

1. PURPOSE

The University of the Witwatersrand, Johannesburg (“WITS”) requires the services of an experienced corporate retail store management company to manage and run its retail brand outlet known as the Wits Shop as well as the online platform (www.shop.wits.ac.za) for a period of five(5) years effectively, efficiently, profitably and in a fit-for purpose way. The Wits Shop is an extension of the Wits brand and serves to enhance visibility, create awareness and instil pride in the Wits brand. The Wits Shop sells a range of branded clothing and gift items to its employees, students, persons officially associated with the University, and alumni of the University, as well as invitees, visitors, and guests (“University community”).

The Wits Shop is currently located in Solomon Mahlangu House, on the University’s Braamfontein East Campus. There are plans for the Wits Shop to potentially relocate to the Wits Welcome Centre once it is constructed. The construction of the Wits Welcome Centre is dependent on various internal processes.

The University’s objective is to:

- appoint a service provider (i.e. the successful tenderer appointed as part of the University’s tender process) with corporate retail store management experience as well as with e-commerce experience to manage the Wits Shop and its online e-commerce platform, including but not limited to any satellite or pop-up stores that may be required by the University to take advantage of a trend or seasonal demand. The service provider must have the expertise to manage the physical outlet, and the online platform in a manner that is fit for the purpose for which Wits requires this type of service as described herein; and
- ensure the best possible management of the Wits Shop by promoting and selling branded merchandise, thus optimising awareness of the Wits brand, improving the Wits brand image, contributing positively to reputation building, and creating an emotional connection to the Wits brand. This includes enhancing customer satisfaction within the University community, promoting new merchandise and products, expanding market reach via in-store and online purchases, and continuously improving the Wits Shop’s performance regarding sales revenue, profitability and operational efficiencies.

2. DESCRIPTION OF SERVICES AND DELIVERABLES

2.1 The services include but are not limited to:

- a) Managing all aspects of the Wits Shop including overseeing and controlling all the activities involved in the efficient running of the Wits Shop, sales optimisation, operations, inventory management, procurement processes, location optimisation at Solomon Mahlangu House,

the matrix and other pop-up stores, merchandise selection, pricing strategies, branding consistency, brand visibility, creating awareness, and increasing the satisfaction of the University community with the merchandise offerings at the Wits Shop.

- b) the provision of optimal internal processes such as secure and efficient inventory control, and an inventory management and tracking system to ensure that the store has the necessary merchandise including the range and quantity of items it needs, and to identify and implement processes to protect and mitigate/prevent inventory loss/damage from theft or other causes.
- c) the implementation of fair, transparent, equitable, and compliant procurement processes.
- d) the devising and implementing of effective and agile promotional /marketing strategies to increase sales including upselling and cross-selling across product ranges.
- e) establishing and running an effective online e-commerce presence including the fulfilment process and policies.
- f) enhancing the overall customer service experience to meet customer expectations by providing skilled and trained front-end shop staff and efficient after sales support by offering proactive multi-channel support such as managing returns or addressing questions and complaints.
- g) keeping and maintaining proper and compliant accounting systems and records.
- h) creating and maintaining budgeting and forecasting plans, financial tracking strategies, cost control and point of sale systems.
- i) offering online and offline integration, which includes but is not limited to creating a seamless shopping experience between the physical store (offline) and the online store:
 - o Click and Collect (Buy Online, Pick Up In-Store).
 - o Real-Time Inventory Sync.
 - o In-Store Returns for Online Purchases; and
 - o Shared Promotions and the like
- j) ensuring legal and regulatory compliance relating to retail sector management.

2.2 In order to achieve these objectives, the service provider will need to:

- a) conduct a thorough assessment of the current operations of the Wits Shop.
- b) Implement best practices in retail store management, e-commerce, procurement, and branding in particular, aligned to the University's branding guidelines.
- c) Utilise data-driven decision-making processes to optimise inventory and pricing.

- d) Foster collaborative relationships with Wits staff, students, and alumni; and

Build relationships with a range of promotional clothing and gift suppliers to offer the expected variety of branded merchandise, 2.3 In consultation with the Wits Marketing Manager and within 3 months of conclusion of a contract with the University, develop and implement:

- a) a complete, comprehensive, and effective 3 (three) year brand-business turnaround strategy with the objective of building the Wits Shop into a profitable going concern by year 3 (three)
- b) The strategy must focus on operational cost efficiency, financial restructuring, strategic turnaround management regarding sales projections both in store and online, market repositioning with a defined marketing plan, and product range innovation. Strategies to address potential risks should be included.
- c) The service provider must ensure that:
- the various Wits clients and their needs and wants are understood.
 - the choice of merchandise is tailored to the various audiences; and
 - the merchandise is priced according to the various audiences to ensure affordability and value for money, and
 - there is consistency regarding the use of the Wits brand and its alignment with the Wits corporate identity manual.

2.3 At the commencement of the contract, the service provider will purchase all the current inventory/ in the Wits Shop at cost and will assume ownership, responsibility, and risk of the said inventory. Wits shall have the right to exercise a buy-back option at a discounted rate and/or cost price (whichever is the lower) on any remaining merchandise (from the original inventory and new inventory) from the service provider at the end of the contractual period of 5 (five) years.

