the Hardware Schedule, the Bill of Services and the Bid Compliance Checklist;
    5. The submitted price proposal must be based on the Bill of Services;
    6. The proposal must include a covering letter clearly stating the name of the firm and the name, address, and telephone number of the proposer’s representative;
    7. Proposers must certify that they have received, read and understood the Request for Proposal and all accompanying documents and that their proposals take full account of the contents of these documents;
    8. The proposer must address all of the requirements as stated in this document;
    9. The proposer must identify all major (principal) requirement cost driver components in the specification and appendices which drive a cost contribution in excess of R100,000 over and above the standard software product that is being offered – this item relates to implementation costs and contract terms;
    10. Proposers who fail to fully respond to the principal requirements in this Request for Proposal will not be considered;
    11. Proposers must submit five (5) bound copies of their proposal to Client together with a full electronic copy on CD;
    12. All proposals submitted must include a section number index, and all pages of the proposal must be numbered;
    13. Proposers must include the Bill of Services cost schedule both in hard copy (A3 format) and electronic format fully completed – the hard copy must be initialed on every page;
    14. Proposers must return one copy of this Request for Proposal pack with EVERY PAGE of every document initialed to signify that the Proposer has read and accepts the entire document;
    15. In the case of a joint venture the details of all members of the joint venture must be incorporated in a single submission with appropriate supporting documentation from each joint venture partner as appropriate to satisfy the requirements of this request for proposal;
    16. The organization submitting the proposal shall furnish such additional information as Client may reasonably require;
    17. Client shall NOT be liable for any costs incurred by bidding organizations in participating in the bidding process during Stages 1 and 2;
    18. Client reserves the right to visit the premises of the proposer if deemed necessary;
    19. Any false declaration of information may result in the exclusion of the proposal from consideration. If a false declaration comes to light once work is in progress all costs associated with consequential impacts of the false declaration will be for the account of the Prime Contractor. In such event that such false declaration results in direct costs to Client, Client reserve the right to deduct these costs from the Retention or other payments.

1. Governance and Controls
   1. Headlines of Proposed Project Governance and Roles

The approach to Project Governance has been develop in order to maximize Client engagement and ownership of the solution while at the same time creating a framework that allows the successful bidder to manage deliverables and risk against a fixed price.

Bidders are invited to submit suggestions for improvement.

The overall project governance and management structure is depicted below, with amplification of the individual roles thereafter:

* + 1. **Overview of governance**

As shown above the governance proposed comprises the following major components:

* + - 1. **Client Executive Sponsor (BES):**

The ultimate customer and customer authority. Currently Client Deputy CEO;

* + - 1. **Client Contract Manager (BCM):**

Handles contract management together with Client legal and coordinates and directs the Client team and their input;

* + - 1. **Client Project Facilitator (BPF):**

Reports directly to executive sponsor and translates and shapes overall requirement and direction in close consultation with Contract Manager. Facilitates input from and coordination between all high level parties as agent of and advisor to Client;

* + - 1. **Prime Contractor (Implementer) Executive Sponsor (IES):**

Heads up the Implementer team with mandate from the Prime Contractor team and their respective organizations to direct the project at a high level. Preferably a director of the Prime Contractor. Interacts closely with the Client Executive Sponsor and other members of the Project Steering Committee. Assisted by the Prime Contractor Account Manager involved in preparing the bid;

* + - 1. **Client External Audit Sponsor (EAS):**

Representative of the External Auditors (PWC) assisting in providing independent assurance to the Audit and Risk Committee and the Board of Client in respect of the integrity of the project;

* + - 1. **Primary Software Vendor Executive Sponsor (SES):**

Represents interests of the Primary Software Vendor at monthly meetings and other forums. Assisted by the Software Vendor account manager who was involved in the sale;

* + - 1. **Client Chairman of Senior Business Advisory Team (CBAT):**

Executive of Client who heads up the Senior Business Advisory Team and Chairman;

