



# best

practice guidelines for the procurement of



Marketing, Advertising and  
PR services / products



government  
communications  
National Treasury





# contents

1	Introduction	2
2	Government procurement and supply chain management	3
3	Government bids for marketing, advertising and public relations (PR) – current realities	5
4	Best practice guidelines for government marketing, advertising and PR bids	7
5	ANNEXURES	17

**Compiled by:**

Government Communications (GCIS), National Treasury and the Association for Communication and Advertising (ACA)



# 1. Introduction

1.1 In November 2002, government and industry submitted a consolidated report to the Portfolio Committee on Communications on the state of transformation in marketing and advertising. Government noted in its concluding remarks to the committee the need to ensure that existing procurement policies are used to their full potential to promote transformation and to assist small, medium and micro-enterprises (SMMEs) to participate in the industry. In this regard, the following was observed:

- Through its procurement policy, government has mechanisms in place to promote and influence employment equity and to assist SMMEs to participate in the economy. Whether the present provisions are being used to their full potential or whether there is scope for more ways to strengthen equity, needs assessment.
- Procurement policies of major public entities, which entail substantial spending on advertising and PR, are not fully aligned with those of government.<sup>1</sup>
- There is a need to assess what constrains and what promotes preferential procurement in the industry.

1.2 Within this context, the best practice guidelines for the procurement of marketing and advertising seeks to:

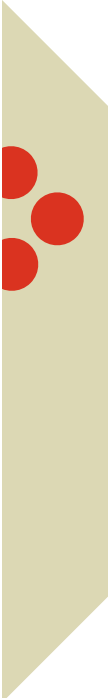
- address gaps hampering the effective use of procurement policies and guidelines, including in subcontracting, by all partners – government, parastatals and the industry – to assist the process of transformation
- ensure procedures for the procurement of marketing, advertising and PR promote participation of small black-owned enterprises in government bids
- foster closer alignment of procurement policies for marketing and advertising practices of major public entities with that of government.

<sup>1</sup> Schedule 2 Major Public Entities, though guided by the prescripts of the Public Finance Management Act (PFMA), 1999, do not have to ascribe to government's procurement practices, unless the Accounting Authority of the department responsible for the public entity enforces compliance.

# 2. Government procurement and supply chain management



- 2.1 Cabinet adopted a Supply Chain Management (SCM) Policy in September 2003 to replace the outdated procurement and provisioning practices across government with a SCM function that will form an integral part of financial management and will conform to international best practices. The four major objectives of the policy are to:
- transform government procurement and provisioning practices into an integrated SCM function
  - introduce a systematic approach for the appointment of consultants
  - create a common understanding and interpretation of the Preferential Procurement Policy Framework Act (PPPFA), 2000
  - promote the consistent application of “best practices” throughout government’s supply chain.
- 2.2 The SCM office in National Treasury is currently overseeing implementation of this policy in conjunction with provincial treasuries and chief financial officers from the different spheres of government. The training of relevant beneficiaries is also currently underway.
- 2.3 Parallel to this process, Cabinet approved the publication of the Broad-Based Black Economic Empowerment (BEE) Act, 2003 and a supporting strategy, which led to amendments to the Preferential Procurement Regulations during the course of 2005. The main aim of the intended amendments to the regulations is to align them to the Broad-Based BEE Act, 2003. Government’s BEE strategy aims to accelerate indirect empowerment through preferential procurement and enterprise development.
- 2.4 In accordance with the Treasury Regulation 16A6.1 of the PFMA, 1999 that was promulgated on 15 March 2005, National Treasury is required to determine threshold values for the procurement of goods and services by way of price quotations or through a competitive bidding process.



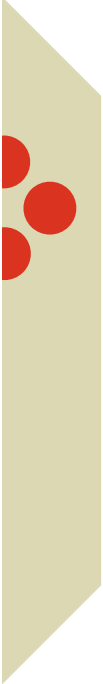
Accounting officers/authorities should apply the following threshold values when procuring goods or services within the marketing communication value chain:

- 2.4.1 Above the value of R2 000, but not exceeding R10 000 (VAT included): at least three verbal quotations have to be obtained from, where applicable, a list of prospective suppliers.<sup>2</sup>
- 2.4.2 Up to an estimated value of R200 000: price quotations have to be invited from a minimum of three companies or as many suppliers as possible, registered on the list of prospective suppliers. Prescripts of the PPPFA, 2000 and its regulations are applicable to all procurement equal to or above R30 000.
- 2.4.3 Above the estimated value of R200 000: competitive bids have to be invited through a competitive bid process. Bids are advertised in the *Government Tender Bulletin*. The prescripts of the PPPFA, 2000 and its regulations are applicable to all procurement through competitive bids.

