

**TENDER NUMBER: TIA005/2018**

**APPOINTMENT OF EXTERNAL AUDITORS FOR TECHNOLOGY INNOVATION AGENCY**

**83 LOIS AVENUE, MENLYN, PRETORIA**

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

**Issue Date: 31 August 2018**

**Mandatory Briefing Session: 6 September 2018 at 14:00**

**Address: TIA House  
83 Lois Avenue  
Menlyn  
Pretoria**

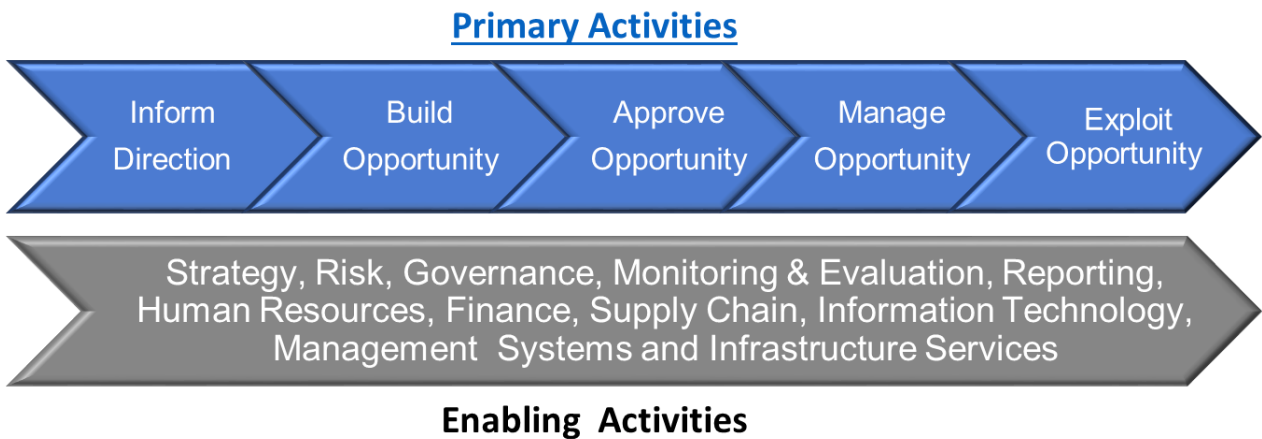
**Validity Period: 120 Days (after closing date)**

**Response Deadline: 25 September 2018 at 11:00**

**Contact Person: mandisa.pitso@tia.org.za**

## 1. BACKGROUND

- 1.1. The National System of Innovation in South Africa is still very young and fragmented and the flow of technology and information amongst people, enterprises and institutions are limited. The inability of academic research to reach the market as products and services is limiting economic development especially about technology innovation.
- 1.2. Technology Innovation Agency (TIA, the agency), an entity of the Department of Science and Technology (DST), was established in terms of the TIA Act (Act No. 26 of 2008), with the objective to stimulate and intensify technological innovation to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations, as the value chain depicted below.



## 2. PURPOSE

- 2.1. TIA seeks to appoint a reputable and suitably experienced audit firm, to perform the annual statutory audit for the 5 financial years commencing 1 April 2018 until 31 March 2023. The external audit services provided will be performed on behalf of the Auditor General of South Africa (AGSA) in terms of the Public Audit Act of 2005 (PAA).



- 2.2. It should be noted that, in line with Section 25 of the PAA, the AGSA on an annual basis decides whether to perform the audit of TIA or not. The AGSA has not informed TIA of its intention to audit the agency for the 2018/19 financial year.
- 2.3. It should be noted that TIA will not allow any other work to be performed by the audit firm or its subsidiaries during the external audit engagement period.

### **3. ELIGIBILITY CONDITIONS**

- 3.1. The tenure of TIA's current external auditors came to an end with the audit of the 2017/2018 financial year. Auditors are rotated in terms of the Auditing Profession Act, 26 of 2005. Therefore, audit firms that have audited TIA in the preceding 5 years (2013/14 to 2017/18) are not eligible to bid.
- 3.2. The AGSA has terminated various contracts with firms over the past 2 years, therefore in terms of this these audit firms are also not eligible to bid.
- 3.3. Should the bidder currently perform other functions for the agency, this should be highlighted in the bid document with a clear articulation as to why the bidder's independence (actual or perceived) is not impaired.
- 3.4. TIA seeks to appoint a firm that has 10 years or more experience in financial services and the public sector to provide the users of TIA's audited financial statements reasonable assurance of the quality of work performed.