* + - 1. **Client Senior Business Advisory Team (BAT):**

Represents the broad executive business interests of the Client Group. Comprises Divisional Heads and other executives representing Operations, Legal, Risk, Finance, IT, etc. Ultimately responsible for defining the high level business needs of their business units and ensuring that their requirements are appropriately and accurately represented;

* + - 1. **Implementer Project Manager (IPM):**

Runs the project for the Prime Contractor on a day to day basis reporting directly to the Implementer Executive Sponsor and manages the Implementer Team;

* + - 1. **Implementer Strategic Solution Architect (ISA):**

This is an extremely experienced solution Architect who demonstrates a robust intuitive understanding of the Client business and Core Business generally and who guides the Implementer Project Team in terms of technical content with regard to configuration, data and all related subjects. This person is of comparable seniority to the Implementer Project Manager or may be more senior but has NO line authority. This person reports directly to the Implementer Executive Sponsor and NOT the Implementer Project Manager.

The Implementer Strategic Solution Architect will work closely with the Client Project Facilitator and the Senior Business Advisory Team in crafting a precision solution for Client. The Implementer Strategic Solution Architect is expected to facilitate all major design workshops and to conceptualize and manage the integration of the entire solution;

* + - 1. **Business Domain Experts Team (DET):**

Subject matter experts encompassing all functional areas to be supported by the system. Ensure business and technical requirements are comprehensively documented and functionally correct and accurately implemented;

* + - 1. **Implementer Core Business Team Leader:**

This is an Implementation Consultant with considerable knowledge and experience of the Core Business Sector and the application of the Core Software in the Core Business Sector;

* + - 1. **Implementer Supply Chain Team Leader:**

An Implementation Consultant with considerable knowledge and experience of the application of the Supply Chain Modules of the Core Software;

* + - 1. **Implementer Finance Team Leader:**

This is an Implementation Consultant with considerable knowledge and experience of the application of the Finance Modules of the Core Software.

These roles are discussed in more detail in the sections that follow. One person can fill more than one role if agreed.

* 1. Reporting and Monitoring on the Project

Reporting and monitoring will take place as follows:

* + 1. Weekly Project Meeting for coordination of progress and to address issues relating to day to day project progress;
    2. Monthly Project Steering Committee meeting at which headline status and issues will be reported. Overall project governance and high level management;
    3. Quarterly Project Steering Committee report back to Client EXCO and / or Risk and Audit Committee;
    4. Joint Senior Business Advisory Team meeting monthly for the purpose of overall solution design coordination;
    5. Detailed Project Specialist and other meetings as required.

| **Meeting** | **Frequency** | **Attendance** | **Chaired By** | **Objective** |
| --- | --- | --- | --- | --- |
| Weekly Project Progress meeting | Weekly | BCM, BPF, CBAT, IES, IPM, ISA and other project operational personnel from both teams as required | BCM | Monitor progress and respond to issues relating to day to day running of the project |
| Monthly Project Steering Committee status meeting | Monthly | PSC plus SES, EAS, ISA plus other project personnel as required | BES | Higher level project status review and issue resolution |
| Quarterly Project Steering Committee report back to Client EXCO and Risk and Audit Committee’s | Quarterly | EXCO plus PSC plus any other team members required | BES | Headline monitoring to ensure compliance with plan and address major issues |
| Monthly Senior Business Advisory Team review meeting | Monthly | Coordinate overall business solution design issues | CBAT | Ensure that the business requirements and particularly configuration and implementation requirements are coordinated across the business and the project |
| Detailed workshops and meetings | As required | Get the work done | Facilitators as required | Get the work done |

* 1. Expected Levels of Involvement of Client personnel

The following levels of involvement for Client personnel have been estimated.