<sup>2</sup> All departments are required to compile a list of prospective suppliers to be used to procure requirements up to the value of R200 000. The list is used to promote participation by historically disadvantaged individuals (HDIs) and SMMEs within the public sector SCM.

# 3. Government bids for marketing, PR and advertising – current realities

- 3.1 Shortcomings in government's procurement system – e.g. the lack of uniformity and consistency with respect to the implementation of government procurement policies in the sourcing of marketing, advertising and PR services – have given rise to concerns among bidders about the integrity of the system. In this regard, the following matters were raised by service-providers in the industry:
  - 3.1.1 specifications and briefs for advertising campaigns or branding projects are often vague and lack information on the applicable evaluation criteria
  - 3.1.2 SMMEs struggle to compete due to the costs involved in preparing strategies and creative concepts prior to the short-listing phase
  - 3.1.3 "shortlists" often consist of a large number of bids, e.g. up to 17 companies or more
  - 3.1.4 there is a lack of communication with bidders on the status of bids – agencies thus sometimes incur cost to pitch for bids that have been withdrawn or bids are withdrawn after costs have already been incurred
  - 3.1.5 SMMEs are reluctant to bid for government contracts due to the resources required for submissions and a perception that the process is not entirely "fair"
  - 3.1.6 current government procurement policies are not mandatory for major public entities
  - 3.1.7 requests for irrelevant/ambiguous information protract the bidding attempt by interested companies.



3.2 The best practice guidelines for the procurement of marketing, advertising and PR proposed in section 4 are aimed at addressing these concerns and, within the framework of government's Broad-Based BEE strategy, at promoting participation by small black-owned enterprises in government bids to accelerate indirect empowerment.

# 4. Best practice guidelines for government advertising, PR and marketing bids

The purpose of these guidelines<sup>3</sup> is to provide guidance for public bodies on an approach to procuring advertising, PR and marketing communication services, which recognises the particular characteristics and conditions that exist in this market. The aim is to secure an outcome that serves the best interest of both government clients and suppliers of marketing and advertising services and to significantly reduce both development costs and response times for government departments and advertising and marketing/branding agencies.

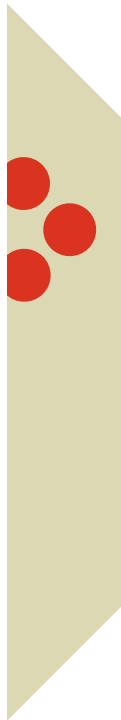
## 4.1 Planning for advertising, PR and marketing bids

By its nature, government business is fast-paced and fluid. Some communication projects require implementation at short notice and products and services have to be produced on a quick turn-around time. Other government campaigns have longer lead times, which allow government communicators adequate time for planning. The two most commonly used procedures applied in bidding for public contracts are the (i) competitive bidding procedure and the (ii) limited bidding procedure. Depending on the campaign timeframes and available budget, departments can select any one of these bid procedures. The following outlines considerations that are relevant with regard to the type of procedure to be used in awarding advertising and communication contracts:

### 4.1.1 Limited bidding procedure

4.1.1.1 The limited bidding procedure applies when competition is limited and only a few bidders are allowed to submit proposals (and/or are capable of delivering

<sup>3</sup> Guidelines produced by the Institute of Advertising Practitioners in Ireland as well as the Advertising Federation of Australia have been consulted and used as the foundation of these guidelines, adapted to meet the needs of the South African market.



the required service). The limited bidding procedure is a two-stage process. Firstly, requests for information (RFIs) are sought from interested parties in which they are requested to supply information on their qualifications; BEE credentials; experience; technical, professional and financial capacity, etc. The brief, outlining the service requirements, should form part of the RFI terms of reference (see Annexure I for an example of a RFI form).

