



TERMS OF REFERENCE

**APPOINTMENT OF SERVICE PROVIDER TO PROVIDE THE FOLLOWING SERVICES TO KWAZULU –
NATAL FILM COMMISSION:**

PROVIDE SHORT TERM INSURANCE SERVICES TO KZNFC FOR A PERIOD OF TWO (2) YEARS

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Board members: N. Malange, J. Wills, M. Mzimela, N. Mthembu, L. Berning, C. Coetzee, L. Ngcobo, S. Zondi

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1. Background

ACRONYMS

KZNFC	KwaZulu-Natal Film Commission
SCM	Supply Chain Management
KZN	KwaZulu - Natal
PFMA	Public Finance Management Act
SLA	Service Level Agreement
SAIBA	South African Insurance Brokers Association
FSB	Financial Services Board
SASRIA	South African Special Risks Insurance Association
TOR's	Terms of References
PM	Project Manager

The KZNFC is committed to creating an enabling environment to facilitate efficient delivery through the provision of adequate resources like furniture, office equipment and production equipment by utilising a certain portion of its allocated funds to purchase these assets, given that these assets have a monetary value safe guarding, storage and record keeping is important.

The Assets that the KZNFC holds are in line with Asset Management Policy based on the legislation/ regulations pertaining to Public Sector Custodianship of Assets being: The Constitution of the Republic of South Africa Act 108 of 1996 s217(1) to 217(3), PFMA Act 29 of 1999 and Treasury Regulations for Public entities.

As per the KZNFC Asset Management Policy of 19 April 2016- in safeguarding assets the entity is to have insurance on its assets. In the normal course of business, the KZNFC encounters numerous risks.

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transferring some of its risks by taking out short term insurance. The KZNFC requires the services of a reputable, capable and effective bidder that is a registered member of The South African Insurance Brokers Association (SAIBA) and Financial Services Board (FSB), to provide insurance broking services and claims services in all aspects of the KZNFC business. The KZNFC invites tenders for the following:
SHORT TERM INSURANCE BROKER FOR A PERIOD OF 2 YEARS.

2. Purpose of the project

KZNFC needs to secure the services of a South African insurance broker with experience, expertise and capacity to act as an intermediary between the KZNFC and the insurance market (i.e. insurers and other risk financing institutions).

To appoint a short-term insurance broker for a period of 2 years to provide the following services:

- Insurance services for KZNFC short-term assets; and
- Securing other short-term insurance coverage's such as general liability, personal injury, employment practice liability and any other emerging liability risks.
- The services to be rendered as a Short-Term Insurance Broker over the 2-year period should include general services related to the placement, maintenance and administration of the insurance portfolio.

3. Scope of work

KZNFC requires insurance services for the following:

3.1 Performance specification

- The bidders should be able to provide the following general insurance actions in terms of placement, maintenance and administration of the insurance portfolio:
 - Claim administration and maintenance;
 - Day to day correspondence and queries;
 - Monitor premium payments and refunds in accordance with accounts and statements;
 - Keep KZNFC up to date with latest amendments to the Legislation on Insurance through workshops

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3.2 Technical requirement

3.1.1 Assets

- To cover all tangible property of every description belonging to the KZNFC or which the entity has any propriety or pecuniary interest against loss or damage caused by fire or allied perils including electronic breakdown (first loss bases)
- Electronic equipment, to cover on electronic business equipment including computers, laptops, licensed software, etc.
- Stock, to cover on goods that forms part of the KZNFC business activity
- Building cover, SASRIA, property terrorism and sabotage, fire, explosion, earthquake, power surges, alterations and additions etc.

NB: A LIST OF ASSETS IS PROVIDED

3.1.2 Employees liability

➤ **Public Liability**

To protect the KZNFC against claims involving illness, injury death, damages to third party property including but not limited to; defamation, defective workmanship and products.

➤ **Event**

A cover that indemnifies the KZNFC for damages which the event organizer KZNFC, 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 in the course of or in connection with the event.

➤ **Travel**

A cover for an employee of the KZNFC whilst travelling on local and international journeys incurs medical and related expenses as a result of illness or injury or liability.

➤ **Business interruption**

A cover for financial loss suffered following interruptions of the KZNFC business. This should include but not limited to, fixed expenses, operating expenses and additional working expenses.

