

***SOUTH AFRICAN***



***CIVIL AVIATION  
AUTHORITY***

**REQUEST FOR QUOTES (RFQ)**

**FOR THE PROVISION OF INSURANCE BROKER SERVICES**

**RFQ NUMBER: RFQ/ZD/INSURANCEBROKER/SCM/417/2023-2024**

**DUE DATE FOR SUBMISSION: THURSDAY, 28 MARCH 2024,11H00**

## **1. INTRODUCTION**

The South African Civil Aviation Authority (SACAA) is an agency of the Department of Transport (DoT), established in terms of the Civil Aviation Act, 2009 (Act No.13 of 2009), which came into effect on 31 March 2010. The Civil Aviation Act provides for the establishment of a stand-alone authority, mandated with controlling, promoting, regulating, supporting, developing, enforcing, and continuously improving levels of safety and security throughout the civil aviation industry.

The SACAA's mandate is to administer civil aviation safety and security oversight in the Republic of South Africa, in line with Civil Aviation Authority Act (the Act), and in accordance with the Standards and Recommended Practices (SARPs) prescribed by the ICAO. The above is achieved by complying with the SARPs of the ICAO, whilst considering the local context.

The SACAA, as prescribed by the Civil Aviation Act as well as the Public Finance Management Act (PFMA), 1999 (Act No.1 of 1999) is a Schedule 3A public entity.

## **2. BACKGROUND ON THE PROJECT/ REQUIREMENTS**

- 2.1. SACAA's business operations are dependent on having short-term insurance cover in the event that the organization suffers a loss. This insurance should cover all SACAA assets, including property content, vehicles, business interruption, public liability, and SASRIA.

The broker will secure adequate insurance cover for SACAA assets, including vehicles, electronic equipment, computer equipment/laptops, office equipment, SASRIA & fire.

- 2.2. SACAA has assets located in the following two (2) separate offices:
  - 2.2.1. Cape Town offices;
  - 2.2.2. Midrand offices (Ikhaya Lokundisa I and II)

## **3. PURPOSE**

SACAA invites all suitable, experienced, and registered short-term insurance brokers to submit proposals to manage the SACAA insurance portfolio. The short-term insurance broker will be required to act as an agent / intermediary between SACAA and the local and international insurance market in accordance with specific criteria.

The emphasis will be on technical proposals made to SACAA on the most cost-effective placement, maintenance, and administration of the insurance portfolio in the insurance market, taking into consideration the mitigation of business and financial risks exposure.

Note: SACAA will be moving offices during the period of this contract, the details for new premises will duly be communicated to the appointed bidder and goods in transit cover may be required as well for future relocation.

#### **4. DURATION OF SERVICE**

The appointed service provider will be required to start immediately after signing the contract and provide services for a period of three (3) years, subject to annual review of service provider's performance.

#### **5. SCOPE OF WORK AND SPECIFIC REQUIREMENTS**

##### **5.1 The appointed service provider will be required to perform the following:**

The services to be rendered by the broker over should include general services related to the placement, maintenance, and administration of the insurance portfolio. The services should incorporate at least the following insurance actions:

##### **5.2 Key Requirements**

The broker is expected to meet the following requirements

- 5.2.1. Take over account from the current service provider/insurance broker;
- 5.2.2. Review existing cover, limits & sums insured;
- 5.2.3. Establish uninsured risks, exposures, and internal self-assurance capacity (provide value-add input/perform assessments on risks);
- 5.2.4. Conduct insurance market exercise, conduct pre-renewal meetings to discuss excess structures and alternatives for renewal;
- 5.2.5. Provide quotes for comprehensive short-term insurance cover for various categories
- 5.2.6. During the term of contract, the service provider must issue underwriting questionnaires to SACAA at least three (3) months before the expiry of existing covers.
- 5.2.7. The appointed service provider must continuously negotiate and obtain insurance covers that are most advantageous to SACAA, with minimal exclusions. The appointed service provider may be required to provide proof of such negotiations.
- 5.2.8. Perform a full third-party claims recovery service.
- 5.2.9. Presentation of renewal terms and recommended options;
- 5.2.10. Compilation of comprehensive insurance procedure manual as well as full summary on cover(s), limits, conditions and exclusions;
- 5.2.11. Provide advisory services to SACAA on short-term insurance portfolio;

