



TENDER NUMBER: TIA003/2017

**REQUEST FOR PROPOSAL: TO PERFORM AN ECONOMIC IMPACT ASSESSMENT OF
THE INNOVATION AGENCY'S PROGRAMME AND PROJECT ACTIVITIES**

83 LOIS AVENUE, MENLYN, PRETORIA

COMPANY REPRESENTATIVE AND CONTACT DETAILS: _____

Issue Date: 10 February 2017

Validity Period: 90 Days (after closing date)

Response Deadline: 11h00 on the 6th of March 2017

Contact Person: tenders@tia.org.za

1. Introduction and Background

The Technology Innovation Agency (TIA) is a schedule 3A public entity of the Department of Science and Technology that was established for the purposes of enabling and supporting technological innovation across all sectors of the economy to deliver socio-economic benefits for South Africa and enhance its global competitiveness. These goals are achieved by supporting the development and commercialisation of research outputs from higher education institutions, science councils, public entities, private research institutions, and enterprises and bringing them to market. TIA's ultimate goal is to use South Africa's science and technology base to develop new industries, create sustainable jobs and help diversify the economy¹.

Having been in existence as a key contributor to South Africa's National System of Innovation (NSI) for seven years, it is essential that as an organisation with a mandate of delivering socio-economic benefits for South Africa, it assesses the outcomes and impacts of its projects, programmes and business.

TIA is therefore inviting service providers to present proposals to conduct an economic impact assessment for each of the financial years 2016/17, 2017/18 and 2018/19 that will assist the organisation to determine how effective it is in realising its mandate.

The objectives of these studies are to determine the following:

- whether the expected socio-economic outcomes, effects and impact of TIA projects, programmes, business are being realised;
- ascertain on whom and how TIA projects, programmes and business have had an effect;
- the extent of TIA's impact through the work it performs.

The appointed service provider will deliver a comprehensive Economic Impact Assessment (EIA) report on the results, outcomes and impact achieved from the investment made into and by TIA from 1 April till 31 March for each period in question.

This tender will be awarded for conducting EIAs for 2016/17, 2017/18 and 2018/19 with the option to extend it for another two years.

¹ For background information about the Agency, vendors must visit TIA website at: www.tia.org.za

2. Scope of Work

TIA seeks to appoint an independent, expert economic/econometric analyst(s) who can analyse the economic impact of the Agency's programmes, projects and business to ascertain the Agency's multiplier effect when using the StatsSA's SAM (Social Accounting Matrix) model and to submit results and findings in the form of an Economic Impact Assessment (EIA) report in the format and containing information as detailed more fully in the scope of this tender.

2.1 The EIA review will entail the following:

2.1.1 Familiarisation with TIA's objectives, its programmes and projects that were undertaken during the course of the respective Annual Performance Plans (APP) for each period. This process would, inter alia, include an historic overview, context, purpose, objectives, structure, governance, project and programme activities, key stakeholders, strategy and organisational reviews. Important to note the intended strategic impact of TIA with regards to its mandate to stimulate and support technological innovation to improve the quality of life for all South Africans.

2.1.2 The EIA review of the impact of TIA, must cover the following:

- i. What are the **outputs and outcomes** of TIA projects, programmes and initiatives?
- ii. Who are the **beneficiaries** of these projects, programmes and interventions?
- iii. Have TIA interventions made a **difference to the quality of life** of South Africans?
- iv. Have TIA projects, programmes and interventions made an **impact** on South African society and the economy?
- v. What is the **net effect of this impact**? This should reflect, amongst other indicators such as, the number of jobs created, skills and capacity developed, turnover, taxes paid, etc.
- vi. **How** have these interventions made a difference, other than par. (iii)?
- vii. For **whom** has these interventions made a difference other than par. (ii)?
- viii. Can **causal factors** be derived from the observed impacts?
- ix. Have the interventions resulted in any **unintended effects** (i.e. induced)?
- x. What is TIA's contribution to Government's triple challenge of poverty, inequality and unemployment (whether direct, indirect or induced)?

2.2 Data requirements

The service provider is expected to assess both qualitative **and** quantitative data.