2.4 After 3 (three) years, the financial performance of the Wits Shop will be reviewed using the provided profit and loss statements. If a profit was generated, the parties will negotiate a profit-sharing agreement or a similar arrangement to benefit the University. Should the service provider fail to achieve a profit, the University may choose to terminate the agreement.

3. OVERHEAD COSTS AND THE MANAGEMENT:

All overhead costs and the management thereof are to be paid for and managed by the service provider which includes but is not limited to:

- a) Staffing requirements including hiring, contracting, salaries, training, and benefits.
- b) supplying and installing contemporary shop fixtures and fittings as agreed between the service provider and Wits Marketing to provide a positive customer experience,

and which is appropriately functional, that speaks to the sophistication, reach and reputation of the Wits brand and which attracts customers.

- c) front end shop management including shop sales and customer service, store layout, merchandise displays, pricing, merchandise security (e.g. item security tags), point of sale systems, product scanning equipment, and the like.
- d) storeroom security in conjunction with Wits' Protection Services.
- e) storeroom management and distribution.
- f) logistics, inventory procurement and management.
- g) accounting and debt recovery.
- h) online store management and ongoing maintenance of the online store website (uploading and promoting new products, updated design and easy to navigate layout) an e-commerce solution and real time integration with the physical store inventory management system, order fulfilment, returns, customer services, contracting a distribution fulfilment partner, i.e. courier partner and API to integrate shipping costs in real time.
- i) establishing a pop-up store will be located at the Wits Matrix complex, within one (1) year of the contract term. This shop will be in addition to the main Wits Shop located in Solomon Mahlangu House.
- j) range and product selection, including quantities, to be determined by the appointed store manager in consultation with the Wits Marketing Manager.
- k) choice of products and allowance to procure from a wide range of suppliers.
- l) collaboration with reputable brands that will enhance the visibility of Wits Press, tap into new customer segments, and drive innovation.
- m) using innovative strategies to target customers by promoting branded merchandise at pop-up or temporary stores and roadshows at Wits events as identified by Wits University.
- n) running of all business processes including payment systems, the delivery of goods, accounting, auditing, insurance, and the like; and
- o) transitioning of inventory management and other systems being used.

4. WEBSITE SECURITY AND COMPLIANCE

- a) The scope of work includes granting the service provider a non-exclusive, revocable license to use the domain name <https://shop.wits.ac.za/> exclusively for the operation and management of an online shop dedicated to selling officially branded WITS merchandise, in accordance with the University's branding guidelines.
- b) The service provider will be required to design, develop, and maintain the online shop hosted at <https://shop.wits.ac.za/>, ensuring its functionality, security, and compliance with industry best practices, while adhering to WITS branding guidelines, delivering a seamless user experience, and providing ongoing technical support.
- c) The service provider shall ensure that the e-commerce platform (<https://shop.wits.ac.za/>) is developed in compliance with all applicable South African laws and regulations, including but not limited to:
 - (i) the Protection of Personal Information Act (POPIA);
 - (ii) the Electronic Communications and Transactions Act;
 - (iii) ISO/IEC 27001 for Information Security Management;
 - (iv) NIST Cybersecurity Framework;
 - (v) PCI DSS (Payment Card Industry Data Security Standard).

5. DETAILED TECHNICAL REQUIREMENTS

- a) Inventory management system capable of handling large volumes of stock with real-time updates.
- b) online store management software with user-friendly interface and secure payment gateway synced with the physical outlet for real time updating of inventory.
- c) the Wits online store should have an ongoing presence on the main Wits website and the merchandise to be regularly promoted through other official Wits social media channels.
- d) connectivity solutions to ensure the smooth operation of online and offline sales channels.
- e) point-of-sale (POS) system for efficient transaction processing and reporting.
- f) warehousing and distribution facilities capable of handling inventory volumes and ensuring timely deliveries.

- g) customer relationship management e-commerce solution to have the ability to provide data/customer lists for seamless marketing campaigns and management of enquiries and feedback.

6. WITS OBLIGATIONS

WITS will subject to its rules, regulations, policies and procedures provide:

- a) Shop space in Solomon Mahlangu House and the Matrix Student Centre for the Wits pop-up store and the Wits Welcome Centre when it is constructed. The service provider will not be required to pay rent and utility charges for the first 3 (three) years. Mutually acceptable terms of payment will be negotiated thereafter.
- b) limited storage facility for additional inventory not kept in the Wits Shop.
- c) shop connectivity and communications.
- d) marketing support - Wits Marketing will in collaboration with the service provider develop an annual marketing plan for the Wit Shop. Wits Marketing will provide limited marketing support for the launch of the revamped shop in year one and regular marketing support through its social media channels and TV screens. All other marketing costs must be paid for by the service provider.

7. CONTRACTUAL MANAGEMENT

Operational management of the contract will involve a structured protocol to ensure effective contract management. This includes but is not limited to:

- a) quarterly Performance Reviews to assess adherence to contractual obligations.
- b) the service provider must provide quarterly written performance reports to the University.
- c) issue resolution processes.
- d) written minutes of the meetings will be taken by a designated representative of the University.
- e) the University will conduct:
 - biannual audits or inspections of operations and facilities and
 - biannual compliance checks against contractual requirements and industry standards.