



**SOUTH AFRICAN TOURISM**

## **RFI - EXPRESSION OF INTEREST**

**Be part of our journey to becoming the tourism and business events industry leader in market intelligence, insights and analytics!**

### **THE ORGANISATION**

South African Tourism (SA Tourism) is a Schedule 3A Public Entity, listed in terms of the Public Finance Management, 1999 (Act No. 1 of 1999), and it is accountable to the Minister of Tourism. SA Tourism is a public entity established in terms of section 2 of the Tourism Act, 2014, (Act No. 72 of 2014). In line with its mandate, SA Tourism receives funds for its operations from government.

SAT's business includes three distinct areas of business focus and delivery, with different target markets and segments:

- I. International Leisure Tourism (travel trade and consumer); and Domestic Leisure Tourism (travel trade and consumer);
- II. Business events through the delivery unit the South African National Convention Bureau (Meetings, Incentives, Conferences, Exhibitions); and
- III. Quality Assurance of Tourism establishments through the delivery unit the Tourism Grading Council of South Africa.

### **THE OPPORTUNITY**

South African Tourism is on a journey to being an insights-led organisation that is based on high quality research and analytics. The Strategy, Insights and Analytics (SIA) unit was established in 2017 to consolidate the knowledge bank of tourism information built up over the past decade or more, and scale up its resources to take up a leadership position in the provision of strategic and actionable insights for South African Tourism and the tourism sector.

South African Tourism is now looking to establish a model/framework which allows us to work with a wide range of relevant market research and business advisory companies to support, develop and complement the skills of the newly established SIA unit in answering strategic questions and improving its systems and processes to drive business performance.

At present, SIA identifies all business requirements and invites service providers to submit bid proposals for the possible appointment through competitive bidding processes. This approach process is very cumbersome and stifles the organisation's ability to be agile and proactive in the commissioning of research work/assignments. The current approach also assumes that SA Tourism is clear on the solutions for various business problems. This is not always the case as we do not know what we do not know.

The current procurement processes and appointment of preferred service providers restricts the commissioning of new assignments as and when required as those did not form part of the initial

scope of work tendered for. Service providers are therefore not able to provide further insight and value-added services outside the agreed scope of work per project/assignment. For example, current service providers conduct the SA Tourism tracker studies in domestic and international tourism, however, there is no holistic view of tourism's performance and its impact on the economy.

There is also a distressing concern that duplication of work might occur across the various projects and assignments because they are procured separately. This can arguably be evident in the sense that almost all research projects are administered using similar tools, systems, capabilities and capacity if when consolidated could result in much better efficiencies and ultimately cost savings.

To ensure impactful support to the SIA unit by the relevant industry providing these type of services, SA Tourism concluded that a new procurement and project methodology needs to be considered that will see mutually beneficial partnerships be formed with suitable market research and business advisory companies that will:

- ✓ Remove duplication of work and costs;
- ✓ Allow for true and quantifiable value-added services from partners;
- ✓ Encourage partnership with the SIA unit to provide high quality analytics and insights throughout the entire tourism ecosystem;
- ✓ Encourage partners to propose innovative projects and solutions for both domestic and international tourism that drive inclusive economic growth;
- ✓ Enable SA Tourism to be agile and proactive in the commissioning of critical research projects and assignments as we become an insights-led organisation; and
- ✓ Position South African Tourism as the industry leader in market intelligence in tourism.

As a Schedule 3A Public Entity SA Tourism is compelled to comply with the obligatory terms and conditions set by National Treasury when procuring goods and services. SA Tourism wants to develop a procurement and evaluation methodology that will ensure that the best supplier is selected for the right reasons and at a price that represents value-for-money over the whole-of-life cycles for its research projects or assignments.

Government spends billions of Rands each year in the provision of goods and services that are needed to deliver business objectives. Good public service outcomes depends on good procurement where properly planned and effectively executed procurement is essential for all government organizations. SA Tourism's sought after procurement model or solution should simplify acquisition processes, maximize commercial advantage, ensure supply continuity and reduce risk, and also to form strategic partnerships with suppliers.

