



<b>TENDER No.:</b>	<b>TIA 013/2017</b>
<b>DESCRIPTION:</b>	<b>Job grading, remuneration benchmark, and employee engagement services Tender for Technology Innovation Agency</b>
<b>MANDATORY BRIEFING SESSION:</b>	<b>27 September 2017 at 14:00</b>
<b>CLOSING TIME AND DATE</b>	<b>16 October 2017 at 11:00</b> <b>No late tenders will be accepted</b>
<b>DELIVERY DETAILS:</b>	<b>1 X original and 4 copies of proposals must be handed in at reception, TIA House, 83 Lois Avenue, Menlyn, Pretoria in a sealed envelope, clearly stating the reference number, name of the proposal and company name submitting the proposal. Failure to comply might render the tender to be rejected on the basis of being incomplete. Price Proposal must be in a sealed separate envelope clearly stating the reference number, name of the proposal and company name submitting the proposal.</b>
<b>TENDER VALIDITY</b>	<b>120 days</b>
<b>CONTACT PERSON:</b>	<b>Mandisa Pitso (<a href="mailto:mandisa.pitso@tia.org.za">mandisa.pitso@tia.org.za</a>)</b>
<b>DURATION OF THE CONTRACT</b>	<b>For the period of 36 months, with an option to extend for another 24 months depending on performance</b>

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## Section I Summary and Purpose of the request

### A. Background

Technology Innovation Agency (TIA) is a world class Agency established in terms of the TIA Act, (Act No. 26 of 2008), with the objective of - “Stimulating and intensifying technological innovation in order to improve economic growth and the quality of life of all South Africans by developing and exploiting technological innovations”.

### B. Objectives

- TIA is seeking proposals from reputable and experienced organisations to assist us with the following measurement tools required by the Human Resources division to execute our mandate of attracting, retaining and creating a performance driven workforce:
  - i. Annual Salary Benchmark of Remuneration / Total Rewards Benchmark, once every two-years.
  - ii. Payscale development (HR tool used for appointing employees at market related salaries)
  - iii. Job Evaluation and Grading of new and existing positions
  - iv. Employee Engagement Surveys
- Due to the nature of the benchmark surveys a large pool of external market participants (database) are required to provide TIA with an accurate measurement of our HR practices compared to other companies in the market in which we operate to ensure that we remain competitive in the labour market and ensure that we implement tools and processes that will result in an engaged workforce.
- The benefit of using an external provider to provide this function for three years, with the option to extend for a further two years, is to ensure continuity. It also allows for impartiality in that profiles are assessed and graded by a provider that has no direct internal interest in TIA and that we are able to accurately measure progress against the same measurements over a couple of years.

## Section II Scope of Services

Remunerating and rewarding employees for performance on a fair and equitable manner is core to the development of a high-performance culture. Similarly, TIA, as an agent of the Government, also has a critical role to play in the development of innovation skills within the National System of Innovation. The remuneration and reward philosophy is therefore built on the pillars of fair and equitable remuneration, linked to experience and knowledge, as well as impact of position within TIA and the National System of Innovation (NSI).

The successful service provider must assist TIA with measurement and provision of the following services:

- i. Assess and grade new and existing TIA job profiles as and when required (ad-hoc) by following an accurate, fair, equitable and impartial process based on the Patterson grading system, within a three-day turnaround period.
- ii. Conduct an annual employee engagement survey based on a proven framework and model to assess employee engagement in the areas of, attraction, retention, performance and overall engagement
- iii. Analyse TIA's current employee data to assist with the formulation of a benchmark-data base that proportionally matches the company's unique setup. The database needs to contain elements of the Private Sector, Government institutions, State Owned Enterprises and ensure that the relevant institutions in the database is a close reflection/match to the current TIA staff database, taking into account company size and other relevant factors such as annual budget, number of employees, area of work (region) etc.
- iv. Conduct an annual benchmark process to compare our salary database, against the TIA market database determined in point iii, based on the following weighting:
  1. National database (Private Sector) - (40%) – All private sector companies,
  2. Entities within the Department of Science and Technology (DST) – (30%) – Higher Education Institution, Research Councils, Incubators, and Funders.
  3. Entities within the National System of Innovation (NSI) – (30%) – Government departments involved in innovation, all reporting State Owned Entities (SOE) to DST including Department of Trade and Industry (DTI), Department of Energy including their subsidiaries.
- v. The benchmark process (point iv) should include all elements of total package as TIA is using a Cost to Company remuneration structure.
- vi. The benchmark results should be reported per sector (National, DST and NSI) as well as combined benchmark (National 40%, DST 30%, NSI 30%)