Bidders are requested to advise if any of these provisions are too low.

|  |  |  |
| --- | --- | --- |
| **Role** | **Procure**  **Hrs / Wk Average** | **Implement**  **Hrs / Wk Avg** |
| Executive Sponsor | 2 - 4 | 2 - 6 |
| I.T. Steering Committee over and above other roles | 1 - 2 | 1 - 2 |
| Contract Manager | 8 - 24 | 8 - 16 |
| Project Facilitator | 24 - 40 | 24 - 40 |
| Chairman Senior Bus Advisory Team over and above | 2 - 4 | 2 - 6 |
| Senior Business Advisory – Executives | 2 - 4 | 2 - 6 |
| CFO as CFO | 2 - 4 | 3 - 8 |
| CIO as CIO | 2 - 4 | 2 - 4 |
| Business Advisory – Line Management | 2 - 8 | 4 - 12 |
| Domain Experts | 0 - 24 | 4 - 40 |
| Personnel Seconded into Implementation Team | 0 | 24 - 40 |

* 1. Detailed Discussion of Roles and Governance
     1. **CEO / Deputy CEO as Executive Sponsor (BES)**

The role of the Executive Sponsor is proposed as follows:

* + - 1. Ultimate business and contract executive accountability for the project;
      2. Contract management through Contract Manager assisted by legal so that Executive Sponsor role is kept as focused as possible;
      3. Advised and guided by Project Facilitator as trusted advisor;
      4. Custodian of the integrated business view of the solution;
      5. Does NOT require technical knowledge – owns the question “does this ACCURATELY represent the business?”
      6. High level directional decisions only;
      7. Supported by Business Advisory Team and particularly the Chairman of the Business Advisory Team with regard to detail.
    1. **Client Contract Manager (BCM)**
       1. Client Executive;
       2. Direct accountability to Executive Sponsor;
       3. Day to day management of Implementer advised by Facilitator;
       4. Day to day line responsibility for routine matters relating to non-executive members of the Client project team;
       5. Peer to peer liaison with other Client executives;
       6. Day to day contract management and contract administration with Project Facilitator (external advisor);
       7. Works closely with Project Facilitator in putting the project together, running the procurement and running the project. This is the business executive most intimately involved with the day to day running of the project.
    2. **Client Project Facilitator (BPF)**
       1. Highly experienced external ERP specialist, “ERP Engineer”;
       2. Trusted advisor to the Executive Sponsor and the business;
       3. NOT an executive position (facilitator);
       4. Operates through peer influence with Client executives in Business Team;
       5. Tough quality management of contractor as agent of sponsor in partnership with the Contract Manager;
       6. Authority by proxy;
       7. Translator between the Business and the Implementation Contractor;
       8. Consolidated, integrated view of the business and required solution;
       9. Intuitive strategic insight into the business;
       10. Knows what works and what does not. Mature OWN experience;
       11. Independent thought leader. Retains this relationship throughout;
       12. Guides overall project communication;
       13. Close liaison with Implementer Executive Sponsor;
    3. **Implementer Executive Sponsor (IES)**
       1. Director of the Implementation Contractor of Software Vendor with Executive Mandate to run the project on behalf of the Integrated Implementation Team;
       2. Reports directly to Client Executive Sponsor, highest point of relationship management between client and Implementation Team;
       3. Operates on a peer level with Client Contract Manager and Project Facilitator;
       4. Gives direction to Implementer Project Manager;
       5. Deep and mature experience of implementing the ERP of choice – knows the ERP well;
       6. Strategic thinker who understands the essence of Clients business and how to support it to thrive;
       7. Results orientated, gets things done, quick and effective decisions;
       8. Able and willing to mobilize specialists from their organization as required.
    4. **Software Vendor Executive Sponsor (SES)**

Attend monthly Project Board meetings and sit on EXCO to hold Implementer accountable.

* + 1. **Project Steering Committee (PSC)**

The project Steering Committee comprises the Executive Sponsor, Chairman of the Senior Business Advisory Team, Contract Manager, Project Facilitator and Implementer Executive Sponsor and such other personnel as may be identified during detailed project design.

The role of the Steering Committee is to provide overarching integrated governance, assurance to the Group EXCO and Board as well as coordinated liaison across the entire project.

The PSC will typically meet monthly to discuss all executive level issues that require attention, resolution or direction.

