



REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWAMBONAMBI.
QUO No. QUO/552/2017

TENDER SUM	
NAME OF TENDERER	
ADDRESS OF TENDERER	
TELEPHONE	
FAX	

TENDER CLOSING DATE: 08 December 2017

Time: 12H00

Issued by:

Implementing Agent:

uMfolozi Municipality

Technical Services Department

25 Bredelia Street

25 Bredelia Streets

P O Box 96

P O Box 96

Kwa-Mbonambi

Kwa-Mbonambi

3915

3915

Telephone No: 035 580 1421

Telephone No: 035 580 1421

QUO No. QUO/552/2017

**REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWA-MBONAMBI.
PART 1: BIDDING PROCEDURES**

INDEX

T1.1: Bid Notice and Invitation to BidError! Bookmark not defined.

REQUEST FOR QUOTATION



uMFOLOZI MUNICIPALITY

FOR THE REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWA-MBONAMBI.

uMfolozi Local Municipality is hereby inviting suitable qualified service providers for the Refurbishment For No.1 Killarney House Kwa-Mbonambi located in Ward 02 of the municipality. This advert calls for all contractors with CIDB grading category 1GB or 1GB PE or Higher.

PROJECT NAME	QUO NUMBER	SITE BRIEFING
TENDER FOR THE REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWAMBONAMBI.	QUO/552/2017	06 December 2017

A compulsory site briefing meeting will be held on **06 December 2017** starting at **10h00** at uMfolozi Municipality Council Chambers, 25 Bredelia Street, Kwa-Mbonambi where prospective bidders will proceed for site inspection. Bidders that do not attend the meeting will be disqualified. Documents will be available from the municipal website (www.umfolozi.gov.za) **04 December 2017**

COMPULSORY RETURNABLE DOCUMENTS: • Company Registration documents• Valid Tax Clearance Certificate or Tax Pin/ Tax Status Report •Certified copy of BBBEE Certificate accredited by a recognised institution• Proof of CSD Registration• CIDB Certificates• service providers must be registered on our municipal supplier database

EVALUATION CRITERIA: Bids will be evaluated using 80/20 principle of the new Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000, Preferential Procurement Regulations 2017) and including the BBBEE (Act No. 53 of 2000).

Documents shall be sealed in an envelope clearly endorsed with the bid number for the relevant project e.g. **QUO/552/2017: "REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWA-MBONAMBI."** and must be placed in the bid box at uMfolozi Municipality offices at 25 Bredelia Street, Kwa-Mbonambi no later than **12h00** on the **08 December 2017**.

The Municipality will accept no responsibility for the late delivery of tenders by courier services or any other means. The lowest or any other tenders may not necessarily be accepted by the Municipality.

Quotations shall remain valid for a period of 60 days from the closing date.

Technical related enquiries can be directed to the Senior Manager: Technical Services, Mr. SG Hlatshwayo and all Supply Chain related enquiries to the Manager: Supply Chain Management, Mr M Ntuli on **(035) 580-1421**.

.....
**ACTING CHIEF FINANCIAL OFFICER
 HEAD OF SUPPLY CHAIN MANAGEMENT**

2. LIST OF COMPULSORY RETURNABLE DOCUMENTS

The following compulsory returnable documentation or certified copies thereof must be included in the proposal and will form part of the evaluation criteria, invalidity or non-submission will immediately disqualify the proposal.

The list of returnable documents comprises the following:

1. RETURNABLE SCHEDULES AND OTHER DOCUMENTS ARE REQUIRED FOR COMPLIANCE AND TENDER EVALUATION PURPOSES

- Workmen's Compensation letter of good standing
- Valid Tax Clearance Certificate/ Tax Pin/ Tax Status Report
- Vat Registration (if Registered)
- Certificate of Authority for Signature
- Company Registration Documents
- Certified copies ID of the Company's Directors
- Proof CSD Registration
- Proof of CIDB Certification
- Declaration of Interest MBD 4
- Proof of Purchase of Tender Documents
- Proof of registration with SARS for UIF, PAYE and Skills Development
- Rates and Municipal Services Clearance Certificate
- Certified Copy of BBBEE Certificate

3. CERTIFICATE OF ATTENDANCE AT SITE MEETING

This is to certify that (*tenderer*)
of (*address*)
..... Was represented by the person(s)

Named below at the compulsory meeting held for all tenderers at **uMfolozi Local Municipality** on **06 December 2017** starting at **10H00**.