- 5.2.12. Claims logging and tracking;
- 5.2.13. Post loss surveys with recommendations;
- 5.2.14. The service provider must arrange for the issuing of the necessary policy documents by the underwriter on behalf of SACAA, within a month of renewal.
- 5.2.15. Provide training and or workshop to SACAA staff on the management of insurance risks and relevant insurance procedures as well provision of insurance tracking claim tool.
- 5.2.16. Monthly/Quarterly reporting with recommendations.
- 5.2.17. Provide account summary and handover process at the end of the contract; and

### **5.3 Expected Conduct of the appointed bidder**

- ✓ To conduct its business activities with the utmost good faith, honesty, integrity and transparency and consistently uphold the interests and needs of SACAA as a client before any other consideration.
- ✓ To ensure that any information acquired by the Broker from SACAA will not be used or disclosed without consent from SACAA.
- ✓ To obtain all material information from SACAA relevant to the assessment and acceptance of any risks by an insurance underwriter and communicate the information to the underwriter.
- ✓ To comply with all legislation relating to the financial services industry; in particular, the Broker must only offer advice and render intermediary services in respect of financial products for which the Broker is authorized in terms of the legislative framework.
- ✓ Specify territorial limits and requirements on insurance cover outside South Africa considering that some of the Authority assets may be taken overseas for repairs and or calibration.
- ✓ The Broker must be an authorized Financial Services Provider and the Broker representatives must ascribe to the Code of Conduct for financial services providers as promulgated in terms of the Financial Sector Conduct Authority (FSCA).
- ✓ The bidder should only include their broker fee per annum on their proposal.
- ✓ Keep SACAA up to date with latest amendments to the Legislation on Insurance (if required through workshops).

## 5.4 Insurance Portfolio

The appointed service provider will be required to obtain short-term insurance cover(s) based on the needs of SACAA which include but not limited to the following:

<b>Insurance Portfolios</b>
<b>Directors and Officers</b>  Directors and officers (D&O) liability insurance protects the personal assets of corporate directors and officers, and their spouses, in the event they are personally sued by employees, vendors, competitors, investors, customers, or other parties, for actual or alleged wrongful acts in managing a company.
<b>Motor Vehicle/ Fleet</b>  Motor fleet, fully comprehensive cover on all vehicles owned. Third party insurance for vehicles kept on the road, business use in neighboring countries, out-in-Africa etc.
<b>Asset All Risk</b>  To cover all tangible property of every description belonging to the SACAA or which the SACAA has any propriety or pecuniary interest against loss or damage caused by fire or allied perils including electronic breakdown (first loss bases) including assets all risks i.e. Fire, Office Content, Theft, Money, Business All Risk, Accidental Damage, Motor Specified, Electronic Equipment, Mobile Devices etc.
<b>General / Public Liability</b>  To protect the SACAA against claims involving illness, injury death, damages to third party property including but not limited to; defamation, defective workmanship and products.
<b>Professional Liability</b>  All Damages resulting from any Claim for any Breach of Duty of the Insured that helps to protect professional advice of SACAA employees from bearing the full cost of defending against a negligence claim made by a client, and damages awarded in such a civil lawsuit. The coverage focuses on alleged failure to perform on the part of, financial loss caused by, and error or omission in the service or product sold by SACAA.
<b>Cyber Insurance</b>  A cover for financial loss suffered following interruptions of the SACAA business. This should include but not limited to, fixed expenses, operating expenses, additional working expenses and SASRIA.