- vii. Every second year the benchmark process as detailed in point iii and iv, should include other elements of total rewards such as leave, working conditions, and benefits (pension, group life, disability benefits, and medical aid) to ensure that we are in line with what other similar companies offer employees as part of their Total Rewards Package.
- viii. Analyse the pay distribution, range, slope and overlap of TIA remuneration, providing the relevant reports, recommendations and presenting the outcome of these to the EXCO and Board on an annual basis
- ix. Design a pay scale for TIA in support of the TIA strategy and culture, using current salaries (pay-grade averages) to inform mid-points, apply different pay ranges for normal staff vs management grades, using the Patterson methodology.
- x. Providing the relevant deliverables/reports and presenting these to EXCO, the TIA Board and Staff (staff address), including but not limited to the Annual Benchmark Report, Annual Payscale, Job Evaluation Report, Employee Engagement Report and survey findings.

### **Section III Submission Requirements**

#### **Proposal requirements**

All proposals must address all the program components as detailed in the scope. Each bidder must submit one original set and four copies of the proposal to:

**Technology Innovation Agency**

83 Lois Avenue

Cnr Lois Avenue and Atterbury Road, Menlyn

0063

by **16 October 2017 at 11:00**

#### **a) Technical Requirements**

The interested bidders must present a thorough proposal including turnaround times to develop and detail the approach that will be followed to assist TIA with the following required services:

**i. Annual Salary Benchmark of Remuneration / Total Rewards Benchmark, every two years.**

- a. Proposal to define a relevant benchmark database as described in points iii – v, of the Scope of Services.
- b. Relevant participant database size and structure to include companies in the National Sector, DST, NSI – at least 500 companies in the total database. List of companies to be provided, grouped per sector National, DST and NSI.
- c. 80% annual participation of the market-database that submit updated benchmark information annually. Based on the average of the last 3 years participation. (Example: 2015: 81%, 2016: 78%, 2017: 86%  
Average:  $81\% + 78\% + 86\% / 3 = 81.6666\%$ )
- d. Examples of benefit information gathered during Total Reward Benchmarks conducted on existing clients, including but not limited to Leave, Working Conditions, Benefits (Pension, GroupLife/Risk Cover), Medical aid benefits.
- e. Example of a benchmark report, as per the combined TIA database as well as per individual sector (National, DST and NSI)

**ii. Payscale development (HR tool used for appointing employees at market related salaries)**

- a. Proposal to define and outline the methodology used for the Payscale development, including:
  - (aa) Understanding of Patterson principles and grading system
  - (ab) Understanding of how to base the mid-point of the payscale on TIA's current salary data based on the average internal salary per grade.
  - (ac) Understanding of how to apply different pay ranges for Management and Support staff per job grade
- b. Provide an example of the payscale and associated interpretation in line with scope requirements.

**iii. Job Evaluation and Grading of new and existing positions**

- a. Proposal to define and outline the methodology used for job evaluation and grading.

- b. Example of a graded position from a previous client that will indicate the use of the described methodology.

**iv. Employee Engagement Surveys**

- a. Proposal to define and outline the methodology used for the Employee Engagement Survey, including an Employee engagement model and framework that has been proven and include but not limited to: Attraction, Retention, Performance and overall Engagement
- b. Electronic deployment capability together with data capturing capabilities to collect survey information, ensuring employee anonymity (name of electronic system used)
- c. Able to report on demographic data (example report to be provided)
- d. Able to report and present survey information broken down to divisional and Business unit level (example report to be provided)

**b) Turnaround times**

The interested bidders must present a brief description of the timelines required for each of the project components:

- i. Annual Salary Benchmark of Remuneration / Total Rewards Benchmark, once every two years.
- ii. Payscale development (HR tool used for appointing employees at market related salaries)
- iii. Job Evaluation and Grading of new and existing positions
- iv. Employee Engagement Surveys

**c) Costs**

The **financial proposal in a separate envelope**, is to be based on estimated cost of the project and including envisaged hours and relevant hourly/daily rates inclusive of VAT, and all other relevant costs for the following:

Type of Service	Total Cost per annum (first year)
i. Annual Salary Benchmark of Remuneration	
ii. Total Rewards Benchmark, once every two years	
iii. Payscale development (HR tool used for appointing employees at market related salaries) (Annual)	
iv. Employee Engagement Surveys (Annual)	
VAT (14%)	
A. Total Cost:	

Cost per job evaluation, based on an estimated 20 positions per year:

Service	Number of hours per position	Rate per Hour	Number of estimated positions per annum	Total Cost (first year)
v. Job Evaluation and Grading of new and existing positions (per position), ad hock as required.			20	
VAT (14%)				
B. Total Cost:				
Total Cost (A + B)				

The tender will be awarded on the first-year cost. Thereafter a CPI increase as published by StatsSA, will be applicable for the duration of the contract.

**d) Evidence of Competence:**

- i. A brief description of the firm/institution and an outline of recent experience on projects of a similar nature. The proposal must also include any other information that will facilitate the evaluation of the companies/organisation's reliability and capacity to meet TIA's requirements.
- ii. Experience of the organisation – List of clients in the National Sector, DST and NSI.
- iii. Provide at least 5 written letters of recommendation by clients where similar projects have been delivered, on the client's letterheads.
- iv. The recommendation letters need to address all the areas of work requested namely
  - a) Annual Salary Benchmark of Remuneration
  - b) Total Rewards Benchmark, once every two years
  - c) Payscale development (HR tool used for appointing employees at market related salaries) (Annual)
  - d) Job Evaluation and Grading of new and existing positions (per position)
  - e) Employee Engagement Surveys (Annual)
- v. At least five (5) years' experience of project team in the related field, as demonstrated by their curriculum vitae of the project team members.
- vi. Project team leader must have an active Global Remuneration Professional (GRP) qualification.

**e) Presentation**

The top three shortlisted bidders that pass the first stage of evaluation will be required to do a presentation to the bid evaluating committee based on all services required, namely:

- i. Annual Salary Benchmark of Remuneration
  - Explanation of methodology that will be applied
  - Example of reports and presentation that will be given to TIA as an output of the annual benchmark process
- ii. Total Rewards Benchmark, once every two years

- Explanation of methodology that will be applied
  - Example of reports and presentation that will be given to TIA as an output of the bi-annual benchmark process
- iii. Payscale development (HR tool used for appointing employees at market related salaries)
- Explanation of methodology that will be applied
  - Example of the Patterson payscale that will be provided to TIA
- iv. Employee Engagement Survey
- Explanation of methodology that will be applied
  - Example of the Patterson payscale that will be provided to TIA
- v. Job Evaluation and Grading of new and existing positions (per position)
- Explanation of methodology that will be applied
  - Example of a job evaluation report that will be provided to TIA as an output the grading exercise, as well as an example of a previously graded profile.

It must be concise, accurate and appropriate for TIA and clearly demonstrate the service providers ability to deliver and examples of the deliverables on the required services.

**f) Mandatory requirements (If not submitted the bid will be disqualified):**

- i. The supplier must be registered on Central Supplier Database and tax compliant
- ii. The project team leader must have a valid GRP qualification
- iii. Attendance of the mandatory briefing session
- iv. One original tender submission and four (4) copies

## **Section IV Bid Evaluation**

### **Evaluation Criteria**

Bids will be evaluated in three stages. The first stage will be the technical evaluation criteria. The top three suppliers who meet the minimum qualifying score under

technical evaluation will proceed to the second stage (presentation). The suppliers who meet the minimum qualifying score under presentations will proceed to the final price evaluation stage where quote will be evaluated on an 80/20 basis. 80 points representing the price and 20 representing the BBBEE level.

**First Stage: Functionality/Technical Evaluation**

Adjudication categories and criteria	Weight	Maximum Score
<b>References and Experience of Team – 10%</b>		
<p><b>References:</b> Written letters of recommendation by clients where similar projects have been delivered, on the clients' letterheads (Contactable). For the following services:</p> <ul style="list-style-type: none"> <li>• Annual Salary Benchmark of Remuneration</li> <li>• Total Rewards Benchmark, once every two years</li> <li>• Payscale development (HR tool used for appointing employees at market related salaries) (Annual)</li> <li>• Job Evaluation and Grading of new and existing positions (per position)</li> <li>• Employee Engagement Surveys (Annual)</li> </ul> <p>Reference letter for each of the 5 services= 5 Reference letter for 4 of the 5 services = 4 Reference letter for 3 of the 5 services = 3 Reference letter for 2 of the 5 services = 2 Reference letter for 1 of the 5 services = 1 Reference letter for 0 of the 5 services = 0</p>	<b>0.05</b>	<b>5</b>
<p><b>Experience of Project Team:</b></p> <p>At least five (5) years' experience of project team in the related field, as demonstrated by their curriculum vitae of the project team members. (Average per team)</p> <p>5 Years or more = 5</p>	<b>0.05</b>	<b>5</b>