- 4.1.1.2 In the RFI, the contracting authorities should carefully consider and clearly outline their requirements in terms of their budget, specialisations required, agency size, etc. Criteria for pre-selection may, among other things, include qualifications and expertise of key management, strategic and creative personnel, track record and/or experience and insight as indicated by particulars of projects executed for past and present clientele, BEE credentials, financial standing as indicated by most recent balance sheets, turnover for up to three years, or information as required by the accounting officers (heads of department). The RFI form provides further examples of criteria against which financial standing may be assessed. While it is strongly recommended that, other than in exceptional circumstances, the pitch should be limited to credentials, it must be clear from the brief whether credentials<sup>1</sup>, communication<sup>2</sup>, strategic proposals<sup>3</sup> or combined strategic and creative proposals<sup>4</sup> are required.
- 4.1.1.3 Creative pitches require enormous amounts of time and financial investment from creative agencies and this investment cannot be justified on smaller contracts. In this regard, a call for creative pitches is strongly discouraged. It should be noted that remuneration of short-listed companies for the development of creative work could be regarded as fruitless expenditure – in term of the prescripts of the PFMA, 1999 – if special approval has not been obtained from National Treasury in this regard. The department should therefore indicate in the briefing specifications that creative concepts are not required and that agencies which submit creative concepts will be disqualified, to ensure a level playing field. However, in exceptional cases where creative pitches by short-listed agencies are a critical requirement, remuneration to cover the development of creative concepts (creative pitching) should be approved by the Accounting Officer of the department concerned, and remuneration should be disclosed in the briefing document in rand and/or percentage of contract value of the bid. However, each case would need to be treated on its own merits.
- 4.1.1.4 It should be noted that in all cases copyright for the creative ideas submitted by unsuccessful agencies remains the property of those agencies, and any remuneration (i.e. for creative pitches) would not serve as transference of copyright.

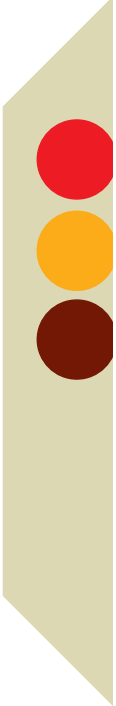
<sup>1</sup> Refer Glossary for clarification of credentials content.

<sup>2</sup> Refer 4.3 Best practices for the drafting of specifications/briefs for clarification of communication strategy.

<sup>3</sup> Refer Glossary for clarification of strategic proposals.

<sup>4</sup> Refer Glossary for clarification of creative strategy/creative pitches/creative concepts.

<sup>4</sup> Refer 4.3 Best practices for the drafting of specifications/briefs, for clarification of creative strategy.

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- 4.1.1.5 The most common current practice of appointing advertising, PR and marketing communication/branding agencies for a minimum period of two years for long-haul projects is endorsed. This would need to be considered on a case-by-case basis, in which the ability to satisfactorily deliver on the communication objective of the project would be taken into account in determining the appointment period. The incumbent agency could also be re-appointed during a re-pitch, provided the proposal submitted by the incumbent agency meets all specifications and is regarded as the best proposal among all other bids.
- 4.1.1.6 The prescripts of the SCM Policy make provision for selection based both on the quality of the services to be rendered and on the cost of the services to be provided. However, there are cases when Quality and Cost-Based Selection (QCBS) is not regarded as the most appropriate method of selection. For complex or highly specialised assignments, or those that call for communication/creative strategy development, selection based wholly on the quality of the proposal would be more appropriate. Thus, discretion should be used when effecting the percentage split between price and functionality, i.e. awarding more points for functionality than price to ensure that quality is also a determinant in the assessment of bid proposals of this nature. True value needs to be gauged by the potential power of the quality of the communication idea (via post-campaign analysis and/or campaign effectiveness measures). This is why it is critical that a relevant capacity-building programme for government communicators be put in place – see paragraph 4.1.1.7.
- 4.1.1.7 A formalised capacity-building programme for both government communicators and service-providers in the field of marketing, advertising and PR is recommended to ensure that the two sectors have a comprehensive understanding of each other's operations. This will improve government's capacity to make good bid evaluation decisions, and agencies' ability to submit high-quality proposals. The training programme would need to be sustained to cater for new entrants in both the public and private sectors. The following subjects could be covered in the training programme:
- best practice in developing government bids for advertising, PR and marketing communication
  - preparing the agency brief
  - how to complete bid documents
  - how to assess briefs and select an advertising or marketing/branding agency
  - understanding the creative process
  - the evaluation of strategic and creative submissions
  - how to get the best out of your advertising/PR/marketing/branding agency
  - transformation in the advertising, PR and marketing industry.

The proposed briefings/training sessions can easily be arranged by the ACA in co-operation with GCIS. Appropriate government forums could also be used as platforms to deliver this training material.