**Aviation Hull All Risk, Hull War, Liabilities and Aviation General Third-Party Liability Insurance**

Covering against all risks of loss of or damage to aircraft whilst in flight, taxiing or on the ground. Hull war risks. The SACAA's liability to third parties including passengers, passenger baggage and personal articles arising from the aircraft and general third-party liability arising out of the SACAA's operations, including airside vehicle liability. **Note: SACAA currently don't have its own aircraft, this cover is included in the contract of the service provider where SACAA is leasing the aircraft. This will change in future when SACAA acquire their aircraft.**

**Ad Hoc Events**

A cover that will indemnifies SACAA for damages, which the event organizer (SACAA) shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person or accidental loss of or physical damage to occurring within the territorial limits during the period of Insurance during or in connection with the event. **SACAA shall inform the broker of the event taking place seven (7) days prior the event** such as:

- Annual Air show - (3,500 people)
- Annual International Civil Aviation Day (ICAD) - (5,000 people)
- Safety seminar(s)

**6. EVALUATION PHASES**

Bidders will be evaluated in accordance with the Supply Chain Management Policies as well as the Procurement Policy Framework, 2000 (Act No. 5 of 2000) and the Preferential Procurement Regulations of 2022. The evaluation criteria will consist of the following three (3) phases:

**6.1 PHASE 1: SUPPLY CHAIN MANAGEMENT (SCM) ADMINISTRATIVE MANDATORY COMPLIANCE REQUIREMENTS**

Bids received will be verified for completeness and correctness. The SACAA reserves the right to accept or reject a bid based on the completeness and correctness of the documentation and information provided. The set of bid documents must be completed and submitted.

(SACAA reserve the right to request information/additional documents if there are any missing from the bidder(s) submission).

Bidders are to ensure that they submit the following documentation with their bid.

Document	Comments	Compulsory requirement
Proof of registration on the Central Supplier Database (CSD) of National Treasury	Prospective bidders must be registered on the Central Supplier Database (CSD) prior to submitting bids. <b>Please indicate / supply the supplier number.</b>	Yes
SBD 4 (Bidders Disclosure)	Completed and signed	Yes
Submit copy of valid registration license certificate with Financial Sector Conduct Authority (FSCA).	Proof must be provided	Yes
Lloyd of London Open Market Correspondent (Copy Letter from Lloyd of London)	Proof must be provided	Yes
Confirmation of Broker's Professional Indemnity Cover/ Errors and Omissions policy– minimum of R100 million.	Proof must be provided	Yes

## 6.2 Phase 2: Functionality/ Technical Evaluation

SUB-CRITERIA	DESCRIPTION	POINTS	
		MIN	MAX
Approach and Methodology	<p>Detail recommended workflow / process map to be adopted and implemented at SACAA. Turnaround time should be linked to the process map.</p> <ul style="list-style-type: none"> <li>Well defined process map = 10 points</li> <li>Moderate process map = 5 points</li> <li>Poor or non-submission = 0 points</li> </ul>	5	10
	<p>Claims handling process, turnaround time for attending to submitted claims.</p> <ul style="list-style-type: none"> <li>Less than 3 working day = 20 points</li> <li>3 to 5 working days = 15 points</li> <li>More than 5 working days = 0 points</li> </ul>	15	20
	<p>Also indicate availability on ad hoc, thus how soon would the company respond to ad hoc requests.</p> <ul style="list-style-type: none"> <li>to 5 working days = 10 points</li> <li>6 to 8 working days = 7.5 points</li> <li>More than 8 working days = 0 points</li> </ul>	7.5	10
	<p>How long would it take, to take over the contract from the current service provider and to implement the system.</p> <ul style="list-style-type: none"> <li>Implementation within a month (please specify) = 10 points</li> <li>Between one to two months = 7.5 points</li> <li>More than two months = 0 points</li> </ul>	7.5	10
Relevant experience of key personnel assigned to all services.	<p>Resumé of key account manager who will directly work on SACAA's account.</p> <ul style="list-style-type: none"> <li>More than ten (10) years' experience = 15 points</li> <li>Seven (7) to ten (10) years' experience = 10 points.</li> <li>Below 7 years' experience = 0</li> </ul>	10	15
Company's experience in brokering services.	<ul style="list-style-type: none"> <li>More than ten (10) years' experience = 20 points</li> <li>Eight (8) to ten (10) years' experience = 15 points</li> <li>Less than 8 years' experience = 0 points</li> </ul>	15	20



