

# KWAZULU-NATAL FILM COMMISSION

## TERMS OF REFERENCE



**TO SEEK A QUALIFIED SERVICE PROVIDER TO :**  
**APPOINTMENT OF SERVICE PROVIDER TO PROVIDE THE FOLLOWING**  
**SERVICES TO KWAZULU – NATAL FILM COMMISSION:**  
**PROVIDE SHORT TERM INSURANCE SERVICES TO KZN Film FOR A**  
**PERIOD OF TWO (2) YEARS**

**Technical Enquiries:** Mr Mthobisi Ncube

**Email:** Mthobisin@kznfilm.co.za

**SCM Enquiries:** Mr. Sboniso Gama

**Email:** SbonisoG@kznfilm.co.za

## TERMS OF REFERENCE (TOR)

### 1. BACKGROUND INFORMATION

#### 1.1. ACRONYMS

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

#### 1.2. INTRODUCTION

The KZNFilm 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 KZNFilm 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 KZN Film 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 KZN Film encounters numerous risks. The KZN Film in mitigating its risks by cost effectively transferring some of its risks by taking out short term insurance. The KZN Film 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 KZN Film business. The KZN Film invites tenders for the following:

**SHORT TERM INSURANCE BROKER FOR A PERIOD OF 2 YEARS.**

**2. Purpose of the project**

KZN Film needs to secure the services of a South African insurance broker with experience, expertise and capacity to act as an intermediary between the KZN Film 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 KZN Film 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**

KZN Film 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 KZN Film up to date with latest amendments to the Legislation on Insurance through workshops.

### **3.1.1 Assets**

- To cover all tangible property of every description belonging to the KZN Film 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 KZN Film 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 KZN Film 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 KZN Film for damages which the event organizer KZN Film, 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 KZN Film 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 KZN Film business. This should include but not limited to, fixed expenses, operating expenses and additional working expenses

➤ **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 KZN Film relating to business insurance. KZN Film would contract the appointed broker for 2 years with quarterly reviews of broker's performance. Unsatisfactory performance can result in KZN Film 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 KZN Film 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;
- 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

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 KZN Film

## 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

***Specific Goals will be applicable for this Quotation process.***

The bid for the appointment of each service provider will be evaluated on mandatory requirement, functionality, preference point system and specific goals in accordance with the Preferential Procurement Regulation 2022.

### **MANDATORY REQUIREMENTS (If applicable) (disqualifying requirement)**

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

### **EVALUATION ON FUNCTIONALITY**

- The service provider must score a minimum of **60 %** in order to be evaluated further for price and preference points. **Refer to Annexure 1** below, for the information that must be provided and supported with documentation in order for the bid proposal to be evaluated and scored on Functionality.

**APPLICATION OF PREFERENCE POINT SYSTEM AND SPECIFIC GOALS:**

The 80/20 preference points system will be applicable for the evaluation of this process in accordance with the Preferential Procurement Regulations 2022.

	<b>Specific Goals</b>
Price	80
<b>Ownership Goals</b>	
<ul style="list-style-type: none"><li>• At least 51% Blacks Africans, Indians or Coloreds owned company</li></ul>	20
<b>Total</b>	<b>100</b>

*Kindly Refer to Table 1 of SBD 6.1 of the Preference Claim Form to claim for Points.*

**Verification of Specific Goals:**

1. **Ownership verification** will be conducted through submission of the Sworn Affidavit or BBBEE Certificate with a summary report..

**Failure on the part of a tenderer to submit proof or documentation required in terms of this Quotation to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.**

**The organ of state reserves the right to require of a tenderer, either before a Quotation is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.**

*All quotations with all the required documentation to be forwarded to [scmquotes@kznfilm.co.za](mailto:scmquotes@kznfilm.co.za) and for enquiries related to SCM to be forwarded to [scm@kznfilm.co.za](mailto:scm@kznfilm.co.za)*

**ANNEXURE 1: EVALUATION GRID**



Name of project:	Score	Weight	Total Score	Score
<b>Proposal</b> Submitted proposal should include but not limited to the following •Proposal of suitable Insurance packages in the market as per KZN Film comprehensive commercial requirements; <ul style="list-style-type: none"> <li>➤ Cover on premises and building structure</li> <li>➤ Office contents and intangible assets</li> <li>➤ Money/ float cover</li> <li>➤ Business related risks (e.g. business interruption)</li> <li>➤ Employees liability (related to travel)</li> <li>➤ Accidental damage</li> <li>➤ Public liability</li> <li>➤ Electronic equipment</li> <li>➤ Deterioration of stock</li> <li>➤ Clear conditions/ exclusions of contract applicable</li> <li>➤ Emergency medical expenses</li> <li>➤ Employees and visitor's property</li> <li>➤ Excess levels</li> </ul>	30		30	
No submission	0		0	
<b>Sub-Total</b>	<b>30</b>		<b>30</b>	
<b>Experience in claims process</b> Years of experience in the Short term and long-term Insurance broking of the Insurance broking company  15 points: 5+ years, experience 10 points: 3+ years, experience 8 points: 2+ years, experience  No submission	15		15	
No submission	0		0	
<b>Sub-Total</b>	<b>15</b>		<b>15</b>	
<b>Capacity</b> Submitted evidence should include but not limited to the following:	20		20	

Name of project:	Score	Weight	Total Score	Score
<ul style="list-style-type: none"> <li>• Provide a structure of the team for the KZN Film contract</li> <li>• Turnaround time on reportable claims</li> <li>• Systems in place of processing claims</li> </ul>				
No submission	0		0	
<b>Sub-Total</b>	<b>20</b>		<b>20</b>	
<b>Contactable References</b> Letters from clients and insurers including name of company, contact name and contact details. Reference letters in referring company's letter head. (2 points each letter)	10		10	
No submission	0		0	
<b>Total</b>	<b>75</b>		<b>75</b>	