

**PROJECT NAME: IMPLEMENTATION OF SAP S/4HANA PRIVATE CLOUD EDITION –
PROJECT QUALITY ASSURANCE (PQA) SERVICES**

PURCHASE REQUEST NO: 10046256

USER DEPARTMENT: CORPORATE SERVICES

Name of Service Provider _____

Proposal Price (VAT Inclusive: : _____

RFP Number: : **10046256**

RFQ Closing date : **23.04.2024**

Time: :**11h00**

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1. PURPOSE

The purpose of this RFP is to invite qualified service providers to submit Request for Proposals for the provision of Project Quality Assurance (PQA) Services for the implementation of SAP S/4HANA Private Cloud Edition at Lepelle Northern Water (LNW). The appointed service provider will ensure high-quality project execution, risk mitigation, and system reliability.

2. BACKGROUND

Lepelle Northern Water (LNW) is a state-owned water utility providing water and sanitation services across the Limpopo province. As part of its ICT digital transformation strategy, LNW is upgrading its Enterprise Resource Planning (ERP) system from SAP ECC6 to SAP S/4HANA Private Cloud Edition.

To ensure the project delivers a high-quality, functional, and reliable system, LNW requires an independent service provider to conduct Project Quality Assurance (PQA) services throughout the project lifecycle.

3. CHALLENGES

- 3.1 Complex migration process from **SAP ECC6.0 to SAP S/4HANA Private Cloud Edition**.
- 3.2 High risk of **data integrity issues**, performance bottlenecks, and security vulnerabilities.
- 3.3 Need for independent verification of **system functionalities** against business requirements.
- 3.4 Potential delays in project timelines due to insufficient quality assurance measures.

4. SPECIFICATION

Qualified service providers must meet the following requirements:

- 4.1 Demonstrable expertise in **Project Quality Assurance** for large-scale **SAP implementations**.
- 4.2 At least 2 or more years of experience in **cloud-based SAP S/4HANA deployments** and **risk management frameworks**.
- 4.3 Proven track record in **test planning, defect management, and performance testing**.

5. SCOPE OF WORK

The selected service provider will be responsible for:

Project Quality Assurance.

- Reviewing project deliverables to **ensure compliance** with SAP best practices and policies for the implementation of following modules:
 - i. S4/HANA Private Cloud ERP
 - ii. Success Factors
 - iii. S4/HANA Payroll
 - iv. S4/HANA Project Systems
 - v. S4/HANA Plant Maintenance and Field Service Management
 - vi. S4/HANA Materials Management
 - vii. S4/HANA Sales & Distribution

- viii. S4/HANA Finance & Control
- ix. S4/HANA Accounts Payables
- x. S4/HANA Assets Accounting
- xi. S4/HANA General Ledger & Reporting
- xii. S4/HANA Bank & Cash
- xiii. S4/HANA Accounts Receivables
- xiv. S4/HANA SAP Analytics Cloud
- xv. S4/HANA Business Technology Platform
- xvi. Data Migration
- xvii. Integrations

- Conducting **independent verification and validation (IV&V)** activities.
- Advising LNW on **quality risks and mitigation strategies**.
- Participating in project **Steering Committee meetings** as an independent quality assurance expert.
- Act as a **trusted advisor** to LNW's Steering Committee and key stakeholders.
- Ensure that all AS-IS and TO-BE configurations and requirements within the scope are implemented in S/4HANA. Ensure that training and UAT (User Acceptance Testing) are conducted according to SAP best practices.

Quality Assurance Focus Areas

- **Test Planning and Strategy:** Defining test objectives, scope, and execution approaches.
- **Test Case Development:** Creating and executing test cases aligned with LNW business processes.
- **Defect Management:** Tracking, prioritizing, and resolving system defects.
- **Performance and Security Testing:** Ensuring system stability and compliance.
- **User Acceptance Testing (UAT):** Validating system usability and accuracy.

6. OUTPUT AND / OUTCOMES

The successful bidder will deliver the following outputs:

- Project risk log with mitigation strategies.
- System design code reviews and quality assessment reports.
- Test plans, scripts, and execution logs.
- Defect reports and tracking logs.
- Independent test results and recommendations.
- Final PQA (Project Quality Assurance) report summarizing overall project quality and assurance outcomes.

7. PRICE SCHEDULE

The bidder must provide a detailed price breakdown covering but not limited to the below table:

1.