* + 1. **Senior Business Advisory Team (SBAT)**
       1. Executives representing each and every significant business area, both support and operations;
       2. Supported by direct reporting line managers and domain experts for day to day activities;
       3. Collectively represent the entire business;
       4. Ensures overall direction and decisions ACCURATELY fit the business;
       5. Ensure that all key role players within the business engage fully;
       6. Advise the Executive Sponsor on overall direction and policy with regard to the project and associated business change;
       7. Ensure that both legs of every integration component work effectively;
       8. Advise the Project Facilitator and Implementer Project Manager with regard to ensuring full business complexity is accurately taken into account;
       9. Appoint, manage and take responsibility for those individual members of the Business Domain Experts who represent their areas of responsibility;
       10. Underpin and support Executive Sponsor’s mandate and thereby Contract Manager and Project Facilitator mandates.
    2. **Implementer Project Manager (IPM)**
       1. Day to day Project Management and running of the project;
       2. Reports directly to Implementer Executive Sponsor;
       3. Highly experienced with implementation of chosen systems;
       4. Significant Core Business industry experience a major recommendation;
       5. Responsible for all project administration, project schedule, budget, workshop coordination and all other project management and administration tasks;
       6. Manages all project specialists and responsible for all day to day project staffing issues.
    3. **Client Business Domain Experts Team (BDET)**

The Client Business Domain Experts Team will comprise of specialists in every area of the business who will be mobilized for specific project activities in order to provide input to the detailed configuration and implementation of the software. This team will also be the primary team to undertake testing in the Laboratory.

* + - 1. Accountable for content and requirement detail
         1. Certification of requirement specifications as documented by the Implementer Team following full discovery;
         2. Certification of functionality and configuration delivered;
      2. Team of advisors on all different detail areas of the business and all major business units;
      3. All disciplines that occur (estimating, procurement, planning, finance, cost control, logistics, plant, HR, IT, etc);
      4. Individually and collectively report to Senior Business Advisory Team;
      5. Do much of the leg work themselves and manage other staff who do detailed work.

1. Overview of Procurement Process
   1. Overview

The overall procurement approach will comprise a four stage process directed at converging on a well-considered binding fixed price for the entire configuration, customization and commissioning of the final range of Integrated Business systems (ERP and associated specialist modules) required by Client in a phased Implementation.

This process will involve:

* + 1. **Stage 0:**

Issue of a DRAFT Request for Proposal and associated documents to identified core Software Vendors (Core Business Software and / or ERP Software) at a one and a half hour presentation introducing Client and the approach.

These vendors will then take the documents for review and comment by prospective Implementation Partners / Prime Contractors.

The Software Vendors and Partners will be requested to provide feedback in the following areas within two weeks:

* + - 1. Suggestions for improvement;
      2. Points for clarification;
      3. Omissions in the RFP documentation;
      4. Implementation Partner/s of choice;
      5. Commitment to bid on the final RFP;
      6. To whom the RFP should be issued.

On the basis of these responses the RFP documentation may be amended at the discretion of Client and the prospective bidder list updated;

* + 1. **Stage 1:**

Take these bidders through a structured process to enable them to understand the nature and scale of Client’s business together with the headline requirements directed at enabling each bid team to make a formal submission to Client accompanied by a formal written proposal with a tolerance of 40% on maximum final price.

This 40% tolerance constitutes an upper limit on the final fixed price of the initial offer price which is not greater than 40% more than the initial offer price. This ceiling is designed to encourage conservative estimating in first offers and discourage low bidding.