This notice, officially serving as Pre-tender engagement, forms part of a strategic sourcing process which SA Tourism intends to roll out in three phase i.e:

- **Phase 1 - Opportunity assessment (Pre-tender engagement)**
  - i. Landscape and market assessment
  - ii. Prepare and engage
- **Phase 2 - Sourcing strategy development**
  - i. Needs analysis impact
  - ii. Analyse internal information
  - iii. Analyse external information
  - iv. Evaluate and develop sourcing approach
- **Phase 3 Sourcing strategy implementation**
  - i. Market engagement
  - ii. Bidding process
  - iii. Evaluation
  - iv. Award

- v. Contracting and SLA
- vi. Contract management and performance reviews

This approach will also significantly help SA Tourism to identify leverage points in the fulfillment of research requirements and deliverables that will see reduction in cost and increase in the benefits and value of the services to SA Tourism.

After careful consideration, SA Tourism has opted to engage the industry through a collaborative and structured approach in order to gain first hand insights into the market characteristics, dynamics and tactics so that SA Tourism can plan, manage and develop its supply base for its research needs. This while reducing administrative cost of acquisition through flexible market-aware procurement methodologies.

#### **What are we trying to solve?**

- Fragmented procurement
- Lengthy tender processes - 3 months to 6 months to finalise a tender
- High price variations between competitors (how can total cost of ownership be established)
- Poor standardisation in procuring same or similar services
- Lack of focus on core delivery (mandate)
- Lack procurement planning
- Over-use of RFQ/Contract variation methods
- Inadequate procurement capacity
- Duplication of effort, contract creation, contract management, supplier management, and supplier queries etc.
- Directly influencing transformation through outsourced contracts

#### **Through collaborative engagement, SA Tourism wishes the following to be deliberated:**

- What is SA Tourism's current problem (how we procure services)?
- What is the current situation of contracts?
- What is included in the scope of the solutions?
- What is excluded in the scope of solutions and how do one deal with it?
- What are the limitations or barriers in dealing with the problem?
- How can transformation be influenced through outsourced contracts

#### **Why engage with stakeholders:**

- Improve communication to ensure the highest level of trust and accountability
- Keep the market and end-user communities informed about supply opportunities and initiatives
- Assist with managing end-user and supplier relationships during the sourcing process
- Assist with managing complaints, enquiries and debriefs
- Central to a positive view of government and supports supplier participation
- Good stakeholder engagement can help meet business objectives
- Collaborative and mutually beneficial relationships can deliver greater levels of innovation and competitive advantage than could be achieved through a traditional transactional purchasing arrangement.

#### **Expected outcome of the collaborative engagement**

Should lead to the development, management and implementation of a procurement plan that will enable SA Tourism to put together a well-structure bid specification that will:

- ✓ Foster supplier interest
- ✓ Better engage with the market

- ✓ Facilitate a competitive environment
- ✓ Encourage innovation
- ✓ Apply a high standard in the delivery of requirements and
- ✓ Be clear and simple to avoid onerous or unnecessary requirements

It must be noted that responses to this notice are not offers and SA Tourism does not intend to award a contract on the basis of the responses to this notice, to pay for any information submitted, or for the use of such information. SAT may invite suppliers for presentations and thereafter issue a Request for Proposal/Quotations (RFP/RFQ) for implementation. Furthermore, this notice shall not limit any rights of SA Tourism, and SA Tourism reserves all its rights including but not limited to its rights to elect not to procure the solutions that are the subject of this notice and its right to procure them from a vendor that has not responded to this notice.

**KEY CONSIDERATIONS WHEN REGISTERING YOUR INTEREST:**

Bidder's should formally express their interest by responding to SA Tourism's Supply Chain Management Sourcing Manager Pulane Muligwa at [pulane@southafrica.net](mailto:pulane@southafrica.net) by no later than Friday, 01 March 2019.

Yours in Tourism

Pulane Muligwa