#### 4. SCOPE OF WORK

- 4.1. The appointed audit firm will be required to perform all statutory audit work for TIA, as well as closely related non-audit services as outlined below in line with the requirements of the Auditor General and the Public Auditors Act (PAA):
  - 4.1.1. Perform the year end audit of the Agency;
  - 4.1.2. Express an opinion on the consolidated and separate financial statements of the group;
  - 4.1.3. Express an opinion on the non-financial performance indicators as required by AGSA;
  - 4.1.4. Perform a review and express an opinion on the National Treasury financial statements template, based on the statutory audit work performed;
  - 4.1.5. Perform any additional audit work as required by AGSA in terms of guidelines and technical memoranda.
  
- 4.2. Required outputs would include (but will not be limited to) the following:
  - 4.2.1. Providing TIA with an audit planning memorandum before commencement of the audit each year. This memorandum should detail the audit plan, risk areas and the impact this has on the standard audit program. A fee for the year must also be proposed based on the plan, with a detailed schedule of the fee being made available for approval by the Audit and Risk Committee;
  - 4.2.2. In collaboration with the agency's internal audit develop a combined assurance model and execute such model;
  - 4.2.3. An interim audit to be performed in the last quarter of the financial year, a management letter should form part of this interim audit;
  - 4.2.4. Auditing of the annual financial statements of the consolidated and separate annual financial statements, as delivered to the auditors, by 31 May of each year as part of the statutory audit;
  - 4.2.5. Submitting a report to the Audit and Risk Committee by the last week of May each year, detailing the audit opinion and any other matters to be brought to the attention of the Audit and Risk Committee;

- 4.2.6. Providing a report on the review of the National Treasury financial statements template for the economic entity, to be submitted to National Treasury by 31 May of each year;
- 4.2.7. Providing TIA with an assessment, based on audit procedures performed, on the adequacy of internal control systems and processes;
- 4.2.8. Providing TIA with an assessment of the internal audit function and the ability to place reliance on the internal audit function;
- 4.2.9. Providing TIA with a management report, detailing concerns that require TIA's attention with recommendations after allowing for discussion with TIA management to determine the relevance of insights raised;
- 4.2.10. Providing technical assistance and guidance on request; and
- 4.2.11. Strict and mandatory adherence to the statutory deadlines (PFMA and other deadlines). These deadlines might be shortened by TIA management, the audit firm is expected to adapt accordingly.

## **5. MANDATORY REQUIREMENTS**

- 5.1 Proposals will be disqualified or excluded under the following conditions:
  - 5.1.1 Submission after the deadline;
  - 5.1.2 Proposals submitted at incorrect location;
  - 5.1.3 Proposals submitted via email or fax;
  - 5.1.4 Service Providers not registered on the Central Supplier Database ([www.csd.gov.za](http://www.csd.gov.za));
  - 5.1.5 Service Providers whose tax matters are not in order when TIA appoints;
  - 5.1.6 Failure to submit 4 x copies and an original bid document;
  - 5.1.7 Not attending the mandatory briefing session. It should be noted that the person attending the briefing session should sign the correct legal name of the bidder; and
  - 5.1.8 Not including a certification from the Independent Regulatory Board for Auditors(IRBA) indicating the certification of the firm as well as that of the lead partner.

## 6. FUNCTIONAL REQUIREMENTS

- 6.1 The bidder should be able to demonstrate the following competencies:
- 6.1.1 Audit firm structure, indicating the firm's executives, number of partners, managers and clerks. This should also include details of demographics at each level.
- 6.1.2 Registration in terms of the Public Audit Act as an accountant and auditor and engaged in the public practice (registration with IRBA – Independent Regulatory Board of Auditors).
- 6.1.3 Provide dedicated resources available for the external audit for the first year of the engagement, qualifications and experience of such resources (attach CV's);
- 6.1.3.1 Provide CV's of the proposed lead partner, audit partner and manager clearly indicating the individuals' designation, qualifications and client experience in the public sector.
- 6.1.3.2 Availability, experience and academic qualification levels of staff to be committed to the audit throughout the 5-year period, showing the number of staff and their academic levels. Please populate the information needed in the following format:

