

Terms of reference (ToRs) for the Procurement of services from EUR 20,000.01 up to the EU threshold

PUBLIC

Provision of Payroll System Software and After-Sales
Maintenance / Support Service for the GIZ South Africa
/Lesotho/Eswatini country offices

Project number/
cost centre:

96.9250.0-001.00

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0. List of abbreviations

AG	Commissioning Party
AN	Contractor
AVB	General Terms and Conditions (German: Allgemeine Vertragsbedingungen)
BMZ	German Federal Ministry for Economic Cooperation and Development
CO	Country Office
FK	Expert
FKT	Expert days
KZFK	Short-term Expert
GIZ	Gesellschaft für internationale Zusammenarbeit (GmbH)
GDPR	European Union General Data Protection Regulation
KOMP	Costs for Output Monitoring and Forecast
NMA/ NP	National Personnel
ToR	Terms of reference

1. Context

As a service provider with worldwide operation in the fields of international cooperation for sustainable development work, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH works with its partners to develop effective solutions that offer people better prospects and sustainably improve their living conditions. GIZ is a public-benefit federal enterprise and supports the German Government and a host of public and private sector clients in a wide variety of areas, including economic development and employment promotion, energy, and the environment.

In South Africa, GIZ has been working since 1994 on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) and on commission various international clients.

GIZ South Africa/Lesotho/Eswatini country office intends to conclude a contract with a registered competent payroll system/software service provider for country office's operations. The overall objective of the assignment is to ensure a well-functioning and secure Payroll System and support services to GIZ South Africa/ Lesotho/ Eswatini at the country office in Pretoria (South Africa). The application should allow both on-line and off-line user access and working environment (stand alone on client computer and database on network server) as well as Payroll Administration, Advisory, Leave Management as well as Deductions Management services using a cloud-based payroll system Software, Services and License agreement. We are currently using **SAGE 300 People**.

At present, GIZ South Africa, Lesotho, and Eswatini has a total of ±364 national & International staff. There are seconded managers linked to the payroll system to approve leave applications for national staff as well as development workers reporting to them.

The services shall be carried out in close cooperation with the Country Director, Head of Human Resource and the Human Resources Specialists of the GIZ Country office.

The contract will be from 01 December 2025 until 30 November 2027 with the possibility of extension for another two (2) years.

2. Tasks to be performed by the contractor

The payroll software company will be contracted to provide fully functional and secure payroll system for GIZ South Africa /Lesotho/Eswatini Country Office. I.e. Install, Configure, customize

the Payroll System as deemed necessary, develop manual and share, trouble shoot as deemed necessary, implement system changes when required by law or GIZ South Africa /Lesotho/Eswatini Country Office (the client).

Summary of expected tasks to be covered on technical proposal of the contractor:

- Provide a secure cloud-based payroll Software system as well as service and license agreement
- Efficient customer service after system launch, updates on taxes and all other mandatory legislation points and continuous user support
- A secure payroll system which enables Payroll Administration and reporting,
- Advisory and support Services related to the system and administration and reporting
- System which enables Leave Management
- System which enables Deductions Management
- Statutory Pay as you earn (PAYE) submissions to respective tax authorities
- The contractor shall provide system which complies with GIZ data protection and EU General Data Protection Regulation, provides certificate or assessment by GIZ.
- The client shall retain the right to examine and approve the service performed by the contractor.
- The contractor shall perform the service and carry out its obligations with all diligence and efficiency in accordance with generally accepted techniques and practice of the system support.

2.1. Specifications for Payroll System

The following are the key specifications for the performance of the payroll system in terms of client access and functionality, (Technical & system requirements). The ToR shall cover each point hereunder (technical & system requirements).

- Fully developed, well-functioning, secure cloud enabled offline capable system (hybrid cloud system) with a large customer base and experience with other GIZ Offices in Africa.
- Provide a demonstration session on the system's new functionality and features.
- The system must be enabled offline capable system (hybrid cloud system).
- The system must have a function that generates electronic payslips (online access to all staff, self-service, and/or email with batch sending feature.
- Must have a secured backup regularly and convenient disaster data recovery plan.