Relevant and contactable references where the bidder was rendering similar services to Sate Owned Entity (SOE).	Each reference letter should be in a letterhead (with contact and signature of the contact) of the SOE department where the bidder has rendered similar services. <ul style="list-style-type: none"> <li>• Five (5) or more letters of references, in the last 5 years = 15 points</li> <li>• Three (3) or four (4) letters of reference, in the last five years = 10 points</li> <li>• One (1) or two (2) letters of reference, in the last five years = 3 points</li> </ul>	10	15
<b>TOTAL</b>		<b>70</b>	<b>100</b>

Any bidder scoring less than 70 points will not be considered for further evaluation. The evaluation team MAY call the shortlisted bidder (s) for presentation, should they need further clarification on the bidder’s proposals.

## 6.2 Additional Information to Bidders

SACAA reserves the right to clarify any information with any prospective bidder regarding their response to this RFQ at SACAA’s discretion within a reasonable period.

## 6.4 Phase 3 - Price and Specific Goal Evaluation

Bidders who comply with the requirements of this bid will be evaluated according to the preference point scoring system as determined in the Preferential Procurement Regulations, 2022 pertaining to the Preferential Procurement Policy Framework Act, (Act No 5 of 2000). For this bid 80 points will be allocated for Price and 20 points for Specific Goal.

This tender will be evaluated using the 80/20 preferential point system. The following PPPFA formula will be used to evaluate price:

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Ps = Points scored for price of the bid under consideration.

Pt = Rand value of bid under consideration.

Pmin = Rand value of lowest acceptable bid.

Only bidders that have achieved the minimum qualifying points on functionality will be evaluated further in accordance with the 80/20 preference point system as follows:

Points for this bid must be awarded for:

- (a) Price; and
- (b) Specific Goal.

The maximum points for this RFQ are allocated as follows:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>SPECIFIC GOAL</b>	20
<b>Total points for Price and SPECIFIC GOAL</b>	<b>100</b>

#### **POINTS AWARDED FOR A SPECIFIC GOAL**

In terms of the Preferential Procurement Regulations 2022, points will be awarded for specific goal in accordance with the table below:

<b>SPECIFIC GOALS</b>	<b>Number of points</b>
100% Black ownership	20
51% Black ownership	10
50 - 30% Black ownership	5
0% Black ownership	0

- 6.4.1 The evaluation of Price and Specific Goal will be based on broker's fee for the duration of the contract.
- 6.4.2 All prices proposed must be fixed per annum covering all direct and indirect costs related to the provision of short-term insurance brokerage fee. SACAA will not pay any additional costs once the contract is awarded.
- 6.4.3 To facilitate like for like comparison, bidders must submit pricing in accordance with the price schedule below and not utilize a different format. Deviation from this pricing schedule may result in a proposal being declared non-responsive.
- 6.4.4 Quotation/Cover Limits/ Premiums for types of cover required as per 5.4 above, will be submitted only by the appointed bidder.

6.4.5 The price for this RFQ should be quoted in South African Rands and submitted as per below:

Description	Year 1	Year 2	Year 3
Fixed Annual Brokerage Service Fee			
VAT @15%			
Total Broker's Fee incl VAT			

### NON-COMPULSORY BRIEFING SESSION

There will be no briefing session and any service provider that may seek further clarity can send their queries to Ms. Zodwa Duma at [duman@caa.co.za](mailto:duman@caa.co.za) to seek any clarity on the bid document. All enquiries must be sent via email.

### 6.5 Submission of Proposal

Proposals must be physically delivered and posted in the tender box at SACAA Offices, Building 16, Treur Close, Waterfall Office Park, Bekker Street, Midrand.

**Please submit by Thursday, 28 March 2024, 11h00**

The bid submission requires a three (3) envelope system as per Section 6 of the evaluation criteria above.

#### 6.5.1 Envelope 1

All mandatory documents as per **6.1, Phase 1 above**.

#### 6.5.2 Envelope 2

Technical proposal, as per **6.2 Phase 2 above**.

#### 6.5.3 Envelope 3

The pricing schedule and valid B-BBEE certificate/ affidavit **as per 6.4 Phase 3**.