- i. Qualitative (providing evidence/examples/cases based on information provided in comparison with research done in the NSI space in which TIA operates):
 - a. Economic contribution to address the triple challenges of poverty, unemployment and inequality

- b. The economic impact of TIA programmes for the following:
 - youth;
 - black women;
 - rural communities;
 - townships;
 - municipalities;
 - poverty;
 - inequality, and
 - unemployment
 - c. The economic contribution of TIA programmes on the African continent.
 - d. The economic impact of localized technologies.
- ii. Quantitative
- a. Number of jobs created through TIA programmes.
 - b. Number of Masters and PhDs supported through TIA programmes.
 - c. Number of Interns employed.
 - d. Personal income generated – salaries and wages.
 - e. Taxes paid (PAYE, Income Tax and VAT).
 - f. Revenues and growth of TIA supported companies.
 - g. Induced/indirect impact on exporting to countries (products post commercialisation of innovative technologies supported by TIA's respective programmes)
 - h. Value of exports.
 - i. Number of R&D or Technology Development projects underway and/or completed.
 - j. Number of collaborations around R&D / Technology Development, with whom and why?
 - k. Number of patent applications in process and patents registered.
 - l. New products that reach the market place as a result of TIA programmes.
 - m. New technologies being developed.
 - n. Funding or investment raised.
 - o. New capex.
 - p. Government incentive/support schemes accessed.
 - q. Awards (TIA and TIA funded initiatives).
- iii. Each of undermentioned technology/innovation projects must be categorised or identified in terms of the Standard Industrial Classification (SIC) codes of the DTI:
- a. Advanced Manufacturing,
 - b. Agriculture
 - c. Bio-science
 - d. Health
 - e. ICT

- f. Energy
- g. Natural resources
- h. Taking technology further:
 - o Seed Fund Programme
 - o Technology Innovation Programmes (TIPS)
 - o Youth Technology Innovation Programmes (YTIP)
 - o Global Cleantech Innovation Programme (GCIP)
 - o Innovation Skills Development (ISD)
 - o Technology Stations Programme (TSP)
 - o Technology Platforms Programme)

2.3 The deliverables would include:

- 2.3.1 The service provider need to provide a brief overview of other or alternative evaluation and assessment methodologies and modelling techniques, other than the SAM (that is presently the preferred option by TIA for this tender). The service provider must explain, if applicable, why any other/alternative evaluation/ assessment methodologies and modelling techniques are better suited for performing this EIA for TIA, in particular.
- 2.3.2 The service provider must provide a detailed work plan that clearly identifies all activities and deliverables with clear timelines and milestones. This timeframe must be generically applicable for the duration (i.e. all three years) of this contract.
- 2.3.3 An Economic Impact Assessment (EIA) report detailing the information requested above with appropriate references. As a value addition, the EIA report should also include:
- i. Lessons that can be learned from the outcome and impact of TIA's project and programme activities.
 - ii. Recommendations and/or interventions required going forward to maximise the impact of TIA's project and programme activities, including aspects of the technology, science and innovation space – if and where applicable.
 - iii. The report will cover macro-economic statistics based on direct, indirect and induced impacts.
 - iv. The report will also include a comparative analysis between the modelling done for 16/17 compared with the modelling done for the preceding periods starting from 2010.
 - v. The EIA report will be presented in the following format – the use of graphics is strongly encouraged:
 - a. TIA branded front page.
 - b. Service provider's background summary and contact details.
 - c. Index.
 - d. Glossary of terms and definitions used.
 - e. Executive summary.
 - f. A succinct NSI overview for 2016/17 in context and as related to the space in which TIA operates.
 - g. Programme and project outputs and outcomes with modelled impact. assessments in **relation to the objectives** contained in the 16/17 APP and as reported throughout the year (as per SIC categories applicable) – as per above par 2.2.(iii).
 - h. Comparative analysis section – per year for the period 2010 till 2016/17.
 - i. Conclusion.

- j. Reference list.

2.4 Progress Monitoring

Regular report back meetings will be held with the service provider to determine delivery of the specific Scope of Work, in respect to time, budget and milestones. The service provider may be requested to provide electronic progress reports.

3. Timelines – applicable to all three years*

- For 2016/17 - the project must commence by latest 1 April.
- The first draft report must be submitted to the Head: Prime Unit at TIA on 8 May. The first draft will be reviewed for adequacy and returned to the service provider for corrections/updating by 10 May.
- TIA will provide the appointed service provider with all relevant information as related to its respective programmes and projects as contained in the relevant APP and the respective quarterly and other reports.
- TIA will provide a copy of the previous EIA done for the period 2010-2016. This information may not be used for purposes other than to perform a comparative analysis.
- The service provider will have to rely on interim financial results (management accounts as at end March) for a first order SAM modelling.
- TIA's Annual Financial Statement (AFS) for each year will only be ready towards middle to end May after which the service provider may have to perform a final econometric (SAM) modelling based on the final audited results, especially if there are material changes evident.
- The final report must be submitted by latest 31 May.
- ***Note:** TIA reserves the right to change the above timescales with due notification to the appointed service provider.

