



**REQUEST FOR PROPOSALS**

***RFP NUMBER: TIA 006/2016***

**APPOINTMENT OF A SHORT-TERM INSURANCE BROKER TO PROVIDE INSURANCE BROKERAGE SERVICES TO TIA**

**COMPANY NAME:** \_\_\_\_\_

**COMPANY REPRESENTATIVE AND CONTACT DETAILS:** \_\_\_\_\_

**ISSUE DATE:** 21 October 2016

**MANDATORY BRIEFING SESSION:** 26 October 2016 at 11:00

**CLOSING DATE:** 14 November 2016 at 11:00

**BID RESPONSES MUST BE DELIVERED TO:** TIA House  
83 Lois Ave  
Menlyn  
Pretoria  
0181  
Attention: M Pitso

**NB: Bidders must ensure that they sign the register at reception when delivering their bids**

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## **1. Introduction and Background**

The Technology Innovation Agency (“TIA”) is a schedule 3A public entity of the Department of Science and Technology, in terms of the Public Finance Management Act, 1999 and established in terms of the Technology Innovation Agency Act, 2008. The Agency is set up as a public entity with the aim to enhance the country’s capacity to translate a greater proportion of local research and development into commercial technology products and services.

The ultimate goal of the TIA is to use South Africa’s science and technology base to develop new industries, create sustainable jobs and help diversify the economy away from commodity exports towards knowledge based industries equipped to address modern global challenges. For background information about the Agency, vendors must visit TIA website at: [www.tia.org.za](http://www.tia.org.za)

TIA invites all capable and registered insurance brokers to submit proposals to manage TIA’s insurance portfolio. The insurance broker will be required to act as an agent/intermediary between TIA and the local and international insurance markets in accordance with specific criteria.

The emphasis will be in technical proposals made to TIA in the most cost-effective placement of the insurance portfolio in the insurance market, taking into serious consideration the mitigation of business risks and financial risks exposures. The broker will be required to provide advisory services on the most appropriate cover to mitigate all risks the entity might face.

## **2. Required services**

The services to be rendered as a Short Term Insurance Broker over the contract period should include general services related to the placement, maintenance and administration of the insurance portfolio.

The appointed broker will be responsible to perform the following actions:

- Internal and external discussions to set renewal and maintenance strategy;
- Established uninsured risks and present a proposal for the coverage of this risk;
- Annually review cover, limits and sums insured;
- Annually review uninsured risks and exposure;

- Re-broking and market exercise to obtain renewal terms;
- Pre-renewal meeting to discuss excess structures and alternatives of renewal;
- Renewal follow-up on alternative quotations;
- Presentation of renewal terms and recommended options;
- Confirmation of placement and 100% cover;
- Confirmation of credit rating of insurance and re-insurance markets;
- Premium allocations on recommended aggregates and service fees;
- Compilation of detailed insurance manual as well as full summary on cover, limits, conditions and exclusions;
- Check and provide issued policy as well as legal confirmation of statutory compliance;
- Compilation of claims procedural manual and update;
- Day-to-day correspondence and queries;
- Monitor premium payments and refunds in accordance with accounts and statement;
- Ad hoc training where required in terms of policy and procedural manual;
- To continue with portfolios currently renewed, if appropriate;
- Administration of claims reported to the Insurance Broker as follows:
  - The Insurance Broker will acknowledge receipt of claims and confirm all claims in writing to the client in 48 hours after receipt of the notification of the incident.
  - If the claim is accepted by the Insurer an Agreement of Loss will be generated and forwarded to the Finance Section of the client within 7 (seven) days after receipt of all the applicable documentation and claim has been accepted by the Insurer.
  - In cases where no Agreement of Loss is applicable, final invoice will be submitted by the client in reasonable time.
  - The Insurance Broker will assist the Finance Section with the administration of claims in order to finalise all outstanding claims i.e. obtaining of reports, invoices, quotations etc.
  - The Insurance Broker will provide statistics on all claims/ declarations made bi-annually not later than the 2<sup>nd</sup> working day of the following month to the Finance Section.
- Scheduling of ad hoc claims meetings and coordination of these meetings if required. The broker will also be required to attend ad-hoc meetings as set by the Finance section to review the service level agreement and the cover in place from time to time.

### **3. Request for Proposals**

TIA would like to invite service providers to submit their proposals that will deliver insurance broker services to the entity for a period of 5 (five) years, from date of appointment. This period is subject to an annual review of the broker's performance.

### **4. Proprietary Information**

TIA considers this Request for Proposal ("RFP") and all related information, either written or verbal, which is provided to the Bidder, to be proprietary to TIA. It shall be kept confidential by the Bidder and its officers, employees, agents and representatives.

The Bidder shall not disclose, publish, or advertise this specification or related information in part or as a whole to any third party without the prior written consent of TIA. This applies regardless of whether the recipient of this RFP responds with a proposal or not.