4 – 5 Years = 4		
3 – 4 Years = 3		
2 – 3 Years = 2		
1 – 2 Years = 1		
<b>Benchmark Process – Annual and Bi-Annual – 35%</b>		
<p>Proposal to define a relevant benchmark database as described in points iii – v, of the Scope of Services.</p> <p>Proposal submitted addressing requirements = <b>5</b></p> <p>Proposal submitted but not addressing all requirements = <b>3</b></p> <p>No Proposal submitted = <b>0</b></p>	<b>0.05</b>	<b>5</b>
<p>Relevant participant database size and structure to include companies in the National Sector, DST, NSI – <b>at least 500 companies in the total database</b>. List of companies to be provided, grouped per sector National, DST and NSI.</p> <p>List of companies provided per sector, 500 or more = 5</p> <p>List of companies submitted, not split per sector, 500 or more = 3</p> <p>Less than 500 companies = 0</p>	<b>0.1</b>	<b>5</b>
<p>80% annual participation of the market-database that submit updated benchmark information annually. Based on the average of the last 3 years participation. (Example: 2015: 81%, 2016: 78%, 2017: 86% Average: <math>81\% + 78\% + 86\% / 3 = 81.6666\%</math>)</p> <p>80% and above = <b>5</b></p> <p>70% and above = <b>3</b></p> <p>Less than 70% = <b>0</b></p>	<b>0.1</b>	<b>5</b>

<p>Examples of benefit information gathered during Total Reward Benchmarks conducted on existing clients, including but not limited to Leave, Working Conditions, Benefits (Pension, GroupLife/Risk Cover), Medical aid benefits.</p> <p>Example of previous report including examples of ability to gather different types of benefit information (including Leave, Working Conditions, Benefits (Pension, GroupLife/Risk Cover), Medical aid benefits) = <b>5</b></p> <p>Example of previous report not addressing the minimum requirement of Leave, Working Conditions, Benefits and Medical aid = <b>3</b></p> <p>No example of previous report including examples of ability to gather benefit information = <b>0</b></p>	<b>0.05</b>	<b>5</b>
<p>Example of a benchmark report, as per the combined TIA database as well as per individual sector (National, DST and NSI)</p> <p>Example of the benchmark report that will be submitted to TIA, per sector (DST, NSI, National) and combined per ratio = <b>5</b></p> <p>Example of the benchmark report that will be submitted to TIA, only combined / only per sector = <b>3</b></p> <p>No Example report = <b>0</b></p>	<b>0.05</b>	<b>5</b>
<b>Payscale Development - 20%</b>		
<p>Proposal to define and outline of the methodology used for the Payscale development, including:</p> <ul style="list-style-type: none"> <li>i. Understanding of Patterson principals and grading system</li> <li>ii. Understanding of how to base the mid-point of the payscale on TIA's current salary data based on the average internal salary per grade.</li> <li>iii. Understanding of how to apply different pay ranges for Management and Support staff per job grade</li> </ul> <p>Meet all requirements, payscale submitted = <b>5</b></p> <p>Meet two (2) requirements, payscale submitted = <b>3</b></p>	<b>0.15</b>	<b>5</b>

Meet one (1) requirement = 1		
Provide an example of the payscale and associated interpretation in line with scope requirements.  Payscale example provided based on the criteria (Section III (a) (ii) (a) (aa-ac) = 5  No payscale submitted or not meeting criteria = 0	0.05	5
<b>Job Evaluation and Grading – 10%</b>		
Proposal to define and outline the methodology used for job evaluation and grading, addressing the requirements as per the Scope of Services (Section II (i))  Proposal submitted addressing requirements = 5  Proposal submitted but not addressing all requirements = 3  No Proposal submitted = 0	0.05	5
Example of a graded position from a previous client that will indicate the use of the described methodology.  Example of graded submitted in line with proposal requirements = 5  Example of graded position submitted, not based on proposal = 3  No Example submitted = 0	0.05	5
<b>Employee Engagement Survey Methodology – 25%</b>		
Meeting technical requirements as per Section III, Proposal Requirements (a) Technical Requirements (iv) Employee Engagement Surveys: S111(a)(iv)  a. Proposal to define and outline the methodology used for the Employee Engagement Survey, (b) including an Employee engagement model and framework that has been proven and include but not limited to: Attraction, Retention, Performance and overall Engagement  Proposal submitted addressing requirements = 5  Proposal submitted but not addressing all requirements = 3	0.10	5