4. Mandatory Requirements of the Proposal

The service provider is required to submit the following mandatory documentation:

- a) Compliant **Tax Status** on the Central Supplier Database (CSD) report.
- b) **Proof of registration** on National Treasury's Central Supplier Database (CSD).
- c) Duly completed and signed tender documents attachments **SBD4; SBD6.1; SBD8 and SBD9**.
- d) Submission of four copies of the Proposal (including original).
- e) **Evidence** of econometric consulting experience in having conducted detailed economic impact assessments, both in the private and public sector, preferably within the technology innovation space. Five examples (it is suggested that the indexes of such study reports be provided as proof) of such work undertaken should be submitted together with contactable references. All evidence must not be older than December 2014;
- f) In order to understand the capacity of the service provider, it must submit a **list** of its **nominated dedicated staff**, and their positions/job titles, who will work on this

EIA assessment with their CVs attached, as well as **certified** copies of each one's academic qualifications as well as their respective years of experience in performing EIAs. This list must be updated in march each year for the following years' EIA process;

- g) Total **all-inclusive cost** (VAT inclusive) of the EIA study report per annum for the period 2016/17, 2017/18 and 2018/19. Escalation is capped at CPI as published by Stats SA in the month of the beginning of the next year's EIA activities (i.e. April).
- h) **Please complete the following pricing table:**

Price for each year	2016/17	2017/18	2018/19

Note:

- (i) Service providers intending to submit a bid must be aware that if any of the abovementioned mandatory documentary requirements are not met, **the bid will be disqualified summarily.**
- (ii) This tender, when awarded, will be followed by a **Service Level Agreement (SLA)** with the successful bidder and will contain all the scope of work, work plan, all other required terms and conditions, as well as the standard set of National Treasury's General Conditions of Contract (GCC) as contained herein (see par 5 below).

5. GENERAL TERMS AND CONDITIONS

- 5.1 The Respondent is responsible for all costs incurred in the preparation and submission of the proposal.
- 5.2 A copy/s of any affiliations, memberships and/or accreditations that support your submission must be included in the proposal.
- 5.3 Kindly note that TIA is entitled to:
 - 5.3.1 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;
 - 5.3.2 Verify any information contained in a proposal;
 - 5.3.3 Not appoint any bidder;
 - 5.3.4 Vary, alter, and/or amend the terms of this RFP, at any time prior to the finalisation of its adjudication hereof;
 - 5.3.5 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;
 - 5.3.6 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 2nd (second), and so on;

5.3.7 Award this RFP as a whole or in part without furnishing reasons;

5.3.8 Cancel or withdraw from this RFP as a whole or in part without furnishing reasons and without attracting any liability;

5.3.9 The Bidder hereby offers to render all 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 document (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein);

5.3.10 This proposal and its acceptance shall be subject to the terms and conditions contained in this RFP document; and

5.3.11 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.

6. Evaluation criteria

Proposals will be evaluated using the 90/10 preference points, based on the value of a three (3) year contract, with the option to extend it for another two years.

a. First Stage evaluation criteria

Table 8.1 – as follows:

Adjudication categories and evaluation criteria	Weight	Maximum score
<p>1. An assessment of the proposed work plan will be done. The work plan must clearly demonstrate and reflect detail of how the service provider intends performing this EIA task within the allotted timeframes.</p> <p><i>5 = all phases on the work process with deliverables had been clearly identified and linked to timelines; 3 = the plan contains only key elements of the work process and deliverables; 1 = the plan contains inadequate details about the work process and deliverables</i></p>	0.15	5
<p>2. Number of resources to carry out the study. These must be nominated dedicated staff of the service provider.</p> <p><i>5 = Equal/more than 5 resources; 4 = 3-4 resources; 3 = 2-3 resources, 2 = 2 resources and only 1 resource will score only a 1</i></p>	0.20	5