- Must generate various custom reports in MS excel and PDF formats.
- The reports to be generated must be with various filtering features (i.e. sub-grouping of employees/different payments based on Offices/Cluster /Programs/Project offices, Project numbers/cost centres, KOMP assignment etc.
- Must have the option of cost-splitting up to ten (10) project numbers (different cost centres)
- Calculate over time based on pre-defined rates with overtime hour inputs.
- Generate tax report as per tax authority standard
- Capture provident fund figures (both employers' and employee and contribution) for reporting purposes
- Batch update of data from HR software/excel extract or list
- The system should generate access reports for users, maintain detailed logs of their activities, and incorporate access control mechanisms based on predefined access levels.
- Must have features to enter leave of absence and compute salary and other benefits on prorated basis (leave without pay, sick leave, suspension ...).

2.2. Characteristics of GIZ South Africa/ Lesotho/ Eswatini Country Office

- Currently maintains over 200 national personnel (NP/NMA) and Development Workers (DW/EH) at any given point in time for South Africa and Lesotho.
- Currently has five (5) Human Resources Specialists who will be authorised to use the payroll system with access from their respective workstations.
- Has a pay structure which consists of basic pay, fringe benefits, company contributions and in some cases other allowances (e.g., Regional Personnel, Medical aid, etc.)
- Prepares payroll for two countries (South Africa and Lesotho)
- Has a pay structure with basic salary and a few other allowances
- GIZ South Africa/ Lesotho/ Eswatini pays a 13th cheque/ salary payable in November of each year. There are however three (3) options provided to employees, namely:
 1. Receive the 13th Cheque in November and be taxed in November,
 2. Receive the 13th Cheque in November and make provision for tax from the start of the tax year; and
 3. Receive the 13th Cheque in monthly intervals from over the tax year (i.e., Split over the tax year in Monthly intervals).
- GIZ South Africa/ Lesotho/ Eswatini has mandatory pension fund in South Africa and provident fund in Lesotho, and medical aid schemes across both countries.

- GIZ South Africa/ Lesotho/ Eswatini has a performance-based bonus. This is a once-off payment equivalent to the percentage of the monthly basic salary amount. The payable amount is based on a defined performance rating scale, and it is paid out in May to qualifying NP/NMA.

2.3. Timeframe

The envisaged timeframe for this work is as follows:

Task	Deadline
Award to the supplier	November 2025
Contract signature	November 2025
Customize payroll software & installation <i>(if necessary)</i>	December 2025
Installation of payroll software <i>(if necessary)</i>	December 2025
Transfer of master data <i>(if necessary)</i>	December 2025
Payroll Go Live, with new service provider	January 2026
Payroll with new service provider only	January 2026

3. Concept

The overall objective of the assignment is to acquire a well-functioning and secure payroll system/software, licence and support services to GIZ South Africa/ Lesotho/ Eswatini Country Office. The software should allow online access and working environment.

3.1. Technical-methodological concept

In the bid, the tenderer must demonstrate how the goals are outlined in Chapter 2 (Tasks to be performed by the contractor) will be accomplished, if applicable, while taking into account requirements (Technical & system requirements) including additional requirement. The tenderer also needs to provide a description of the service provider's project management platform.

3.2. Project management of the contractor

The contractor is required to explain its approach for **coordination** with GIZ. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; the plan includes information on assignment dates (duration and expert hours) and locations of the service provider team with the allocation of work steps as set out in the schedule.

- The contractor makes available support team and assumes the associated operating and administrative costs.
- The contractor manages costs and expenditures, accounting processes and invoicing in line with requirements of GIZ.

The tenderer is required to describe its **backstopping concept**. The following services are part of the standard backstopping package, must be factored into the fee schedules:

- Service-delivery control
- Managing adaptations to changing conditions
- Ensuring the flow of information between the tenderer and GIZ
- Assuming personnel responsibility for the contractor's experts
- Process-oriented steering for implementation of the commission
- Securing the administrative conclusion of the project.

3.3. Further requirements

The tenderer should provide supporting documents if it has previous working experience with other GIZ offices.

4. Personnel concept

4.1. Assignment of personnel (2)

The contractor will identify the necessary experts to support and respond to inquiries and troubleshoot issues throughout the contract period. At least one support person (business partner) will be available during business hours.