### **5. Enquiries & Responses**

All communication and attempts to solicit information of any kind relative to this RFP should be channelled to the Contact Person named in the RFP.

All Enquiries regarding this proposal shall be submitted in writing to [Mandisa.Pitso@tia.org.za](mailto:Mandisa.Pitso@tia.org.za) with the RFP number as the subject.

### **6. Medium of Communication**

All documentation submitted in response to this RFP must be in English.

### **7. Verification of Documents**

Respondents should check the numbers of the pages to satisfy themselves that none are missing or duplicated. No liability will be accepted by TIA with regard to anything arising from the fact that pages are missing or duplicated.

## 8. Submission of RFP's

The proposal should be submitted at: **83 Lois Avenue**  
**Cnr Lois Avenue and Atterbury Road**  
**Menlyn, Pretoria**  
**Tel: (012) 472 2700**

It is the responsibility of the prospective supplier to ensure that the proposal is deposited at the above address no later than **11:00 on 14 November 2016**.

**Six (6) copies of each proposal must be submitted**, including the original. In the event of a contradiction between the submitted copies, the original shall take precedence. Telegraphic, telefax and e-mail proposals will not be accepted.

If a courier service company is being used for delivery of the proposal document, the RFP description must be endorsed on the delivery note/courier packaging to ensure that documents are delivered to the correct recipient, as mentioned above.

## 9. General Terms and Conditions

The Respondent is responsible for all costs incurred in the preparation and submission of the proposal.

A copy/s of any affiliations, memberships and/or accreditations that support your submission must be included in the proposal.

Kindly note that TIA is entitled to:

- 9.1 Amend any RFP conditions, validity period, specifications, or extend the closing date and/or time of RFP's before the closing date. All Respondents, to whom the RFP documents have been issued, will be advised in writing of such amendments in good time;
- 9.2 Verify any information contained in a proposal;
- 9.3 Not appoint any bidder;
- 9.4 Vary, alter, and/or amend the terms of this RFP, at any time prior to the finalisation of its adjudication hereof;

- 9.5 Disqualify proposals that contain an omission of disclosure of material information, that is factual inaccurate, and/or contains a misrepresentation of facts. This could also lead to the cancellation of any subsequent contracts;
- 9.6 Not accept the lowest proposal or any proposal in part or in whole. TIA normally awards the contract to the Bidder who proves to be fully capable of handling the contract and whose proposal is technically acceptable and/or financially advantageous to TIA. Appointment as a successful contractor shall be subject to the parties agreeing to mutually acceptable contractual terms and conditions. In the event of the parties failing to reach such agreement within 30 (thirty) days from the appointment date, TIA shall be entitled to appoint the contractor who was rated 2<sup>nd</sup> (second), and so on;
- 9.7 Award this RFP as a whole or in part without furnishing reasons;
- 9.8 Cancel or withdraw from this RFP as a whole or in part without furnishing reasons and without attracting any liability;
- 9.9 The Bidder hereby offers to render all of the services described in the attached documents (if any) to TIA on the terms and conditions and in accordance with the specifications stipulated in this RFP documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein);
- 9.10 This proposal and its acceptance shall be subject to the terms and conditions contained in this RFP document; and
- 9.11 The Respondent shall prepare for a possible presentation should TIA require such and the Respondent shall be notified thereof no later than 4 (four) days before the actual presentation date.

## 10. Mandatory Requirements

The RFP document is divided into a hierarchy of sections, identified by sequential numbers. ***When responding to this RFP, vendors are requested to clearly mark the section they are responding to by complying with the numbering sequence of the RFP document as advertised.*** Should a bidder not comply with the requirements set out below, the bid will be disqualified. Prospective bidders should meet the following mandatory requirements:

10.1 Mandatory briefing session	Comply	Not comply
The bidder attended the mandatory briefing session and signed the attendance register as proof hereof on the date stipulated on the cover page.		

10.2 Financial services Board ("FSB")	Comply	Not comply
The short-term insurance broker must be a registered Financial Services Provider with the FSB for the following products: Short Term Insurance-Commercial lines and Short Term Insurance-Personal lines.  <b>The bidder must provide documentary proof of Registration with FSB. This proof must also reflect the products the bidder is approved to offer.</b>		

10.3 Registration on Central Supplier Database ("CSD")	Comply	Not comply
The bidder must provide documentary proof that the company is registered on the CSD and that this registration confirms full tax compliance.  <b>Please include a full CSD report, showing in particular that all tax affairs are in order.</b>		

10.4 Standard bidding documents ("SBD" forms)	Comply	Not comply
The bidder is required to complete the SBD forms attached to the satisfaction of TIA.		