#### 4.1.2. Competitive bidding procedure

The competitive bidding procedure applies when there are sufficient suppliers/service-providers in the market, and where there is a need to afford the opportunity to be considered to bid by to as many agencies as possible. This option is mandatory for projects with a budget exceeding R200 000 and requires thorough planning by the commissioning department. Competitive bids are posted on the departmental website and advertised in the *Government Tender Bulletin* on any Friday, over a minimum period of 21 days. In the bid advertisement, the pick-up address for bid documents, the briefing date, time and venue (where applicable) and the closing date, should, among other things, be indicated. The two-stage bidding processes must be instituted for competitive bids and prescribed in the bidding documents, namely:

- Stage one: a RFI or a request for a proposal (RFP), including the provision of the actual brief and the request for proposals/communication from interested parties within a reasonable time limit. This phase would include a pre-screening and shortlisting process.

The brief would require bidders to submit the following information:

- credentials (comprehensive company profile, ownership structure of the company, BEE profile, etc.)
- account track record/expertise
- infrastructure/capacity (location, operational strategy and methodology, resources, consultation, account planning and reporting capabilities)
- profile and staff complement at senior, middle and lower level
- transfer of skills to clients and HDIs (learnerships, internships, etc.)
- empowerment of SMMEs throughout the supply chain
- industry affiliations
- proof of financial stability/liquidity.

During this phase, bidders are shortlisted based on an evaluation of their strategy proposals, modus operandi and credentials. It is recommended that a maximum of five companies be shortlisted.

- Stage two: A more concise formal brief may have to be developed/refined for the second phase (i.e in the case where a project may be of a confidential nature and the supplementary or second brief is to be exposed to only those agencies who have been shortlisted).
- This stage will culminate in a formal presentation of the communication strategy (and in exceptional cases a creative proposal) to an evaluation panel. During stage two, short-listed bidders are evaluated in relation to functionality (strategy presentation/ creative presentation) and price.

#### 4.1.3 Price quotation

This option allows for quick turn-around time, with three to seven days allocated for the submission of quotations. A minimum of three companies are selected from a database and briefed to submit a proposal on how the campaign can be executed to meet set objectives. Price quotations may, however, not exceed R200 000 and agencies have to complete relevant documents pertaining to the PPPFA, 2000 for all quotations exceeding R30 000.

#### 4.1.4 Limited bidding procedure: panels of advertising/PR agencies

In instances where the value of the campaign exceeds R200 000 and where departments find it impractical to invite competitive bids, they could opt to make use of the GCIS panels of advertising/PR agencies. These panels, which are ideally updated quarterly and reviewed annually, were established to fast-track procurement for campaigns with a budget estimate of more than R200 000. The panels consist of a list of agencies, appointed after a pre-screening process. A shortened bid period (14 days) linked to the panels may be requested from GCIS' Departmental Bid Adjudication Committee for campaigns that require a faster turn-around time. A two-stage pitch is usually followed:

- Stage one: shortlisting and briefing – All panel members are briefed and the best proposals are shortlisted, based on scores allocated with respect to strategy, modus operandi and functionality.
- Stage two: presentation pitch – A maximum of four shortlisted bidders present a strategy and proposed methodology (and in exceptional cases a creative proposal) for the campaign to the evaluation panel. In this instance, bidders are also evaluated in relation to financial aspects.

#### 4.2. Notes on pitching/bidding

An agency appointment can be made after completion of any of the following stages or through a combination of two, and in exceptional cases, even all three of these stages:

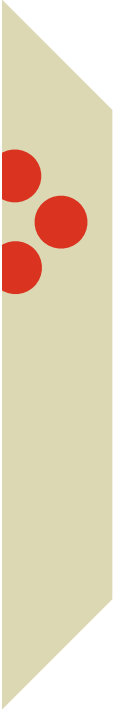
- full credentials presentation
- strategic presentation
- creative presentation.

**Please note:** Subjecting an agency to a three-stage pitch with a full creative presentation is expensive and time-consuming for both the agency and client. In addition, there is a danger of abuse of intellectual property rights in the use of creative presentations.

#### 4.3 Best practices for the drafting of specifications/briefs

- 4.3.1 Irrespective of the type of bid to be advertised – price quotation, competitive bid, limited bid or use of the panel – the brief issued by the client to proposed bidders remains the most critical document in the procurement process. It is therefore essential that every effort be taken to prepare the best possible briefing of what is required and to ensure that the specifications do not inhibit participation by SMME companies. It is also recommended that briefs for bids involving large budgets encourage the establishment of consortia, to ensure that small companies have an opportunity to participate in the bid.
- 4.3.2 For clarity of understanding, please take note of the following guidance on what is covered by a “strategy”/“communication strategy” and “creative strategy” or “creative concepts”.