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➤ **General**

- The scope covers portfolios identified at this stage and of any other relevant portfolios on an annual basis.
- The preferred insurance broker should ensure that the following are included in the insurance policy as per the landlord's requirements namely:
 - Public Liability
 - SASRIA
 - Claims Preparation costs

4. Aim of the project

It is necessary to contract services of a professional insurance broker from the market to provide assistance to the KZNFC relating to business insurance. KZNFC would contract the appointed broker for 2 years with quarterly reviews of broker's performance. Unsatisfactory performance can result in KZNFC invoking its right to terminate the contract.

5. Duration of the contract

The duration of the contract is 24 months (2 years).

6. Conduct of the work

In order to achieve the objectives of this appointment, the successful broker, after appointment will be familiarized with the KZNFC's insurance policy.

7. Deliverables

A Service Plan should be drawn yearly with inception of a new insurance period detailing the actions to be taken, at least the following general insurance actions:

Internal and external discussions to set renewal and maintenance strategy;

- Internal Strategy meetings;
- Review existing cover;

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- Established uninsured risks and internal self-insurance capacity;
- Review cover, limits and sums insured;
- Review uninsured risks and exposure;
- Pre-renewal meeting to discuss excess structures and alternatives of renewal;
- Presentation of renewal terms and recommended options;
- Confirmation of credit rating of insurance and re-insurance markets;
- Premium allocations on recommended aggregates and service fees;
- Compilation of detailed insurance manual as well as full summary on cover, limits, conditions and exclusions;
- Check and provide issued policy as well as legal confirmation of statutory compliance;
- Compilation of claims procedural manual
- Ad hoc adjustments and endorsements on sums insured and declarations to insurers/re-insures and issuing of accounts within 30 days of transactions;
- Claims administration;
- Monitor premium payments and refunds in accordance with accounts and statement;
- Ad hoc training where required in terms of policy and procedural manual.

8. Monitoring progress of deliverables

Adherence to the Service Level Agreement will be monitored by way of the following:

- Post Renewal/Placement reports.
- Monthly reports providing details of work done during the month.
- Annual performance review.
- Regular meetings

9. Competency and expertise requirements

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The successful broker to be appointed should have the necessary expertise, capacity and previous broking experience to be able to deliver the insurance broking services required by the KZNFC.

10. Price Escalation

- All prices must be VAT inclusive and quoted in South African Rand (ZAR).
- If prices are not valid for 2 years, provide details of price escalation and the basis on which such adjustments shall be applied e.g. CPI, also, provide details of your cost breakdown.

11. Evaluation Criteria

The quotation for the appointment of the Short-term insurance will be evaluated on the pre-qualification criteria, the mandatory requirement, functionality, price and preferential points in accordance with the Preferential Procurement Policy Framework Act 2000 (Act No. 5 of 2000 and B-BBEE Act).

12. Pre-Qualification Criteria (disqualifying requirement)

The service provider must be Level 1 to 4 BBBEE status level contributor, an EME or QSE.

13. Mandatory Requirement (disqualifying requirement)

- Valid proof of registration with the South African Insurance Brokers Association (SAIBA)
- Valid proof of registration with Financial Services Board (FSB)

14. Price and Preference

80/20 Preferential points will be applicable to this tender in accordance with the Supply Chain Management Procurement policies, the Treasury Regulations, the Preferential Procurement Policy Framework Act 5 of 2000 and the B-BBEE Act and with its regulations amendments.

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<p>Proposal and quotation to include.</p>				
<p>Submitted proposal should include but not limited to the following</p> <ul style="list-style-type: none"> • Proposal of suitable Insurance packages in the market as per KZNFC’s comprehensive commercial requirements; <ul style="list-style-type: none"> ➤ Cover on premises and building structure (windows, power related.) ➤ Office contents and intangible assets ➤ Money/ float cover ➤ Business related risks (e.g. business interruption) ➤ Employees liability (related to travel) ➤ Accidental damage ➤ Public liability ➤ Electronic equipment ➤ Deterioration of stock ➤ Clear conditions/ exclusions of contract applicable ➤ Emergency medical expenses ➤ Employees and visitor’s property ➤ Excess levels 				

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