Please include fully completed SBD forms.		
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**11. Technical evaluation Criteria**

11.1 Stage 1: Technical competence

Adjudication categories and criteria	Weight	Maximum Score
<p>11.1.1 The broker company must have experience in providing short-term insurance broker services for Corporates and/or State Owned Enterprises (“SoEs”).</p> <p>The bidder must provide a corporate write-up explaining the company’s experience and areas of expertise.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> ten (10) and more years’ experience = 5 points</li> <li><input type="checkbox"/> eight (8) or more but less than ten (10) years’ experience = 4 points</li> <li><input type="checkbox"/> five (5) or more but less than eight (8) years’ experience = 3 points</li> <li><input type="checkbox"/> three (3) or more but less than five (5) years’ experience = 2 points</li> <li><input type="checkbox"/> less than three (3) years’ experience = 1 point</li> </ul>	<b>0.3</b>	<b>5</b>
<p>11.1.2 The bidder must have a proven track record in providing short-term insurance broker services to corporate and/or SoEs</p> <p>The bidder must provide at least 5 written references of similar work done in the past five years</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Five (5) and more relevant references in the past five years = 5 points</li> <li><input type="checkbox"/> Four (4) relevant references in the past five years = 4 points</li> <li><input type="checkbox"/> Three (3) relevant references in the past five years = 3 points</li> <li><input type="checkbox"/> Two (2) relevant references in the past five years = 2 points</li> <li><input type="checkbox"/> One (1) relevant references in the past five years = 1 point</li> <li><input type="checkbox"/> No relevant references in the past five years = 0 points</li> </ul>	<b>0.4</b>	<b>5</b>

<p>11.1.3 The bidder must assign a project team that have a proven track record in providing short-term insurance broker services to corporate and/or SoEs</p> <p>The bidder must provide abridged CV's of the account manager as well as the direct manager of the assigned account manager. Each CV should detail the number of years' experience of each individual in the commercial insurance field.</p> <p>The average relevant commercial insurance years' experience will be calculated based on the CV's submitted and scored as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> ten (10) and more years' relevant experience = 5 points</li> <li><input type="checkbox"/> eight (8) or more but less than ten (10) years' relevant experience = 4 points</li> <li><input type="checkbox"/> five (5) or more but less than eight (8) years' relevant experience = 3 points</li> <li><input type="checkbox"/> three (3) or more but less than five (5) years' relevant experience = 2 points</li> <li><input type="checkbox"/> less than three (3) years' relevant experience = 1 point</li> </ul>	<b>0.3</b>	<b>5</b>
<b>Total weighted score/Maximum possible score</b>	<b>1.0</b>	
<b>Minimum qualifying score (expressed as percentage)</b>		<b>70%</b>

## 11.2 Stage 2: Evaluation in terms of 90/10

Adjudication categories	Points
1. Bid Price	90
2. Points awarded for B-BBEE Status Level	10
<b>Total points</b>	<b>100</b>

## 12. Price Proposal

- 12.1 Pricing should be based on cover in the market in line with the requirements listed below. Bidders are requested to firstly quote excluding any commission or management fees. Prices should be VAT inclusive.
- 12.2 In addition to this, a management fee should be quoted as a cost to TIA.
- 12.3 NOTE: ALL prices quoted must be VAT inclusive and must be quoted in South African Rand ("ZAR").
- 12.4 The bid will be awarded based on the total cost as listed in point 12.1 and 12.2.
- 12.5 Future years' increases will be based on the premiums in the market after the annual review of our policies, plus a CPI increase on the management fee quoted in year 1 (one).
- 12.6 All additional costs associated with the bidders offer must be clearly specified and included in the total bid price quoted above.
- 12.7 TIA takes note of the fact that should additional cover be required to mitigate business risks identified during the 5 (five) year period, the bid price quoted in this section will be amended in line with the business request.

12.8 Annual premiums (VAT inclusive)

Note: This table should be completed to show the state of affairs for year 1 (one) ("Y1") of the contract.

Type of Cover	Description of Cover	Sum Insured	Annual premiums	Excess payments	Claim history
<b>Assets all risks</b>  Fire and Allied Perils, Theft and Money Sasria	Cover Assets on an all risk basis as per asset register Computer equipment (laptops, desktops, iPads) R14 500 000 Furniture and fittings (desks, chairs) R4 500 000 Leasehold improvements R12 300 000 Office Equipment R4 500 000 Research equipment R11 200 000	47 000 000		R1 000 per claim	Claims on lost/stolen laptops
<b>Motor fleet</b> Hyundai GLS 9	Cover Motor Vehicles and Hired-in Vehicles Comprehensively for Own and Third	400 000		R2 500 per claim	