No Proposal submitted = <b>0</b>		
Electronic deployment capability together with data capturing capabilities to collect survey information, ensuring employee anonymity (name of electronic system used) – overview of capabilities of system.  Meet requirements = <b>5</b>  Not meeting the requirements = <b>0</b>	<b>0.10</b>	<b>5</b>
Able to report on demographic data (example report to be provided)  Meet requirements = <b>5</b>  Not meeting the requirements = <b>0</b>	<b>0.025</b>	<b>5</b>
Able to report and present survey information broken down to divisional and business unit level (example report to be provided)  Meet requirements = <b>5</b>  Not meeting the requirements = <b>0</b>	<b>0.025</b>	<b>5</b>
<b>Total weighted score/Maximum possible score</b>	<b>1</b>	
<b>Minimum qualifying score (expressed as percentage)</b>	<b>75%</b>	

### Second Stage (Presentations)

The top three shortlisted bidders that passes the first stage of evaluation will be required to do a presentation to the bid evaluating committee based on all services required. **The minimum qualifying score is 75%:**

<b>Criteria for the Presentation</b>	<b>Weight</b>	<b>Maximum Score</b>
Annual Salary Benchmark of Remuneration  <ul style="list-style-type: none"> <li>• Explanation of methodology that will be applied</li> <li>• Example of reports and presentation that will be given to TIA as an output of the annual benchmark</li> </ul>	<b>0.30</b>	<b>5</b>

process		
<p>Total Rewards Benchmark, once every two years</p> <ul style="list-style-type: none"> <li>• Explanation of methodology that will be applied</li> <li>• Example of reports and presentation that will be given to TIA as an output of the bi-annual benchmark process</li> </ul>	<b>0.10</b>	<b>5</b>
<p>Payscale development (HR tool used for appointing employees at market related salaries)</p> <ul style="list-style-type: none"> <li>• Explanation of methodology that will be applied</li> <li>• Example of the Patterson payscale that will be provided to TIA</li> </ul>	<b>0.10</b>	<b>5</b>
<p>Job Evaluation and Grading of new and existing positions (per position)</p> <ul style="list-style-type: none"> <li>• Explanation of methodology that will be applied</li> <li>• Example of a job evaluation report that will be provided to TIA as an output the grading exercise, as well as an example of a previously graded profile</li> </ul>	<b>0.20</b>	<b>5</b>
<p>Employee Engagement Survey</p> <ul style="list-style-type: none"> <li>• Explanation of methodology that will be applied</li> <li>• Example of a job evaluation report that will be provided to TIA as an output the grading exercise, as well as an example of a previously graded profile.</li> </ul>	<b>0.30</b>	<b>5</b>
Total weighted score	<b>1</b>	
Minimum qualifying score	<b>75%</b>	

### Third Stage (Price and BBEE)

<b>Adjudication categories</b>	<b>Points</b>
<b>1. Bid Price</b>	<b>80</b>
<b>2. Points awarded for B-BBEE Status Level</b>	<b>20</b>
<b>Total points</b>	<b>100</b>

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

2.7.2.1 If yes, did you attach 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 so, 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 so, 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 so, 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 so, furnish particulars:

.....

.....

.....

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

<b>Full Name</b>	<b>Identity Number</b>	<b>Personal Tax Reference Number</b>	<b>State Number</b>	<b>Employee / Persal Number</b>


**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 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.**

#### 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	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

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>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	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**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:

<b>Designated Group: An EME or QSE which is at last 51% owned by:</b>	<b>EME</b>	<b>QSE</b>
	√	√
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		

**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: .....

**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.**

..

Item	Question	Yes	No
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>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
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>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>
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>	<p>Yes</p> <p><input type="checkbox"/></p>	<p>No</p> <p><input type="checkbox"/></p>

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**

## 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.**

**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