I / We acknowledge that the purpose of the meeting was to acquaint myself / ourselves with the site of the works and / or matters incidental to doing the work specified in the tender documents in order for me / us to take account of everything necessary when compiling our rates and prices included in the tender.

Particulars of person(s) attending the meeting:

Name: .. Signature: ..

Capacity: ..

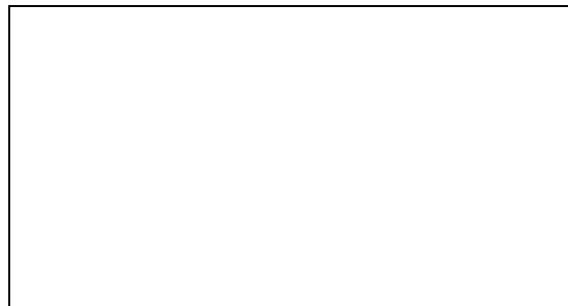
Name:..... Signature: ..

Capacity: ..

Attendance of the above person(s) at the meeting is confirmed by the Employer's representative, namely:

Name: . Signature: ..

Capacity: .. Date and Time: ..



DATE STAMP

4. INSTRUCTION TO TENDERERS

4.1 RETURN OF DOCUMENT

- (a) The completed and initiated proposal complying with conditions of the tender must be sealed and endorsed with “**TENDER NO** and **TENDER NAME**” and deposited in the official tender box in the foyer of uMfolozi Local Municipal Offices at: **25 BREDELIA STREET, KWAMBONAMBI**.

These documents must reach the above address not later than **12H00** on or before **08 December 2017** where they will be opened in public in the Municipal Main Hall.

- (b) Late tenders, telegraphic or facsimile tenders will not be considered.

4.2 RETURN OF DOCUMENT

- (a) The Form of Offer must be completed and signed.
- (b) Tenders will make provision for all necessary equipment, staff and all non-incidentals needed for the execution and completion of the contract in accordance with specification document.

4.3 COMPLETION OF DOCUMENTS

Proof of Authority for the Tenderer’s Representative to sign the documents must be submitted with the proposal

4.4 ACCEPTANCE OF TENDERS

- (a) The Council does not bind itself to accept the lowest or any tender (tenderers received are too high)
- (b) The uMfolozi Local Municipality will not be held responsible for any expenditure or losses incurred in the submittance and compliance of this tender nor off the visit to the site
- (c) The tender of any tenderer who has not conformed to the foregoing instructions will not be considered
- (d) When Council accepts a Proposal, the successful tenderer will be informed and the contract negotiated indicating the financial implications in the main being how and when payment will be made
- (e) In terms of Section 38 of the Supply Chain Management Policy the Council reserves the right to reject any proposal if any municipal rates and tariffs or municipal service charges owed by that Company owner or any of its directors to the municipality or municipal

entity or to any other municipality or municipal entity are in arrears for more than three (3) months

- (f) Canvassing in gift of Council is strictly prohibited and will lead to disqualification of the Proposal

4.5 GENERAL

(a) Validity Period

The tender undertakes that the Proposal will be valid for a period of 90 (ninety) days after the closing date of said RFP and that the Tenderer will not retract or change the tender during the period that the uMfolozi Municipality is scrutinizing the acceptance thereof.

(b) Amendments Upward of Tendered Price

Tender must further note and accept that any variance upward of the prices tendered will not be considered by Council as a reason to amend the said tendered price

Any attempts to invoke an increase in tendered price will render the tender invalid and it will be discarded

(c) Cost of Tender

The Council does not hold itself liable for any or all of the costs involved by the tender in compiling a tender. Should a tender withdraw an offer after being given written acceptance thereof all costs of re-advertising will be for that tenderer's account

(d) PAYMENTS

- a) Payment will be made within 30 days from the invoice date subject to satisfactory execution of the contract conditions and provided that the statement/invoice is without error.
- b) Tenders must clearly state all settlement and trade discounts.
- c) Any additional payment for extra work carried out on a contract will only be made provided that the contractor is issued with a variation order by the procurement section of the uMfolozi Local Municipality.
- d) The uMfolozi Local Municipality hereby indemnifies itself from any claims whatsoever, which may arise as a result of loss of income suffered by the tenderer for any reason directly or indirectly during the course of this tender and the Municipality reserves the right to consider compensation at its own terms.