Item No.	Service Description	Pricing Unit	Cost (ZAR)	Remarks
1.	Project Quality Assurance Services	Fixed cost (Project duration)	R_____	Inclusive of all QA activities
2.	Testing and Reporting Activities as per the SAP activate project management	Per phase/milestone	Discover R_____ Prepare R_____	Breakdown per phase/milestone required

	methodology and other best practices		Realize R_____	
			Deploy R_____	
			Run R_____	
			And other R_____	
3.	Steering Committee Participation	Per meeting	R_____	Includes preparation and attendance
4.	Additional Consulting Services	Hourly Rate	R_____/hour	Specify expertise level if applicable

any additional costs. Payment will be made after completion of each proven milestone

9. PROCUREMENT PROCESS

The normal LNW process will be followed in line with the company's SCM policy and procedures with no deviations.

Validity of RFP : 30 days
Contract Duration : 06 months
Advert date : 16 April 2025
Closing date : 23 April 2025

Enquiry: tshephom@lepelle.co.za

Phone: Tshepho Motau @ 015 2951875

Send proposal to: SCM1@lepelle.co.za

NB: No hand delivered or faxed proposals will be accepted.

10. EVALUATION CRITERIA

Preferential Points System will be used to evaluate this bid in line with the Preferential Procurement Policy Framework Act, 2022. Bidders will be evaluated on mandatory first, then

functionality and only those qualifying by achieving the minimum cut off point of 70% will be evaluated on administrative compliance and then price and Specific Goals.

THIS BID WILL BE EVALUATED AND ADJUDICATED ACCORDING TO THE FOLLOWING CRITERIA:

1. Industry Standard specifications
2. Value for money
3. LNW SCM Policy
4. PPPFA and associated regulations
5. Proposals will be evaluated in terms of the following stages:

10.1 Bid Evaluation Method

Bids will be evaluated in terms of the following two stages:

- Stage 1: Evaluation on Mandatory
- Stage 2: Evaluation on Functionality (Minimum of 70% to be scored)
- Stage 3: Evaluation on 80/20 preferential points system (Price and Specific Goals).

Stage 1: Mandatory requirements (Pre-qualification)

- a. The JV agreement for JV partners to be submitted indicating percentage split for partners to render agreement valid. (Where applicable)
- b. Proof of registration on the Central Suppliers Database (CSD)
- c. Tax clearance certificate.
- d. Completion of pricing schedule in full

NB: Failure to comply with any of the above requirements will lead to disqualification.

Stage 2: Evaluation on Functionality

Under quality/functionality, service providers must achieve a minimum of 70 points (70%) quality/functionality points to be considered for further evaluation in stage 3 (Evaluation on Price and Specific Goals).

NB: Only the combined Price & Specific Goals points will determine the highest point scoring bidder to be awarded the contract.

Stage 2 – Functionality Criteria

EVALUATION CRITERIA Phase 1			Points
All submissions duly lodged will be evaluated on functionality as pre-qualifying criteria. The evaluation criteria and points for measuring functionality are indicated below.			100
Maximum Points for Functionality			
Evaluation Criteria	Description	Points Allocation	Maximum Points
Company Experience	Experience in providing Quality Assurance services for SAP S/4HANA implementation projects.	- 2 to 5 years: 10 points - 6to 8 years: 20 points - 9 or more years : 30 points	30
Quality of Proposed Methodology	Comprehensive and well-structured methodology for Quality Assurance, covering testing, validation, and reporting.	- Unclear proposed methodology: 10 points - Clear, well-structured methodology: 15 points - Detailed, industry-best practices with innovation: 20 points	20
Key Personnel Experience and Qualifications	Expertise of key team members in SAP S/4HANA Quality Assurance, including certifications and project experience. NB: Please attach CV, Proof attendance of SAP training, SAP certificates and other qualifications of team member(s). Failure to do so will result in disqualification of the bid	Junior-level team : -2 to 5years experience in SAP S4/HANA implementation, - Qualification required: National Diploma/Bachelor's degree in Information Technology, Computer Science, Business Administration, or a related field. -Training on SAP modules (FICO , MM, Succes Factors PM, PS, SD, SAP Activate Methodology) 10 Points	30
		Experienced professional team : -5+years of experience	

		- National diploma/Bachelor's degree in Information Technology, Computer Science, Business Administration, or a related field. -SAP-certified (FICO , MM, Succes Factors PM, PS, SD, SAP Activate Methodology, 20 points	
		Highly Qualified Professionals -5+years of experience - National Diploma/Bachelor's degree in information technology, Computer Science, Business Administration, or a related field. -SAP-certified (FICO , MM, Succes Factors PM, PS, SD, SAP Activate Methodology, - STQB (International Software Testing Qualifications Board) Certification or Certified Quality Auditor (CQA) and or Six Sigma Green/Black Belt (for process improvement) 30 Points	
References and Past Project Performance	Reference letters and past successful SAP QA projects. NB. Please attach reference letters from the clients indicating a successful completion project as per the client's summary. Bidders are requested to provide one reference letter per project.	1 reference letter: 4 points - 2 reference letters: 8 points - 3 reference letters: 12 points - 4 reference letters: 16 points - 5 or more reference letters: 20 Points	20

