



REQUEST FOR INFORMATION (RFI):

RFI001-2024

**TO IMPLEMENT DISCRETIONARY AND STATUTORY DEDUCTIONS FROM THE
GOVERNMENT PAYROLL.**

CLOSING DATE: 17 MAY 2024 AT 11:00 AM

RFI001-204 Request for Information (RFI): To implement discretionary and statutory deductions from the government payroll.

1. Introduction

This RFI aims to gather detailed information from potential service providers regarding managing payroll deductions within the public service. The RFI is part of a broader effort to identify the technological solutions that are available and how the government payroll system can effectively interface with different organisations that are authorised to have access, to ensure compliance with relevant regulations, streamline processes, and enhance efficiency. The gathered information will help make informed decisions about potential collaborations to service various payroll deductions.

2. Objectives

The objectives of the RFI are focused on managing discretionary and statutory deductions from the Government payroll as prescribed in Treasury Regulation 23 including:

- 2.1. Understand the capabilities and experiences of potential service providers in managing discretionary deductions.
- 2.2. Evaluate the feasibility of integrating the potential service provider's solution with existing government payroll systems.
- 2.3. Evaluate the scalability and flexibility of the potential service provider's solution to adapt to future changes on the technology of the government payroll systems.
- 2.4. Identify potential service providers' compliance with relevant industry laws.
- 2.5. Assess the potential service provider's support and implementation processes, particularly about updates or changes to discretionary deduction regulations.
- 2.6. Obtain a clear understanding of potential service providers' pricing structures and contractual terms.

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3. The scope of payroll deductions

National Treasury seeks comprehensive information about the ability to manage and administer discretionary and statutory payroll deductions in compliance with relevant Treasury Regulations. The response should detail experience and technological capabilities in the following areas:

3.1. Discretionary and Statutory Deductions

3.1.1. Discretionary deductions are voluntary deductions that an employee can choose to have withheld from their salary. These may include, for example, deductions for insurance premiums or contributions to private higher education institutions, payment of loans, etc.

3.1.2. Statutory deductions are deductions against an official's salary which are required by law, court order or arbitration award. They include personal income tax, trade union fees, UIF (Unemployment Insurance Fund) and emolument attachment orders (EAOs) etc. They are mandatory and must be withheld by the employer by law.

3.2. PERSAL System (Personnel and Salary System)

3.2.1 Payroll services, including deductions, are managed through the PERSAL payroll system used by national and provincial departments. In this context, PERSAL includes the PERSOL system. The PERSAL system administration, support and maintenance currently lies with the National Treasury.

3.2.2 Interfaces are currently available on the government payroll systems and in use by external parties. Processes and standards have also been defined by PERSAL.

3.3. Technology requirements

3.3.1 The proposed technology solution must present a single point of access to government payroll and separate it from direct contact with third-party service providers.

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- 3.3.2 Enforce formal arrangements with parties approved by National Treasury to make use of the payroll deduction services and maintain working relations with all relevant parties once approved to deduct from payroll.
- 3.3.3 Accommodate different industries with unique fee and commissions structure based on the type of deducting industry or organisation, capacity to apply predefined affordability criteria and maximum deduction ranges and limits.
- 3.3.4 Be flexible to accommodate any possible changes to governments payroll system which may include redesign, modernisation or replacement thereof.
- 3.3.5 Solution will be housed within the government network environment, in compliance with rules and prescripts, specifications and standards as determined by the related service provider.
- 3.3.7 Must adhere to all related policy, procedure and regulation, in addition enable all related audits, verification and investigation processes.
- 3.3.8 Must provide monthly reports and reconciliations to national treasury, the relevant employer department as well as the relevant service providers relating to the transactions processed, including the number, value and other details of the validated and declined transactions, as well as such information as required by the National Treasury.
- 3.3.9 Must demonstrate adherence to best practices and set standards for ICT and information security and relevant applicable legislation (e.g. Provisions for POPI Act and hosting requirements for data residency and sovereignty).

4. REQUIRED INFORMATION

4.1. Vendor Information (R-1)

Provide a company profile that includes years in business, relevant experience, and any specific experience dealing with salary deduction services. Please include the contact details of the responsible manager for this work stream.

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4.2. Solution Overview (R-2)

Please provide a detailed overview of your proposed salary deduction technology, including how it handles discretionary and statutory deductions. Highlight how the technology would interface with the PERSAL payroll system. **NB: Ensure your proposal for this section incorporates the scope covered in section 3 of this RFI.**

4.3. Implementation maintenance and Support (R-3)

Provide information about the implementation process, ongoing maintenance and support, technology change management and implementation, organisational change management, risk management, project management methodology and how updates or changes to regulations about discretionary deductions are handled.

4.4. Pricing Structure (R-4)

Provide a detailed breakdown of your fee/pricing structure.

4.5. Proof of Compliance (R-5)

Provide an overview of your compliance status with relevant laws, regulations, and industry standards.

4.6. Additional Information (R-6)

Provide additional information relevant to this request, such as a video clip or PowerPoint presentation. This can be submitted as a separate Annexure/attachment to the main proposal.

4.7. Submission Guidelines

Respond by submitting a 5–10-page proposal (excluding Additional Information) addressing how your proposed technology may support the government in managing discretionary and statutory salary deductions. Responses must follow a sequential order, as listed below. The corresponding details are in section 4 of this document.

- Vendor Information (R-1)
- Solution Overview (R-2)
- Implementation and Support (R-3)

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- Pricing Structure (R-4)
- Proof of Compliance (R-5)
- Additional Information (R-6) - NB: This is Optional

Note item 6 above is optional and should be submitted as an Annexure to the main proposal. It's a freestyle submission without a prescribed format or limitations.

5. Disclaimer

Whilst the intent of the National Treasury is to compare vendor responses and conduct market research on "the implementation of discretionary and statutory deductions from government payroll", the National Treasury makes no obligation or undertakings in any way to:

- 5.1. Go out on a tender or
- 5.2. Accept any Request for Information received from vendors or
- 5.3. Include vendors responding to this Request for Information in any future tender invitation or
- 5.4. Any other commitment to suppliers whatsoever, including any intention to form a contract with any supplier for "proposing "the implementation of discretionary and statutory deductions from the government payroll".

6. RFI PACKAGING PROPOSAL

Bid No: RFI001-2024

Description: REQUEST FOR INFORMATION (RFI): TO IMPLEMENT DISCRETIONARY AND STATUTORY DEDUCTIONS FROM THE GOVERNMENT PAYROLL.

Bid closing date and time: **17 MAY 2024 AT 11H00AM**

Name and address of the bidder:

In this envelope, the bidder shall only address the RFI aspects of the bid.

The RFI Proposal envelope must contain one original hard copy document, clearly marked "1 Original", and 1 Soft copy in a USB format.

7. CONTACT DETAILS

Supply Chain Management, 4th floor at National Treasury,
Private Bag x 115, Pretoria, 0001

Physical address: 240 Madiba Street (Vermeulen), Pretoria

For General enquiries: NTAdministrativeTenders@Treasury.gov.za