Where a brief calls for “strategy” or “communication strategy”, the framework refers to the proposed process by which the advertising agency envisages that



the campaign may best be able to achieve the goals briefed and the action plans to achieve those goals and objectives. It is the distillation of the (client's) brief into what has to be achieved and how it will be achieved. The communication strategy must identify and validate the following through market insights:

- key messages
- positioning statement
- target audience
- objectives.

It must also provide an indication of the relevant channels and expected outcomes. Ideally it should contain a budget estimate.

A “creative strategy”, by comparison, amounts to an outline of what message should be conveyed, to whom, the tone and manner to be used. This provides the guiding principles for copy writers and art directors who are assigned to develop the advertisement/campaign. Within the context of that assignment, any advertisement that is then created should conform to the creative strategy. The written statement of the creative strategy is often referred to as a “copy platform”. “Creative concepts” are the visual execution/rendition of the creative strategy and it should therefore be appreciated that a call for creative concepts requires that the entire creative process is followed in order to be able to execute the concepts. While both phases of development incur enormous cost to the bidder and therefore a call for creative should only be made where absolutely necessary and ideally with the provision of a “fee for development” attached.

- 4.3.3 It is recommended that government departments should, as far as possible, specify accepted standards in their briefs.
- 4.3.4 Bid specifications/briefs should be developed in collaboration with departmental marketing/communication and SCM units, and must include, among other things, deliverables expected from bidders, the evaluation criteria that will apply, the weight and value that will be allocated for each criterion, as well as the constitution of the evaluation panel, e.g. representatives from GCIS, the client department, academic institutions, etc.
- 4.3.5 The inclusion of a campaign case study in the brief is recommended for generic bids that are not linked to specific campaigns, media bulk-buying bids or bulk distribution bids. This provides supplementary information about bidders that might otherwise not be gleaned from the general specifications. In some instances, bidders are also encouraged to provide their own case studies to demonstrate capability to execute the job at hand. This will afford the evaluation panel an opportunity to assess the bidder’s level of competency and capability to execute the task.

4.3.6 A combination of a written brief followed by a verbal briefing session is regarded as the best approach.

4.3.7 It is of critical importance that the briefing document contains as much detail as possible to enable eligible companies to bid while enabling ineligible agencies to exclude themselves from the process. The following aspects should be incorporated in the brief (see Annexure II for an outline of a brief):

- Background to the campaign – provide a brief summary of the campaign, what it is, its benefits and features, an indication of what has led to the need for communication action, the background to the campaign, facts that locate it within broader and longer-term developments, etc.
- Objectives of the campaign – specify the purpose of the campaign: what is it that you are aiming to achieve? Are you trying to inform, educate, generate enquiries, stimulate behavioural and attitudinal change, or is this a launch campaign where the prime objective is awareness of the product/service/government initiative?
- Communication and competitive environment – be clear on how you want to differentiate your campaign and its competitive advantage from other competing campaigns and the way competitors promote themselves. Indicate the competitive strengths and weaknesses of your product/service, the campaigns that will be launched around the same time as your campaign, synergies that already exist and/or those that need to be forged.
- Communication challenges – could be obstacles in the form of (i) existing perceptions that have to be changed through an awareness campaign; (ii) the challenge of activating the maximum support that is there but latent; (iii) a problem of insufficient resources; (iv) the challenge of reaching the various segments of the population; or (v) putting complex information into easily understood forms.
- Target audience – try to be as precise as possible about the people whom you want to communicate with: Who is the target audience? What kind of people are they? Are they existing users of your product/service/initiative? If so, what are their attitudes to the product/service and your department?
- Messages and themes/tone and feel – bidders need to understand how you want the campaign material to reflect the product/service, government, and/or your department's personality. What should be the tone of the campaign? Professional? Serious? Traditional? Fun? Caring? Understanding? Authoritative? Include any key messages or themes that could guide bidders in the development of strategies and proposals.