5. FORM OF TENDER

Pricing schedule

6. FORM OF OFFER

The Municipal Manager
uMfolozi Local Municipality
P O Box 96
KWA-MBONAMBI
3915

Sir,

I/We _____

Offer to manage and maintain in accordance with the contract requirements and specifications for an amount of: -

Name of the Bidder	Price for duration of the contract inclusive of vat
	R.....

Until such time that a formal agreement is compiled and accepted, these tenders will be in conjunction with your acceptance or the persons acting on your behalf and will be a binding contract between both parties.

I/We hereby acknowledge: -

- 1) that I/We have read and acquainted myself/ourselves with the terms and conditions of proposal and understand the purpose thereof and agree that all such conditions shall form part of this tender.
- 2) that this offer is irrevocable for a period of three (3) months from the date fixed for the opening of tenders and may be accepted in writing by uMfolozi Local Municipality, at any time during that period, which acceptance, together with this tender shall constitute a binding agreement of purchase and sale between uMfolozi Local Municipality and myself/ourselves

THE CONDITIONS OF TENDER: I/WE READ AND ACCEPT

Signature: (of person authorized to sign the tender)

Name (of signatory in capitals): _____

Name of Tenderer: (organization) _____

Address: _____

Telephone Number _____

Fax Number: _____

Witness Signature _____

Witness Name (in Capitals) : _____

Date _____

FAILURE OF A TENDERER TO SIGN AND COMPLETE THIS FORM IN FULL WILL INVALIDATE THE PROPOSAL

7. ACCEPTANCE

By signing this part of the Form of Offer, the employer identified below accepts by Tenderers Offer. In consideration thereof, the Employer shall pay the Contractor the amount due in accordance with the Conditions of Contract identified in the Contract date. Acceptance of the Tender's Offer shall form an agreement between the Employer and the Tenderer upon the terms and conditions contained in this Agreement and in the Contract that is the subject of this Agreement.

Signature : _____

Name (in capitals) : _____

Date : _____

8. SPECIFICATION OF

Details Relating to the REFURBISHMENT FOR No.1 KILLARNEY HOUSE KWAMBONAMBI.

The work to be executed comprises but is not limited to the following:

- Roof tile replacement, cleaning and painting
- Installation of ceiling boards
- Installation of air conditioners
- Carpentry and Joinery
- Plumbing
- Paint work
- Tiling
- Garden services

9. EVALUATION CRITERIA

The tender will be evaluated by the evaluation panel of not less than three persons. Evaluation Committee will reduce each responsive Tender Offer to a comparative offer and evaluate it using the tender evaluation methods that are indicated in the

Tender Data and described as methods 1, 2, 3 and 4.

Method 1: In the case of a Financial Offer:

- (a) Rank Tender Offers from the most favourable to the least favourable comparative offer.
- (b) Recommend the highest ranked tenderer for the award of the contract, unless there are compelling and justifiable reasons not to do so.

Method 2: In the case of a Financial Offer and Preferences:

- (a) Score tender evaluation points for each Financial Offer
- (b) Confirm that tenderers are eligible for the preferences claimed and, if so, score tender evaluation points for preferencing.
- (c) Calculate total tender evaluation points
- (d) Rank Tender Offers from the highest number of tender evaluation points to the lowest.
- (e) Recommend the Tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

Method 3: In the case of a Financial Offer and Quality:

- (a) Score quality, rejecting all Tender Offers that fail to score the minimum number of points for quality stated in the Tender Data, if any.
- (b) Score tender evaluation points for each financial offer.
- (c) Calculate the total tender evaluation points.
- (d) Rank Tender Offers from the highest number of tender evaluation points to the lowest
- (e) Recommend the Tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons no to do so.