Designation	Name and Surname	Academic level – required	Team member current academic level
First year trainee		B Com Accounting	
First year trainee		B Com Accounting	
Second year trainee		CTA	
Second year trainee		CTA	
Third year trainee		Passed Part 1 of Board exam	
Supervisor		Newly qualified CA(SA)	
Manager		CA(SA)	
Engagement partner		CA(SA)	



- 6.1.4 Knowledge of and exposure to the PFMA (Public Finance Management Act), Treasury Regulations and Generally Recognised Account Practice (GRAP) are essential;
- 6.1.5 Independence and objectivity must be assured by there not being any conflict of interest;
- 6.1.6 List previous work done for TIA and indicate why the firm believes that the project will not impair its independence towards TIA, should the bid be successful;
- 6.1.7 Track record and reputation – 5 written references attesting to performing statutory audits in the public sector are required. The reputation of the firm must demonstrate professional competence and integrity as confirmed by the clients.
- 6.1.8 Confirmation of the existence of a technical department, as well as numbers and levels of staff in this department.
- 6.1.9 The audit firm is to have a minimum of ten (10) years' experience in conducting audits for government entities.

## **7. GENERAL TERMS AND CONDITIONS**

- 7.1 The Respondent is responsible for all costs incurred in the preparation and submission of the proposal.
- 7.2 A copy/s of any affiliations, memberships and/or accreditations that support your submission must be included in the proposal.
- 7.3 Kindly note that TIA is entitled to:
  - a. 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;
  - b. Verify any information contained in a proposal;
  - c. Not appoint any bidder;
  - d. Vary, alter, and/or amend the terms of this RFP, at any time prior to the finalisation of its adjudication hereof;
  - e. Disqualify proposals that contain an omission of disclosure of material information, that is factually inaccurate, and/or contains a misrepresentation of facts. This could also lead to the cancellation of any subsequent contracts;



- f. 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;
- g. Award this RFP as a whole or in part without furnishing reasons;
- h. Cancel or withdraw from this RFP as a whole or in part without furnishing reasons and without attracting any liability;
- i. 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 documents (and which shall be taken as part of, and incorporated into, this proposal at the prices inserted therein);
- j. This proposal and its acceptance shall be subject to the terms and conditions contained in this RFP document;

**8. EVALUATION CRITERIA**

8.1 The Tender will be evaluated based on the tender response fit with the criteria requirements listed below.

EVALUATION CRITERIA	WEIGHT	MAXIMUM SCORE
<p>1. Audit firm’s audit experience in the public sector – indicating the total number of years. Firms must provide a schedule of the public-sector audit performed, and proof of audit completed in the form of an audit opinion issued.</p> <p><b>5 = More than 10 years’ public-sector experience;</b>  <b>4 = 10 years’ public-sector experience,</b>  <b>3 = 8 to 9 years’ public-sector experience,</b></p>	<b>0.20</b>	<b>5</b>



EVALUATION CRITERIA	WEIGHT	MAXIMUM SCORE
<p><b>2= 5 to 7 years' public-sector experience,</b>  <b>1 = 2 to 4 years' public-sector experience; and</b>  <b>0 = less than 2 years' public-sector experience.</b></p>		
<p>2. Lead partner – confirmation of experience, this should be verified in terms of a CV supplied (as per point 6.1.3.1).</p> <p><b>5 = more than 15 years' experience,</b>  <b>4 = more than 10 years but less than 15 years;</b>  <b>3 = more than 5 years but less than 10 years;</b>  <b>2 = more than 1 year and less than 5 years;</b>  <b>1 = less than 1 years' experience; and</b></p> <p><b>0 = no CV included</b></p>	<b>0.20</b>	<b>5</b>
<p>3. 5 written reference letters from previous public sector clients where external audit services were performed in the past 3 years. The references should confirm the services provided, attest to the professionalism and integrity of the firm as well as the level of satisfaction.</p> <p><b>5 = 5 references,</b>  <b>4 = 4 references,</b>  <b>3 = 3 references,</b>  <b>2 = 2 references,</b>  <b>1 = 1 reference; and</b>  <b>0 = 0 references.</b></p>	<b>0.40</b>	<b>5</b>
<p>4. Audit team - confirmation that the staff to be assigned in the first year will meet the technical requirements as set out in section 6 of this document.</p> <p><b>5 = confirmation that the audit team will meet the requirements; and</b></p>	<b>0.20</b>	<b>5</b>