Minimum points to be scored is 70 points out of 100 points. Point's Allocation under functionality will be split as per JV agreement (percentage split)

Stage 3: Evaluation on Price and Specific Goals 80/20

Financial offer and Specific Goals

- 1) Score tender evaluation points for financial offer.
- 2) Confirm that tenderers are eligible for the Specific Goals claimed, and if so, score tender evaluation points for Specific Goals.
- 3) Calculate total tender evaluation points.
- 4) Rank tender offers from the highest number of tender evaluation points to the lowest.
- 5) Recommend tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

NB: NO BIDDER WILL BE CONSIDERED FROM PERSONS WHO ARE IN THE SERVICE OF THE STATE
(see definition on SBD 4 attached)

Scoring functionality

core functionality in each of the categories stated in the Tender Data and calculate total score for functionality.

Scoring Financial Offers

Score the financial offers of remaining responsive tender offers using the following formula:

$N_{FO} = W_1 \times A$ where:

N_{FO} = the number of tender evaluation points awarded for the financial offer.

W_1 = the maximum possible number of tender evaluation points awarded for the financial offer as stated in the Tender Data.

A = a number calculated using either formulas 1 or 2 below as stated in the Tender Data.

Formula	Basis for comparison	Option 1	Option 2
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1	Highest price or discount	$(1 + \frac{(P - P_m)}{P_m})$	P/P_m
2	Lowest price or percentage commission/fee	$(1 - \frac{(P - P_m)}{P_m})$	P_m/P

where:

P_m = the comparative offer of the most favourable Proposal offer.

P = the comparative offer of tender offer under consideration.

The 80/20 Preferential Point System will be used to evaluate the Proposal.

Table 2: Preference Points Allocation (As per the Preferential Procurement regulations 2022) #	Specific Goals	Means of verification	80/20 Points	
1	Disability (Minimum of 1 shareholder ownership in the company)	CSD Report	5	
2	Black women (100% Black women ownership in the company)	CSD Report	5	

3	Black ownership (100% black ownership in the company)	CSD Report	5	
4	Black Youth (Minimum of 1 shareholder Black youth ownership in the company)	CSD Report	5	
Total Points			20	

The points scored by the tenderer in respect of the level of Specific Goals contribution must be added to the points scored for price.

11. ADMINISTRATIVE COMPLIANCE

- i. Valid Tax pin certificate from SARS
- ii. BBEE certificate/ sworn affidavit
- iii. Letter of Good standing, COIDA iv. Completed and signed SBD forms (SBD 6.1 and 4)
- iv. Company registration documents

All certified copies must not be older than three months from RFP closing date.

Lepelle Northern Water reserves the right to verify any information provided by the service provider.

Other Required Documents

- Municipal current rates account not more than three months old should be submitted (Proof of address similar to address of place of office operation.

- Lease agreement with account municipal statement or shareholders address acceptable as proof of office address (conformation letter endorsed by commission of Oath)
- Certified ID copies of the company shareholders

NOTE:

- a) ***The JV partners must submit both mandatory and administrative documents for each Company. Where applicable***
- b) ***Preferred JV service providers will be required to submit a JV bank account and VAT number***
- c) ***The client (LNW) reserves the right to verify any information provided by the service provider. Falsified references/experience will lead to disqualification and blacklisting in terms of the LNW SCM process in conjunction with LNW legal processes.***
- d) ***The service provider must comply with all terms and conditions including requirements as stipulated in the Tender Documents to be evaluated further.***
- e) ***LNW is not compelled to accept the lowest or any Proposal.***
- f) ***LNW reserves the right to reduce/increase the scope of works by more than 50% , LNW reserves the right to increase or reduce the scope of the project.***
- g) ***The contract period is six months subject to performance.***
LNW reserves the rights to negotiate pricing with the recommended service provider.

Please note that the above required documents will be deemed as mandatory to the preferred bidder. Required documents will be requested for submission within two working days and failure to submit will be deemed as non-responsive/disqualification.

12. CONTRACT CONDITIONS

- Full adherence to the contract and other applicable Acts will be applicable during the course of the contract; and

- Submission of detailed monthly report by service provider (no payment will be made until final approval of the report by the end user)
- Full adherence to the Occupational and Health and Safety Act, Act 85 of 1993 and other applicable Acts will be applicable during the course of the contract.

All Proposals must be submitted via email to SCM Unit – SCM Office at the following email address: - SCM1@lepelle.co.za,

NB: RFPs submitted physically or to a different email address not mentioned here will not be accepted.

Technical Enquiries can be directed to the project manager Representative (Mr Tshepho Motau) contact number 015 295 1800.