Team leader/ Business Partner (2.1)

- All tasks mentioned under the TOR/Contract
- Proficient trainer and user of the software to be provided (if possible certified) and evidence of providing similar services to international/national organizations Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ.
- Personnel management, in particular identifying the need for short-term assignments within the available budget, as well as planning and steering and supporting experts

- Assist with yearly tax submissions (e.g. mid-term submission/reconciliation)
- Updating back-end public holidays dates
- Ensuring any gaps related to the payroll system and expertise are covered. Line managers can have access to all leave management reports, via ESS
- Regular reporting in accordance with deadlines
- Sensitive to high level confidential information
- Excellent analytical skills and attention to detail
- Excellent verbal and written communication skills.

Qualifications of the team leader

- Education/training (2.1.1): university degree (German 'Diplom'/Master) in **Payroll Administration or Accounting**.
- Language (2.1.2): **C2-level language proficiency in English**
- General professional experience (2.1.3): **Ten (10) years** of professional experience in the **Human Resources payroll and Finance** sector
- Specific professional experience (2.1.4): **Ten (10) years in Payroll**
- Leadership/management experience (2.1.5): **Ten (10) years** of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): **Ten (10) years** of experience in projects in **SADC** (region), of which 2 years in projects in **South Africa, Lesotho and eSwatini** (country).
- Development cooperation (DC) experience (2.1.7): **Two (2)** years of experience in DC projects.

Short-Term Expert pool with minimum Three (3), maximum Five (5) Member (2.2)

Tasks of Short-Term Expert Pool

- All tasks mentioned under the TOR/Contract
- Technical Support to the HR specialist
- Support all payroll team members and plan their competence related to payroll
- Ensure all audit and control environments are fully effective and adequate to ensure risk aversion in payroll.

Qualifications of the short-term expert pool

- Education/training (2.6.1): **Three (3)** experts with university qualification (German 'Diplom'/Master) in **Payroll** , **Three** experts with university qualification in **Payroll Administration or Accounting**.
- Language (2.6.2): **Three (3)** experts with C2-level language proficiency in **English**

- General professional experience (2.6.3): **Three (3)** experts with **Ten (10)** years of professional experience in the **Payroll** sector, **Three (3)** experts with **Ten (10)** years of professional experience in the **Payroll / Finance** sector
- Specific professional experience (2.6.4): **Three (3)** experts with **Ten (10)** years of professional experience in **Payroll / Finance** , **Three (3)** experts with **Ten (10)** years of professional experience in **Payroll / Finance**
- Regional experience (2.6.5): **Three (3)** experts with **Ten (10)** years of experience in Payroll and Payroll system Management (region), **SADC** experts with **Five (5)** years of experience in **South Africa, Lesotho and eSwatini** (country)
- Development cooperation (DC) experience (2.6.6): **Three (3)** experts with **Two (2)** years of experience in DC.

The tenderer must provide a clear overview of all proposed short-term experts and their individual qualifications.

5. Requirements on the format of the tender

The tenderer is required to provide the following information as described in each of the chapters.

5.1. Key requirements

Please provide the following about your company (max. 2 pages):

- Date of market entry in South Africa
- Three (3) references from past and current clients using the payroll software (could be in the country, region or the continent. Reference from other GIZ Offices in Africa is a plus)
- Describe the software scalability to accommodate future growth
- System uptime and performance guarantees
- Data security and backup procedures
- On-site or remote technical support availability and profile of technical support staff
- Project timeline for system setup and data migration
- Training plan for staff on using the software
- Response time for troubleshooting and issue resolution
- Certificate on data security

At least Ten (10)-year experience in providing payroll software to organizations with 100 or more staff members in the last five (5) years.

6. Contract duration

The contract period shall be from **01 December 2025 to 30 November 2027**.

The option to extend is described in chapter 9.

7. Payment Scheme

The parties will agree on an efficient mode of reporting and invoicing with the start of the contract.

All costs incurred in connection with the performance of the services are deemed settled with the payments included in the contract (no additional administrative or other costs are invoiceable).