Review and adjudication of received submissions is expected to reduce the list of bidders to be taken forward to Stage 2 to a short list of between three and four teams;

* + 1. **Stage 2:**

Take the short list teams through a second round of selection in terms of which bidders will receive much greater orientation and information regarding Client’s business in order for them to refine their offer. Bidders will provide the Client adjudication team with in-depth walkthroughs and presentations of their software offerings as well as visits to relevant client reference sites. The end result of this process will be a formal written proposal with a tolerance of 20% on maximum final price. This offer will be presented first to the Client evaluation team and finally to a team of Client executives who will make the final selection;

On the basis of the above representations and submissions it is intended that Client will identify a single preferred bidder to proceed to Stage 3;

Client reserves the right to revisit this selection should unforeseen obstacles be encountered with the selected bidder in Stage 3;

Client reserve the right to move directly to Stage 3 on completion of Stage 1 and bypass the short list process should they decide that one offer is far more appropriate than any of the others;

* + 1. **Stage 3:**

The final stage of the procurement process will grant the successful bidder a maximum of 40 business days to undertake in-depth discovery and analysis of the Client business in order to arrive at a fixed contract price for the project. During this period the project schedule will be elaborated on and finalized and the contract and all other related matters will be finalized such that work can commence no more than two weeks after acceptance and signing of the contract.

These stages are set out in more detail in the sections that follow. Dates are listed in the separate Procurement Timeline in Section … of the file.

Key team members of the bid team must attend all briefings, walkthroughs and site visits provided by Client AND all briefings, walkthroughs and site visits arranged by the bid organization in order to ensure that there is full consistency of knowledge transfer at the commencement of the project. Failure of critical team members to attend may result in disqualification.

* 1. Initiate procurement process – Invite vendors to nominate implementers

The project team will select a primary list of participants based on those software packages which research indicates may be suitable contenders. The software companies concerned will then be asked to nominate the implementer that they consider most suitably qualified to service Client.

This is the point at which bidders are formally invited to attend the briefing.

These firms will be invited to attend the initial procurement briefing and to participate in the first round of procurement.

Vendors and implementers will receive calendar notification of the vendor and implementer briefing with the initial invitation together with a copy of the procurement schedule.

* 1. First round of procurement
     1. **Vendors nominate implementer of choice**

Vendors may interact with Client in making a choice.

Vendors may nominate more than one Implementer if they can offer strong reasons why the two vendors will give contrasting but competitive offerings.

Client reserve the right to approach an implementer directly.

* + 1. **Briefing**

The above participants will be given a headline level introduction to the Client Group together with an overview presentation relating to the requirement and the procurement process – 8 hour presentation.

The Request for Proposal and supporting documentation will be handed out and signed for by Implementer – Vendor teams. Organizations which do NOT attend the session may be disqualified.

Bidders must ensure that all core members of their teams attend this briefing and that this team includes a senior member with considerable practical knowledge and experience of implementing the proposed Core Business software, ERP software and related software in the Core Business Industry. This person is to remain involved for the full duration of the project.

Sufficient information will be supplied to enable the participants to submit a qualifying offer in which they set out their software offering, their implementation offering and estimated costs with a level of certainty of plus or minus 40% (i.e. final offers may NOT exceed the initial offer by more than 40%) with uncertainties listed and actions required to refine the bid.

The provisional agenda for this session (8 hours) will be:

* + - 1. Executive Overview;
      2. Introduction to Client, what is particularly noteworthy;
      3. Overview of Core Business;
      4. Overview of Core Business2 and Plant;
      5. Overview of key aspects of Financial Management;
      6. Overview of key aspects of Procurement and Supply Chain Management;
      7. Overview of the ERP Procurement Process and the Requirement;
      8. Walkthrough of the procurement timeline and process;
      9. Walkthrough of the Request for Proposal in detail;
      10. Questions and answers.
    1. **Supplementary information briefing**

A follow-up session will be held two weeks later at which questions can be asked. All answers will be available to all bidders. Duration 3 hours.

Questions can be submitted between sessions by email only to the distribution list supplied at the briefing. All replies will be sent to all bidders.

* + 1. **Submission of proposal**

Proposals must exactly follow the sequence set out in this Request for Proposal, specifically the Table of Contents for the Bid File, and contain all information requested. Submissions that fail to meet these requirements may be disqualified.

Bidders must submit five bound copies of the full submission in hard copy format; no electronic submissions will be accepted other than that an audio visual presentation of not more than 30 minutes may be submitted as part of the pack IF it really adds value. In this case there must be a copy of the DVD in every pack.