Seater Sasria	Party damage				
<b>Stated benefits</b>	Cover Employees for any accidental death and injuries sustained, during and after working hours	100 000 cover per employee – 30 employees			No claims
<b>Public Liabilities</b>	General and Tenants	5 000 000 per incident			No claims
A general liability policy covers the Insured's liability to third parties arising out of Injury or Damage caused by the Insured in the course of its business activities.	Products Liability	5 000 000 per incident			No claims
	Negligent advice	1 000 000 per incident			No claims
	Pollution "clean up costs"	1 000 000 per incident			No claims
	<b>Extensions:</b>	5 000 000 per incident			No claims
	Statutory Defence Costs	5 000 000 per incident			No claims
	Wrongful Arrest	5 000 000 per incident			No claims
	Defamation	5 000 000 per incident			No claims
	Employers Liability	250 000 per incident			No claims
	Breach of Copyright	250 000 per incident			No claims
	Advertising Liability	1 000 000 per incident			No claims
Custody and Control	1 000 000 per incident			No claims	
Mitigation Expenses				No claims	
<b>Employment practice liability</b>	Covers an employer's legal expenses and the awards made against it by the CCMA, Bargaining Councils and	3 000 000 per incident			No claims

	<p>Labour Court for unfair labour practices such as unfair dismissal, sexual harassment, discrimination and failure to employ</p> <p># of employees: 170</p> <p>Annual Salary bill: R100 000 000</p>				
<b>Professional indemnity</b>	<p>A professional indemnity (“PI”) policy is similar to a commercial general liability (“CGL”) policy in that it covers the Insured’s liability arising out of its business activities. The difference is that a general liability policy mostly covers Injury and Damage whereas a professional indemnity policy generally covers pure financial losses.</p>	3 000 000 per incident			No claims
<b>Directors and officers liability</b>	<p>If the company’s directors or managers are sued in their personal capacity for not running the company properly, then this policy will pay the Damages as well as the legal costs.</p> <p>This will cover the entity’s Board members as well as nominated directors at investee companies.</p>				No claims

Total premium (excluding broker fee)

---

R -

Broker management fee

R

Total bid price Year 1

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R -

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### **13. Conclusion**

13.1. Failure to comply with any of the terms and conditions as set out above will invalidate the Proposal.

13.2. TIA's decision on proposals received shall be final and binding.



**SBD 4**

**DECLARATION OF INTEREST**

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority 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 declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

**2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

- 2.1 Full Name of bidder or his or her representative:  
.....
- 2.2 Identity ..... Number:  
.....
- 2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):  
.....
- 2.4 Company Registration Number: .....
- 2.5 Tax Reference Number :
- 2.6 VAT Registration Number: .....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

<sup>1</sup>“State” means –

(a) 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);

(b) any municipality or municipal entity;

(c) provincial legislature;

(d) national Assembly or the national Council of provinces; or

(e) Parliament.

<sup>2</sup>“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder **YES / NO**  
presently employed by the state?

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

.....

Name of state institution at which you or the person connected to the bidder is employed :

.....

Position occupied in the state institution:.....

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

**YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document?

**YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....  
.....  
.....

2.8 Did you or your spouse, or any of the company's directors / trustees /shareholder/ members or their spouses conduct business with the state in the previous twelve months?

**YES / NO**

2.8.1 If so, furnish particulars:

.....  
.....  
.....

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

**YES / NO**

2.9.1 If so, furnish particulars.

.....  
.....

2.10 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

**YES/NO**

2.10.1 If so, furnish particulars.

.....  
.....

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any Interest in any other related companies whether or not they are bidding for this contract?

**YES/NO**

2.11.1 If so, furnish particulars:

.....  
 .....

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Personnel Number

4 DECLARATION

I, THE UNDERSIGNED  
 (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

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

.....  
 Signature Date

.....  
 Position Name of bidder

**SBD 6.1**

**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011**

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 of up to R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....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>B-BBEE Status Level of Contributor</b>	<b>Number of points (90/10 system)</b>	<b>Number of points (80/20 system)</b>
1	10	20
2	9	18
3	8	16
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 25% 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 25% 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-co contractor is an EME? YES / NO (delete which is not applicable)

**9 DECLARATION WITH REGARD TO COMPANY/FIRM**

9.1 Name of company/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 Total number of years the company/firm has been in business?

.....

9.8 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:.....

.....  
.....

**SBD 8**

**2 DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES**

- 1 This Standard Bidding Document must form part of all bids invited.
  
- 2 It serves as a declaration to be used by institutions 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 bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
  
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**



4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p><b>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</b></p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder 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><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	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 Bidder**

**SBD 9 - CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid



rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

**<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.**

**<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

I, the undersigned, in submitting the accompanying bid:

\_\_\_\_\_  
(Bid Number and Description)

in response to the invitation for the bid made by:

\_\_\_\_\_  
(Name of Institution)

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 this 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
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 consortium<sup>3</sup> 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 or arrangement 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.

**<sup>3</sup> 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