Method 4: In the case of a Financial Offer, Quality and Preferences:

- (a) Score quality, rejecting all Tender Offers that fail to score the minimum number of points for quality stated in the Tender Data, if any.
- (b) Score tender evaluation points for each financial offer.
- (c) Confirm that Tenderers are eligible for the preferences claimed and, if so, score tender evaluation points for preferencing.
- (d) Calculate total tender evaluation points.
- (e) Rank Tender Offers from the highest number of tender evaluation points to the lowest
- (f) Recommend the Tenderer with the highest number of tender evaluation points for the award of the contract, unless there are compelling and justifiable reasons not to do so.

Evaluation of Tender Offers

The procedure for evaluation of responsive Tender Offers will be Method 4: Financial Offer, Quality and Preferences.

Method 4: Financial Offer, Quality and Preferences

- (a) The procedure for the evaluation of responsive tenders is Method 4 (Financial Offer, Quality and Preferences) and Quality will be evaluated prior to financial and Preference as follows:

Functionality/quality: tender must achieve at least 60% in order to qualify for the second stage. The 80/20 scoring will apply. The points associated with the comprehensive proposal will be awarded as reflected in the following table

CATEGORY	Key Aspects of Criterion	Basis for points allocation	Max Points Claimable	Verification Method
1.	Experience of the Bidder (Name of traceable reference with contact details to be included for verification)	<p>Each completed or current contract of Refurbishment or renovations (similar nature) in the last 3 years.</p> <p>One (1) similar Project [R 100 000 – R 200 000] = 5 points One (1) similar Project [R 200 000 and above] = 6 points</p> <p>Two (2) similar Project [R 100 000 – R 200 000] = 7 points Two (2) similar Project [R 200 000 and above] = 8 points</p> <p>Three (3) similar Project [R 100 000 – R 200 000] = 9 points Three (3) similar Project [R 200 000 and above] = 10 points</p>	10	Attach appointment letter for on-going projects Or appointment letter and completion certificate of completed projects.
2.	Onsite Foreperson	<p>The Onsite foreman should have the following experience:</p> <p>1 year experience and above in the similar field = 5 points.</p> <p>2 years' experience and above in the similar field = 7 points.</p> <p>3 year experience and above in the similar field = 10 points.</p> <p>The tenderer should attach curriculum vitae (CV) with traceable references and certified relevant copies of qualifications.</p>	10	Curriculum Vitae
		(DOCUMENTARY PROOF MUST BE ATTACHED)	TOTAL 20	

NB: Bidders are required to submit supporting documents to score full point

Bidder MUST SCORE AT LEAST 60% or 12 POINTS FOR QUALITY, TO QUALIFY FOR FURTHER EVALUATION

Quality shall be scored independently by not less than three evaluators in accordance with the following schedules

Evaluation Schedule: Experience of the Bidder

Evaluation Schedule: Proposal of method of Manufacturing

The scores of the evaluators will then be averaged, weighed and totalled to obtain the final score for quality.

- a) Tenderers qualifying on (a) above will be further evaluated using the following procedure for the evaluation of responsive tenders (Price and preferences). The weighting of tender price and preferences of the tenderer will be done by way of a point system:

Evaluation criteria will be 80/20:

- **80 points are assigned to price; and**
- **20 points are assigned to preferences.**

UMFOLOZI LOCAL MUNICIPALITY



DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where: -
 - The bidder is employed by the state, and/or
 - The legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declared acts and persons who are involved with the evaluation and adjudication of the bid.
3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

- 3.1 Full Name of bidder or his or her representative:
- 3.2 Identity Number:
- 3.3 Position occupied in the Company (director, trustee, hareholder²) :.....
- 3.4 Company Registration Number:
- 3.5 Tax Reference Number:.....
- 3.6 VAT Registration Number:
- 3.7 Are you presently in the service of the state? **YES / NO**
- 3.7.1 If yes, furnish particulars.....

State means.....

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

² ***Shareholder*** means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars
.....
.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.
.....
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars
.....

.....

3.12 Are any of the company's directors, trustees, managers,
Principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....
.....

3.13 Are any spouse, child or parent of the company's directors
trustees, managers, principle shareholders or stakeholders
in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....
.....