One physical copy of the bid documentation including a copy of the Request for Proposal must be initialed on EVERY page by an officer of the bidding company who is competent to bind the bidding company contractually to signify that the bidding company has fully engaged with the requirement and terms of the offer and agrees to be bound by the offer. An electronic (scanned pdf) copy of this signed pack must be supplied on a CD or memory stick as part of each set of documents.

Bidders are required to certify that they have fully understood the nature of Client’s business and the contents of this Request for Proposal and that the offer they are making will fully meet the requirement.

* + 1. **Presentation by bidders**

These offers will be formally presented to the evaluation team. Each vendor--implementer team will be given five hours to present according to the following agenda.

Presentations will be recorded and transcribed and form part of the final contract documentation and bidders will be held contractually liable for all claims and promises made during the presentation.

No time over-runs will be accepted in presentations other than with regard to questions raised by Client.

* + - 1. **Introducing the software package/s or suite**

A 20 minute high level overview of the pedigree of the software including a headline demonstration of key points. What is better about this solution. Bidders are free to incorporate any relevant third party software products in the offering in order to meet the full requirement;

* + - 1. **Overview of the software**

A 60 minute headline run-through of each of the modules and packages being offered in each of the functional areas set out in Section ... of the file.

* + - 1. **Introducing the implementer**

A 40 minute overview of the implementation firm, its credentials, track record of named individuals, depth of relevant experience, critical factors to be taken into consideration in arriving at a final offer, etc. What is different and better.

Bidders are free to sub-contract any third party specialist implementers or consultants they consider appropriate subject only to there being only ONE Prime Contractor and the Prime Contractor being contractually liable for the performance of all sub-contractors including the software vendor. The software vendor may be the Prime Contractor;

* + - 1. **Why this combination of software and implementer is the most suitable**

20 minutes. Must take account of all headline issues raised in this document;

* + - 1. **The offer**

20 minutes. Rands, timeline, assumptions, areas requiring clarification, etc;

* + - 1. **Questions and Answers**

20 minutes

* + 1. **Adjudication of submissions**

Following the presentations the evaluation team will study the submissions and presentations and deliberate in order to arrive at a short list, provisionally of three to four software plus implementer combinations.

Client reserve the right to contact bidders for clarification and amplification.

* + 1. **Presentation of recommendations to Steering Committee**

The adjudication team will reach a conclusion regarding the short list and present their recommended short list to the Steering Committee.

* + 1. **Revision and updating of documentation**

The adjudication team will refine the Request for Proposal documentation in response to the first round of evaluation and issue an updated set or addendum as seems appropriate. This will take account of constructive feedback from bidders during the first round.

* + 1. **Announcement of short list**

The short list software–implementer combinations will be announced and the next stage of procurement will commence immediately.

* 1. Stage 2: Second round of procurement: selection of preferred software and implementer
     1. **Client Business walkthrough and site visits**

The short list teams will ALL simultaneously be taken on a walkthrough through the Client business. Presentation of the major components of the business. One day session followed by visits to one or two representative sites (second day).

* + 1. **Implementer and software product walkthroughs**

The bidders will give the evaluation team a detailed walkthrough of their offering in a 6 hour session. In this walkthrough bidders must demonstrate that they understand Client’s business and the requirement by demonstrating relevant capabilities. Bidders who fail to demonstrate this to the satisfaction of the evaluation team may be disqualified.

An agenda for this session will be provided on commencement of the short list process.

* + 1. **Implementer and software product site visits**

The bidders will arrange software and implementer client site visits to two large and representative existing sites including allowing private conversations with the client. There will be two visits in one day. In these visits emphasis must be placed on the relevance of the site to the Client requirement. Bidders who fail to demonstrate this to the satisfaction of the evaluation team may be disqualified.

* + 1. **Presentations to Client evaluation team**

Each bid team will give a five hour presentation to the evaluation team summing up the headlines of their offer and what qualifies them as the most suitable solution provider (software + implementer combination). This presentation will be a more detailed version of the presentation to be given to the executive team subsequently.