EVALUATION CRITERIA	WEIGHT	MAXIMUM SCORE
<b>0 = no confirmation in the document/team provided do not conform to required academic levels</b>		
<b>Total weighted score/Maximum possible score</b>	<b>100</b>	
<b>Minimum qualifying score (expressed as percentage)</b>		<b>75%</b>

<b>B-BBEE status level Contributor</b>		<b>20</b>
<b>Points for Price</b>		<b>80</b>
<b>Maximum Points</b>		<b>100</b>

## 9. DEADLINE FOR SUBMISSION

- 9.1. Proposals should be labelled indicating the Tender reference number and must be submitted at the Technology Innovation Agency Tender Box in sealed envelopes at 83 Lois Avenue, Atterbury Road, Menlyn.

Proposals should be submitted at the address mentioned above no later than **24 September 2018 at 11:00**

## 10. COSTING

- 10.1 Pricing to be included in the bid amount as per the table below should only be for the first year of the audit, as this bid amount will be used for the evaluation.
- 10.2 Price escalation for the subsequent 4 years of audit will be based on a negotiation process with TIA where factors such as cost escalation, change in audit scope,



improved client efficiencies, improved audit efficiencies and changes in the environment will be considered. The fee for all years will be subject to approval by the Audit and Risk committee of TIA, who will not unreasonably withhold such approval where plausible reasons for escalation have been aptly communicated and agreed upon with TIA management.

Financial Evaluation Criteria		Unit of Measure	Quantity	AGSA Rate (Incl. Vat)	Total cost (Incl. Vat)
<b>All Sections – Statutory audit</b>					
Required personnel	Partner	Hours	32		
	Manager	Hours	80		
	Supervisor	Hours	120		
	3 <sup>rd</sup> year trainee	Hours	200		
	2 <sup>nd</sup> year trainee	Hours	200		
	2 <sup>nd</sup> year trainee	Hours	200		
	1 <sup>st</sup> year trainee	Hours	200		
	1 <sup>st</sup> year trainee	Hours	200		
Total statutory audit					
	NT AFS	Total fee			
Total bid amount					

## 11. PERIOD OF APPOINTMENT

11.1 Although the tender will be awarded to the successful bidder for a period of 5 years, the annual appointment of such audit firm is dependent upon:

11.1.1 AGSA not exercising its right to audit TIA as a public entity under the PAA;

11.1.2 Annual confirmation from AGSA that the firm may be appointed for another year; and

11.1.3 Formal approval of the audit planning memorandum at the Audit and Risk committee of the entity.



SBD 1

**INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)**

BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
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DESCRIPTION

**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)


**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					

	TCS PIN:		<b>OR</b>	CSD No:	
--	----------	--	-----------	---------	--

B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No	B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No
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IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)
	<input type="checkbox"/>	A REGISTERED AUDITOR NAME:



**[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]**

ARE YOU THE ACCREDITED REPRESENTATIVE <b>IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR <b>THE GOODS /SERVICES /WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No  [IF YES ANSWER PART B:3 BELOW ]
<b>SIGNATURE OF BIDDER</b> .....	<b>DATE</b>		
<b>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)</b>			
<b>TOTAL NUMBER OF ITEMS OFFERED</b>		<b>TOTAL BID PRICE (ALL INCLUSIVE)</b>	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT/ PUBLIC ENTITY		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<p><b>1. BID SUBMISSION:</b></p>
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.</p>
<p><b>2. TAX COMPLIANCE REQUIREMENTS</b></p>
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER’S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<p><b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b></p>

3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

YES  NO

3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?

YES  NO

3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

YES  NO

3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?

YES  NO

**IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.**

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**



**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 .....

2.7 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 attach 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:





.....  
Position Name of Bidder

**SBD 6.1**

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

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

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

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**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

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 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

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“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 goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;

- (i) “**QSE**” means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) “**rand value**” means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 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 price of bid under consideration  
 $P_t$  = Price of bid under consideration  
 $P_{\min}$  = Price of lowest acceptable bid

### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (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	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2



Non-compliant contributor	0	0
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**5. BID DECLARATION**

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

**6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1**

6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)  
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.)

**7. SUB-CONTRACTING**

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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 or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		



Any QSE		
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**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-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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. ....

2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

SI

**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	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 <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:		



**SBD 8**

**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.**



**SBD 9**

**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: \_\_\_\_\_ 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

### **SBD 9**

- 6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or 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.**

**SBD 9**

- 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