3.14 Do you or any of the directors, trustees, managers,
principle shareholders, or stakeholders of this company
have any interest in any other related companies or
business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

.....
.....

DECLARATION

I, THE UNDERSIGNED

(NAME)

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 3.1 TO 3.14.1 AND 4 ABOVE IS CORRECT

I ACCEPT THAT THE STATE MAY ACT AGAINST ME IN TERMS OF PARAGAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

DECLARATION OF TENDERER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Tendering Document must form part of all Tenders invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The Tender of any tenderer may be rejected if that tenderer, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. Been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the Tender.

tem	Question	Yes	No
4.1	<p>Is the tenderer or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</p>	Yes	No
4.1.1	If so, furnish particulars:		

4.2	<p>Is the tenderer or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>(To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445).</p>	Yes	No
4.2.1	If so, furnish particulars:		
4.3	<p>Was the tenderer or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes	No
4.3.1	If so, furnish particulars:		
4.4	<p>Does the tenderer or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?</p>	Yes	No
4.4.1	If so, furnish particulars:		
4.5	<p>Was any contract between the tenderer and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?</p>	Yes	No
4.5.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION
FORM IS TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION
MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE
FALSE.

.....

Signature

.....

Date

.....

Position

.....

Name of Tenderer

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid number and description)

In response to the invitation for the bid made by: (Name of Municipality/ Municipal Entity)

Do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____
that: (Name of Bidder)

1. I have read and I understand the contents of the certificate;
2. I understand that the accompanying bid will be disqualified if this certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of and to sign the bid. On behalf of the bidder;
5. for the purposes of this certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) Has been requested to submit a bid in response to this bid invitation;
 - (b) Could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) Provides the same goods and services as the bidder and/or is in the same line of business as the bidder.

MBD 9

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement with any competitor regarding:
 - (a) Prices
 - (b) Geographical area where product or service will be rendered (market allocation)
 - (c) Methods, factors or formulas used to calculate prices;
 - (d) The intention or decision to submit or not to submit a bid;
 - (e) The submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) Bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3 Joint venture or consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the competition Act No. 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the prevention and combating of Corrupt Activities Act No. 12 of 2004 or any other applicable legislation.

Signature

Date

Position

Name of Bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value from R30 000 up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 point system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

1.3.1 The maximum points for this bid are allocated as follows:

POINTS

1.3.1.1 PRICE

1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION

Total points for Price and B-BBEE must not exceed 100

- 1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.5. The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

- 2.1 “**all applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 2.2 “**B-BBEE**” means broad-based black economic empowerment as defined in section 1 of the Broad -Based Black Economic Empowerment Act;
- 2.3 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 “**comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 “**consortium or joint venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

- 2.8 “**contract**” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 “**EME**” means any enterprise with an annual total revenue of R5 million or less .
- 2.10 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 “**functionality**” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 “**non-firm prices**” means all prices other than “firm” prices;
- 2.13 “**person**” includes a juristic person;
- 2.14 “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

- 2.18 “trustee” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

80/20 or 90/10

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

- P_s = Points scored for comparative price of bid under consideration
 P_t = Comparative price of bid under consideration
 P_{\min} = Comparative price of lowest acceptable bid

5. Points awarded for B-BBEE Status Level of Contribution

5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Contributor	Status Level of	Number of points (90/10 system)	Number of points (80/20 system)
1		10	20
2		9	18
3		6	14
4		5	12
5		4	8
6		3	6
7		2	4
8		1	2
Non-compliant contributor		0	0

5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.

5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 30% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 30% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

- 6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

- 7.1 B-BBEE Status Level of Contribution: =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted?
.....%

(ii) the name of the sub-contractor?
.....

(iii) the B-BBEE status level of the sub-contractor?
.....

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :

9.2 VAT registration number :

9.3 Company registration number :

9.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[Tick applicable box]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....
.....

9.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[Tick applicable box]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated

.....

Registered Account Number

Stand Number.....

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?

.....

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the audi alteram partem (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution

WITNESSES:

1.

.....
SIGNATURE(S) OF BIDDER(S)

2.

DATE:.....

ADDRESS:.....

.....

.....

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