- Requirements – it is important to encourage SMME participation and the establishment of BEE consortia. This will contribute to the transformation of the industry. The use of local content with regard to resources required throughout the value chain should be included in the specifications where possible. Be specific about the requirements, e.g. develop and execute a comprehensive, integrated marketing communication strategy; develop branding, slogan, symbol(s) for the campaign; plan and implement an advertising campaign; plan and manage a PR campaign; and/or submit of complete, properly audited post-campaign/impact analysis reports.
- Competencies to be possessed by agencies – these could include resources/creativity/conceptualisation, understanding of government policy and objectives with regard to the project, event management, media planning/buying and/or placement, feature writing, relationship- building, project/campaign management.
- Timing – indicate when should the campaign be launched, and what is the duration of the campaign. An advisory on approval points and procedures and the time to be allowed for this is recommended to ensure the submission of a realistic roll-out plan by bidders.
- Nature of the budget – it is advisable to tell bidders that the budget is task-driven.
- Bid evaluation process and criteria – this information provides a guideline with respect to how bidders should structure their proposals, and indicates which areas will be evaluated. Evaluation criteria linked to the deliverables of the project should be developed, and weighted scores allocated for each criterion.
- Evaluation panel and procedures – indicate how the panel will be constituted, i.e. which institutions will be represented? Provide the date, time and venue of the bid briefing session, where applicable.
- Number of evaluation phases – identify all the phases, e.g. pre-selection, short-listing, strategy presentation, etc.
- Preferential procurement evaluation scores – indicate that bidding parties wishing to claim points in terms of preferential procurement evaluation points should complete the relevant bidding documents with respect to ownership by persons who had no franchise prior to the first national election, and preferential points for promotion of small businesses and other government goals.
- Enquiries – indicate whom to call for functionality-related queries and whom to contact for queries regarding bidding procedures.

#### **4.4 The evaluation panel**

The committee should consist of panel members with the requisite expertise to evaluate the bid proposals. Apart from a representative from the supply chain unit, the committee should preferably include a line-function specialist, an advertising/PR/marketing/communication expert, as well as an external communication expert, e.g. from another government department and/or an academic institution. The committee should also be representative in terms of race and gender.

#### **4.5 Shortlisting of bids**

Shortlists should ideally consist of more than one, and not more than four bidders, depending on the value of the campaign rather than the number of bid proposals received. This will prevent companies, especially small companies, from investing time and resources in a pitch that is unreasonably competitive.

#### **4.6 Pitch presentation**

If the bid specifications provide for a presentation phase, shortlisted bidders should be notified timeously of the time, date and venue of the presentation, as well as time allocated for the presentation and questions. It is critical that equal time (e.g. 45 minutes for presentations and 15 minutes for questions) be allocated to all bidders to ensure fairness and transparency.

#### **4.7 Informing bidders of bid outcome**

A bidding process must be completed within two months from the date on which the bid closed. Once the Bid Adjudication Committee has endorsed the recommendations of the evaluation panel, a contract should be concluded with the successful bidder as soon as possible. After conclusion of a contract with the successful bidder, other contending bidders should be notified immediately about the outcomes of the bidding process through the departmental website, tender bulletin or any media vehicle that was utilised to advertise the bid. A company wishing to ascertain the grounds on which its proposal was not selected should address a request in writing to the Accounting Officer of the department in line with the provisions of the Promotion of Access to Information Act, 2000. If the feedback is not satisfactory, the company may refer this matter to National Treasury, which is obliged to respond within a reasonable period of time and at no cost to the bidder, and/or to the Public Protector or a court of law.

#### **4.8 Cancellation of bids**

As a preamble to the bid documents, potential bidders should be made aware of the risks involved when deciding to pitch for a bid. A point in case is when a bidding process is cancelled due to any of the following conditions: (i) lack of funds to finance the project; (ii) the problem that required a communication solution is no longer relevant; and (iii) none of the companies that submitted proposals managed to meet the prescribed qualification criteria. Should any of these conditions lead to the cancellation of a bidding process, agencies that have submitted proposals should be notified within 24 hours. In addition, the cancellation process must be approved by the Accounting Officer, and reasons for cancellation must be recorded for auditing purposes. This will ensure that agencies, especially small agencies, do not invest time and financial resources in a pitch that has been cancelled.



#### **4.9 Contract administration and management**

A service level agreement/contract, with performance indicators based on the specifications of the bid, should be concluded with the successful bidder to facilitate contract management and performance monitoring. Such an agreement will quantify cost-benefits and mitigate risk to the State while protecting the agency from scope creep.

Deliverables should be monitored continuously to ensure that products/services are delivered in accordance with the conditions of the contract. The agency should submit performance reports, i.e. through a progress tracking report, to the client department on a monthly basis until the closure of the contract. The client department should address non-compliance with the agency verbally as well as in writing throughout the duration of the contract.

# Annexures

## 5.1 Annexure I

### REQUEST FOR INFORMATION FORM

Form to be sent to all interested parties. All information submitted in response should be treated as confidential. *Note:* This brief outline is only an example and may need to be adapted in terms of the Promotion of Administrative Justice Act, 2000 and the PPPFA, 2000.

#### 1. Location

Agency's name, address, website, telephone, fax and other key contact numbers.

List all other addresses.

Network affiliation, trading agreements, trade-organisation membership.