Presentations will be recorded and transcribed and form part of the final contract documentation and bidders will be held contractually liable for all claims and promises made during the presentation.

Agenda will be:

* + - 1. 10 minute introduction of vendor and software;
      2. 20 minute headline understanding of the Client requirement;
      3. 1 hour headlines of the software offering;
      4. 1 hour headlines of the implementer offering;
      5. 30 minute Question & Answer.

If the evaluation team consider that a bidder has totally missed the mark they may be disqualified at this point.

This presentation is a dry run for the EXCO presentation, Evaluation team members may give guidance on issues that should be emphasized or down played in the interests of ensuring that your presentation is most appropriately positioned in your favour.

* + 1. **Presentations to Client executive team**

Two hour presentations to a team of executives who will make the final decision. Bidders who arrive late, run over time or do not adhere to the agenda or arrive without their full team may be disqualified:

Presentations will be recorded and transcribed and form part of the final contract documentation and bidders will be held contractually liable for all claims and promises made during the presentation.

* + - 1. 15 minute introduction of vendor and software including key team members by name;
      2. 15 minute headline understanding of the Client requirement;
      3. 30 minute headlines of the software offering;
      4. 30 minutes of the implementer offering;
      5. 30 minute Questions & Answers

This presentation will be preceded by a 15 minute presentation by the evaluation team as to why the bidder has been brought to the executive team. This presentation will be given in the absence of the vendor–implementer team.

Following the bidder’s presentation the evaluation team will engage with the executives privately for 15 minutes before moving on to the next presentation. 15 minutes slack will be allowed.

* + 1. **Appointment of the preferred bidder**

Following the above presentations the Client team will deliberate as necessary to arrive at a final decision.

Client reserves the right to contact bidders for clarification and amplification.

* 1. Third round of procurement – finalization of scope
     1. **In-depth discovery, planning and contracting by implementer**

The successful bidder will be given a period of forty business days to undertake in-depth discovery, planning, contractual negotiations, etc in order to arrive at a formal contract for signature based on a fixed price, fixed deliverable.

During these eight weeks the successful bidder will be allowed to talk to whoever they need to talk to, visit whatever areas of the business are necessary and in general undertake all necessary actions in order to ensure that they have fully understood the business and the scope of the project.

Client reserve the right NOT to take all modules or to negotiate a phased approach.

This detailed discovery and planning stage will result in a detailed project schedule and corresponding budget at a level of detail such that discrete work packages will have a duration of not more than three weeks and preferably two weeks such that exact project status can be managed during project execution. The fee budget will have a corresponding level of detail and payments will be made strictly in accordance with the billing schedule that results from this plan.

Detailed contractual negotiations will take place concurrently between the parties such that by the end of this eight week period a robust and equitable contract is ready for signature by all parties being Client plus the Software Vendor, Implementer and sub-contractors.

* + 1. **Submission of negotiated fixed price, project schedule, draft contract and other documents**

The successful bidder will be given one week after completion of the discovery and planning stage to finalize their documentation.

* + 1. **Signing of contract**

Formal acceptance of the final contract and project plan by Client is planned to take place one week after submission of final documentation.

* + 1. **Commence work**

Formal project execution will commence not more than two weeks after signing of the contract.

* + 1. **Stage Points (Exit Points)**

Client reserve the right NOT to accept any offers or to exit the Procurement Process on completion of Stage 0, Stage 1, Stage 2 or Stage 3.

* 1. Timeline

Headline timeline is as set out in the figure below.

1. Conclusion

A comprehensive and ambitious requirement has been set out together with a robust procurement process geared towards achieving a robust and cost efficient solution that will serve Client for at least the next twenty years.

Client are seeking a long term partnership with a Vendor – Implementer combination that is a close strategic and cultural fit and capable of sustaining a highly successful long term business partnership.

We look forward to receiving your offers.

**Project Executive Sponsor / CEO**

**Client**