Fees:

The statutory levels of taxes – if relevant – shall be invoiced by the Contractor and reimbursed by the GIZ in addition to the remuneration (Tax Invoice).

Where VAT is applicable the contractor will ensure the **GIZ VAT number 4000122046** appears on the tax invoice in addition to the contractors VAT number.

The GIZ shall not be held liable for any Taxes due to the South African Revenue Services and or any other Tax Authority/ies. The onus is on the Contractor and/or the Consulting Firm to submit the Tax Returns and declare all Income/monies received from the GIZ to the South African Revenue Services and or any other Tax Authority/ies.

Please place your price quotation in a separate, PDF document, enclosing it with your bid.

Per-diem and overnight accommodation allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable at <https://www.bundesfinanzministerium.de>).

Accommodation costs which exceed this up to a reasonable amount and the cost of flights and other main forms of transport can be reimbursed against evidence

All business travel must be agreed in advance by the officer responsible for the project.

Sustainability aspects for travel

GIZ would like to reduce greenhouse gas emissions (CO₂ emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight

routes with a higher CO₂ efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO₂ emissions caused by air travel should be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The [Development and Climate Alliance \(German only\)](#) has published a [list of standards \(German only\)](#). GIZ recommends using the standards specified there.

Other Provisions:

- As the contract to be concluded is a contract for services, please offer the price as per the budget lines provided in the template. Please ensure that costs are expressed as monthly units of measure. Please provide a full breakdown of costs such as:
 - Implementation Costs (if applicable)
 - Initial Software Fees (if applicable)
 - Trainings costs (if applicable)
 - Monthly License Fee(s),
 - etc.

8. Data Protection

Personal data will be processed on behalf of the client. Therefore, an agreement on “Outsourcing of data processing (AuV)” will be concluded with the contractor in accordance with Art. 28 GDPR. For this purpose, the technical and organisational measures (TOM) for compliance with the data protection requirements must be outlined prior to conclusion of the contract. If the contractor has already been audited by GIZ in the past, an update in accordance with GDPR must nevertheless be sent. After a positive check, the contract is concluded with the AuV attachment.

8.1. Concept on confidentiality and protection of personal information

Please explain how you are going to process, store and protect the data of GIZ-employees and, at least considering the below mentioned guiding questions:

- What kind of tools are you using to process, store and protect data
- Who will have access to the data and server? Please describe functions and roles of all persons involved in the processes.

- How long will the data be stored?
- How do you ensure that data is deleted in time and destroyed safely if required?

Please share a sample of the declarations of confidentiality signed by your employees and cooperation partners.

9. Extension of contract and price escalation clause

Extension of contract

As stipulated by GIZ, after the expiration of the initial contract, it can be extended for a further period of up to 2 years. However, these options can be exercised only by GIZ.

Price escalation clause

Any claim for modifications in fee during the initial contract phase on account of any reason whatsoever will not be entertained. Extensions are subject to the mutual agreement for modifications of the fee amount payable for the extended period.

Modifications can be increases or decreases of the fee based on e.g. macroeconomic circumstances in the country and force majeure.

10. General provision

10.1. Language

The working language of this contract shall be English language.

10.2. Escalation procedure in case of complaints

In case of complaints or challenges in the cooperation, both parties have the right and obligation to escalate the issue for soon and amicable clarification by senior management.

10.3. Challenges could be, but are not limited to

- Delayed services in providing solution to technical challenges
- Poor quality of deliverables
- Suspicion of forgery or fraud
- Misuse of payroll information/data
- Potential data leak/ data compromise.

10.4. Concept for successful service provision for GIZ

The contractor is expected to follow the underlying guiding for smooth and effective cooperation with GIZ

- Principles of cooperation with GIZ
- Principles of Data protection
- Ensuring reliable services

Continuous improvements of processes, standards, the tool and etc

Either party may terminate the contract by giving six-months prior notice.

11. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. In particular, the detailed structure of the concept should be organised in accordance with the positively weighted criteria in the assessment grid. The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in **English** (language).

The complete tender must not exceed **Ten (10)** pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with the ToRs, the CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in **English** (language).

Please calculate your financial tender based exactly on the parameters specified in the Costing requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.