#### 2. Personnel

A list of senior managers comprising the team and/or key executives, including summary biographies.

The name, title, e-mail address and cell number of the agency's prime contact during the pitch process.

#### 3. Clients

A list of the agency's top clients indicating tenure with the agency.

A list of accounts won over the past two years with date appointed (optional).

A list of accounts lost or resigned over the past two years (if gains or losses have occurred).

A list of references comprising some of the agency's current clients (a minimum of three references).

#### 4. Financial

Describe the agency's ownership structure.

Provide a copy of the latest balance sheet, income statements and cash-flow statement.

Management accounts should provide a clear indication of the historical financial performance.

It is recommended that the ACA Financial Balanced Scorecard be used to assess or provide the financial standing of agencies (see Annexure II).



## 5. **Remuneration**

Provide detail on the agency's remuneration methodology – and any other options the agency is prepared to consider or recommend.

Submit a draft agency contract.

## 6. **Strategic approach and services**

Describe the processes and methods that the agency employs to develop effective marketing communication for brands, and a range of services offered to clients.

Describe how the agency evaluates the effectiveness of its work for clients.

## 7. **Relevant experience**

Describe the agency's relevant experience.

Provide at least two case histories dealing with similar or analogous issues, or that you feel demonstrates your agency's skills in handling projects of the nature encountered within the public-sector environment.

Describe in two pages why the agency is ideally suited to address the challenges and opportunities of the account in question as set out in the client brief.

## 8. **Creative work**

Provide samples of your creative work with brief rationales and evidence of efficacy.

## 9. **Black Economic Empowerment**

The Marketing, Advertising and Communication Sector Scorecard will serve as a basis for submission of information related to this area once approved by the Minister of Trade and Industry. The generic scorecard will be used until the Marketing, Advertising and Communication Sector Scorecard is endorsed and implemented.

# 5.2 Annexure II



## CAMPAIGN BRIEF

- **Background to the campaign**

To be sure that we engage in the right terrain you need to indicate what has led to the need for communication action. This is the background to the campaign; facts that locate it within broader and longer-term developments.

Perhaps a policy process has reached a stage that needs the public to be informed; perhaps difficulties in trade negotiations need public support to be built; perhaps floods have caused havoc and people need to be informed of what is being done to address the disaster and how to get help if they need it.

- ▶ A brief summary of the campaign
- ▶ What is it?
- ▶ What does it do?
- ▶ What are its features and benefits?

- **Objectives of the campaign**

- ▶ You must be specific about the purpose of the campaign. What is it that you are aiming to achieve?
- ▶ Are you trying to inform or educate your audience about your product/service/policy?
- ▶ Is your objective to generate enquiries or to stimulate behavioural and attitudinal change?
- ▶ Is this a launch campaign where the prime objective is awareness of the product/service?

- **Communication and competitive environment**

- ▶ Competitive advantage is one of the keys to success. Make sure you are clear about how you want to differentiate your campaign.
- ▶ What are the competing campaigns?
- ▶ How do competitors promote themselves?
- ▶ What are the competitive strengths and weaknesses of your product/service?

- **Communication challenges**

- ▶ Challenges can be of almost any kind. It could be a matter of obstacles in the form of negative perceptions that have to be changed through an awareness campaign. It could be the challenge of activating the maximum support that is there but only latent – or of bringing together in a single campaign sectors that are supportive but for different reasons.
- ▶ It could be a problem of insufficient resources. It could be the task of making the most of “good news” that has not been well publicised, or putting complex information into easily understood formats.
- ▶ It could be the challenge of segmenting target audiences or the challenge of reaching LSM 1-5

- **Target market**

- ▶ Try to be as precise as possible about the people whom you want to communicate to:
- ▶ Who is the target audience?
- ▶ What kind of people are they?
- ▶ Are they existing users of your product/service? If so, what are their attitudes to the product/service and your department?

- **Messages and themes**

- ▶ Your agency needs to understand how you want the campaign material to reflect the product/service, government and your department’s personality. What should be the tone of the campaign?
- ▶ Professional, serious?
- ▶ Traditional?
- ▶ Fun?
- ▶ Caring, understanding?
- ▶ Go-ahead, futuristic, high tech?
- ▶ Authoritative?

Are there key messages that could be provided to the bidders to guide the development of strategies and proposals?