Adjudication categories and evaluation criteria	Weight	Maximum score
<p>3. Capabilities as determined by the level of the academic qualifications of the dedicated resources nominated (based on the certified copies of academic qualifications provided).</p> <p><i>5 = Equal/more than 5 resources with a NQF level 9-10 qualification in economic studies; 3 = 3-4 resources with a NQF level 8-9 in economic studies; 1 = 2-3 resources with a NQF level 7 in economic studies, any lower number of resources irrespective of qualification scores 0</i></p>	0.20	5
<p>4. Based on the CVs of the resources as indicated in section 3 above an assessment will be made on the <u>collective practical work experience (academic study periods excluded)</u> of the service provider's assessment team.</p> <p><i>5= ≥20 years and above; 4 = 15-19 years; 3 = 9-14 years score 15; 2 = 6–8 years and 5 years and less score a 1</i></p>	0.25	5
<p>5. Evidence based on reference letters and samples (copies of the indexes) of previous similar studies done.</p> <p><i>5 = 5 verified (by TIA) references; 3 = 3-4 verified (by TIA) references; any lower number of references score either a 1</i></p>	0.20	5
Minimum qualifying score		70 %

b. Second stage evaluation

Table 8.2

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

7. 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 and whether or not such a bidder will be appointed as the preferred service provider.

8. Enquiries & Responses

All communication and attempts to solicit information of any kind relating to this RFP should be channelled to tenders@tia.org.za.

9. Medium of Communication

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

10. Verification of Documents

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

11. Deadline for Submission

The proposal should be submitted by 11h00 on the **6th of March 2017** in a sealed envelope which must be clearly **marked RFP No. TIA003/2017**, addressed to:

Technology Innovation Agency

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 the 6 March 2017.

Four copies of each proposal (with all supporting documents) 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.

12. IMPORTANT NOTICE IN RELATION TO PAR 4:

Non-inclusion of any of the documents and information as listed in par 4 of this tender will lead to an automatic disqualification.

13. Payment

Payment will be effected within thirty (30) days after receipt of an invoice duly certified by the Head: Prime of TIA once the final EIA report had been submitted to and accepted by the latter.

14. Penalties

A penalty of 1% of the contract value (excluding VAT) will be levied for every day the EIA report is delivered late, commencing on 1 June.

15. Conclusion

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

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

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, 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. **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, shareholder²):

.....

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.

¹“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.

²"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 yes, 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 **YES / NO**
the appropriate authority to undertake remunerative
work outside employment in the public sector?

2.7.2.1 If yes, did you attached proof of such authority to the bid **YES / NO**
document?

(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 / **YES / NO**
trustees / shareholders / members or their spouses conduct
business with the state in the previous twelve months?

2.8.1 If yes, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have **YES / NO**
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?

2.9.1 If yes, furnish particulars.

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

2.10 Are you, or any person connected with the bidder, **YES/NO**
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?

2.10.1 If yes, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members **YES/NO**
of the company have any interest in any other related companies
whether or not they are bidding for this contract?

2.11.1 If yes, furnish particulars:

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

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

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

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 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 exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 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:

1.3.1.1 POINTS

1.3.1.2 PRICE

1.3.1.3 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 or proposal 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 “**SME**” 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:

$$\begin{array}{c}
 \mathbf{80/20 \quad or \quad 90/10} \\
 P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) \quad or \quad P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)
 \end{array}$$

Where

- Ps = Points scored for comparative price of bid under consideration
- Pt = Comparative price of bid under consideration
- Pmin = 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 Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
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:

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

6.1.2 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).

7. SUB-CONTRACTING

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

7.1.1 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)

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm :

8.2 VAT registration number :

8.3 Company registration number.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[Tick applicable box]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

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

[Tick applicable box]

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

8.8 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-BBEE 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. Name:..... Signature:.....

2. Name:..... Signature:.....

SIGNATURE(S) OF BIDDER(S)

Name:..... Signature:.....

DATE:.....

PHYSICAL ADDRESS:

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

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.

In order to give effect to the above, the following questionnaire must be completed and submitted with the bid. Item Question = Yes or No with particulars

- 4.1 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?

Yes or No

- 4.1.1 If yes, furnish particulars:

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

(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 audi alteram partem rule was applied).

[The Database of Restricted Suppliers now resides on the National Treasury’s website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.]

- 4.2 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)?

The Register for Tender Defaulters can be accessed on the National Treasury’s website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.

Yes or No

4.2.1 If yes, furnish particulars:

.....
.....

4.3 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?

Yes or No

4.3.1 If yes, 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 or No

4.4.1 If yes, 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

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Standard Bidding Document (SBD) must form part of all bids¹ 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).² Collusive bidding is a *per 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:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² 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.

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 Institution)

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

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

that:

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 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 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.

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