- **Requirements**

- ▶ Develop and execute a comprehensive integrated marketing communication strategy?
- ▶ Develop branding, slogan, symbol(s) for the campaign?
- ▶ Plan and implement an advertising campaign?
- ▶ Media planning and buying?
- ▶ Plan and manage a PR campaign?
- ▶ Manage a media relations campaign, including briefing sessions and editorials?
- ▶ Develop and publish a brochure or brochures and/or an information pack on the programme (targeting stakeholders and the public)?
- ▶ Be able to offer this service in the most cost-effective way?

- ▶ Make provision for the submission of complete, properly audited post-campaign/impact analysis reports?

It is important to encourage SMME participation and the establishment of BEE consortia. This will contribute to the transformation of the industry.

The use of local content with regard to resources required throughout the value chain should be included in the specifications at all times.

- **Parties wishing to bid must have competency in the following areas:**

- ▶ Creativity/conceptualisation?
- ▶ Understanding of government policy and objectives w.r.t. the project?
- ▶ Event management?
- ▶ Media planning/buying/placement?
- ▶ Feature writing?
- ▶ Relationship-building?
- ▶ Printing/publishing?
- ▶ Project/campaign management?

- **Task directive/timing**

- ▶ When do you want the campaign to be launched?
- ▶ What is the duration of the campaign?

- **Budget**

- ▶ Is it task-driven?
- ▶ It is advisable to tell the agency what your budget (or your expectation of cost) is. This information will help avoid any surprises when the initial costing comes in. Historical data might help in ascertaining this issue.

- **Bid evaluation process and procedures**

- ▶ This provides a guideline with respect to how the agencies should structure their proposals, and indicates which areas will be evaluated.
- ▶ Evaluation criteria linked to the deliverables of the project should be developed.
- ▶ Weighted scores should be allocated for each criterion.

- **Evaluation panel and procedure**

- ▶ Date, time and venue of bid briefing session?
- ▶ How is the panel constituted?

- **Number of evaluation phases**

- ▶ The **first phase** – pre-screening and shortlisting: the first phase involves evaluation of all bids and shortlisting according to RFI and RFP submission. Points will be allocated on the broad criteria on areas related to pre-screening, as well as modus operandi and functionality.
- ▶ **The second phase** – presentation session: The shortlisted companies that score the highest points in the first phase of evaluation proceed to the second phase and present strategy and methodology to the evaluation panel. In this instance, they are evaluated in relation to both modus operandi and financial aspects. Once functionality has been scored, points for price will be calculated. Adding the points scored for functionality and for price, each bidder will be given a score out of 100. This score is then converted either to 80 or 90 points in terms of the PPPFA, 2000, depending on the preference point system initially prescribed.

- **Preferential procurement evaluation scores**

- ▶ Bidding parties wishing to claim points in terms of preferential procurement should kindly complete the relevant procurement forms.

- **ENQUIRIES:**

- **FOR MARKETING-/ADVERTISING-/PR-RELATED QUERIES ONLY**

- Contact person:
- Director/Deputy: Marketing/PR/Communication
- Tel:
- E-mail:

- **FOR BIDDING PROCEDURES QUERIES ONLY**

- Contact person:
- Director/Deputy: Supply Chain Unit
- Tel:
- E-mail



# 5.3 Annexure III

## ACA FINANCIAL BALANCED SCORECARD

Measure	Weighting	Target	Raw score	Weighted average
Solvency	55.0%			
Current ratio (If <0.85 no points allocated)	35.0%	1.1 : 1		
Cash on hand	10.0%	8% of Annual Billing		
Debtors days	10.0%	40 days		Calculate as 40 / raw score X weighting
Shareholders' equity	7.5%			
Total shareholders funds as a % of previous years' revenue	7.5%	15%		
Profitability	10.0%			
Pretax profit after bonus as a % of revenue for immediately preceding year	5.0%	12%		
Average pretax profit after bonus as a % of revenue for last three years	5.0%	12%		Calculate as sum of last three yrs profits/ sum of revenue for last three yrs

Measure	Weighting	Target	Raw score	Weighted average
Other factors	27.5%			
Payment reports of MCC members (if >1% no points awarded)	2.5%	O/s amounts older than 60 days <1% of total statement		Claculate as 1% - your actual amount > 60 days
Extent to which total assets are unencumbered	5.0%	100%		
Value of tangible fixed assets which are unencumbered	1.0%	5% of revenue		
International network ownership (if less than 51% no points allocated)	2.0%	51%		
% total revenue from internationally aligned business	3.0%	30%		
% of billing which is not media (if less than 50% allocate no points)	7.0%	50%		Calculate as (raw score / 50) X weighting
Quality of client base (% of billing which is blue chip)	7.0%	70%		

**Qualifying score**

**65 or greater**

