

THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA) HEREBY REQUESTS
PROPOSALS FOR UNDERSTANDING ECONOMIC REGIONS IN SOUTH AFRICA:
DEVELOPING A STRATEGIC LOCAL GOVERNMENT RESPONSE

CLOSING DATE: 25 NOVEMBER 2016
TIME : 11:00 AM

TENDERS CAN BE DEPOSITED IN THE TENDER BOX AT THE RECEPTION AT:

SALGA NATIONAL OFFICE
FIRST FLOOR, BLOCK B
MENLYN CORPORATE PARK
C/O GARSFONTEIN AND COROBAY AVENUE
WATERKLOOF GLEN
TEL: 012-369 8000

1. CONTEXT

THE ORGANISATION - SALGA

The South African Local Government Association (SALGA) is a statutory body fulfilling the constitutional mandate calling for 'organised local government'. SALGA represents each of the municipalities in South Africa in the following manner, to:

- Support and advise its member municipalities;
- Engage with stakeholders and lobby for a local government position in national and provincial policies and legislation;
- Represent member municipalities as an employer body;
- Build the profile and image of local government and position local government locally, regionally, and internationally

SALGA is developing a new strategic agenda linked to the new 5-year elective cycle. Its strategy is informed by global trends, such as the fourth industrial revolution as it relates governance, service delivery and sustainability of municipalities. SALGA also operates within and contributes to achieving the goals of global frameworks such as the SDGs, the New Urban Agenda and the African Union Agenda 2063 all of which relate to sustainable cities, towns and villages. South Africa's national policies and frameworks inform and pertain to the work of SALGA; these are among others, the National Development Plan/Vision (NDP) 2030, the Medium Term Strategic Framework (MTSF) and the Integrated Urban Development Framework (IUDF).

The **Directorate for Economic Development and Planning** (EDP) SALGA is responsible for the economic development function, development planning (including spatial and land use planning) as well as the municipal integrated development planning process. SALGA has identified four strategic focus areas (draft stage) for the next 5-year term, one of which relates directly to EDP's focus area, which is:

'Driving Sustainable, Inclusive Economic Growth and Spatial Transformation'

And to achieve this strategic goal, three key actions have been identified:

- *Policy and regulatory reform* to enable integrated and coherent management of the urban system and **regional economies** to accelerate transformation and people centred development in a differentiated manner
- *Reform the intergovernmental fiscal and grant system* to enable better management of the urban system and regional economies
- *Invest in ICT, connectivity* (the 5th utility), data intelligence and innovation as a strategic enabler for efficient service delivery, economic growth and spatial transformation

The draft strategic approach guides how Organised Local Government will serve and guide its members in terms of economic development and planning for the local areas and the kind of coordination that will be required at a regional level.

RECENT TRENDS IN ECONOMIC POLICY AND ECONOMIC STRATEGY

In recent decades the evolution of thought surrounding regional economic development has been linked to changes in economic policy and strategy. In terms of economic theory, the evolution has been from 'simplistic' production models which externalized the factors contributing to development as per neo-classical economic theory (e.g. Keynesian and monetary policy), towards more nuanced models expressed in 'New Growth Theory' which incorporates endogenous factors such as innovation, social capital, entrepreneurship, institutional factors and leadership displayed by local actors.

Economic Strategy on the other hand has seen a transition from the concept of comparative advantage to Porter's competitive advantage and more recently to collaborative advantage which includes ideas of sustainability and a win/win approach rather than the zero-sum game inherent in the earlier methods. Alongside these shifts, trends in planning evolved from a focus on master planning and structure planning towards strategic planning and multi-disciplinary integrated strategic planning along similar timelines as collaborative advantage and 'New Growth Theory' reached their peak. This study is couched in these shifts and seeks to understand the collaborative advantages that can be derived for regions, particularly from the standpoint of local actors and institutions within the local government system.

THE SOUTH AFRICAN POLICY CONTEXT

Recent policy shifts in the South African environment have maintained pace with international policy trends. The Spatial Planning and Land Use Management Act (SPLUMA) and the IUDF both reflect a multidisciplinary, strategic planning approach and seek to deliver 'collaborative advantage' across spheres and sectors of society in regions. SPLUMA provides for the alignment of spatial planning, land development and land use management in a common geographical region. It also stresses the inclusion of national and provincial development priorities as well as institutional decision makers from all three spheres of government towards developing a regional spatial plan. The act thus enables the development of a statutory regional planning document and processes incorporating spatial, environmental and economic considerations. For these reasons, an understanding of regional economies, as this study aims to achieve, is an important precursor towards the development of effective regional spatial plans.

The Integrated Urban Development Framework (**IUDF**) on the other hand promotes urban development planning which takes cognizance of an 'urban-rural continuum' rather than a one-sided urban or rural bias. This 'dual' approach is a prerequisite for holistic regional spatial and economic development. While its overall intent is spatial integration, the means to that end include integrated planning for transport, human settlements, infrastructure, economic inclusion and diversification as well as land governance. The framework also highlights the importance of the system of settlements, their scale, role and function within a region and the national spatial system. The functional relationships between settlements is an important aspect in understanding economic regions. This framework document

would be a key informant towards interpreting and utilizing economic regions as a lens to development

STUDY RATIONALE

SALGA, in its support role, advises local government regarding the municipal economic development function. To better fulfil this role, an understanding of the economic regions especially as they relate to the local government scale and institutional context (local, district and metro) is required. A regional approach to economic planning has the potential to aid municipalities with medium to long range economic planning. It can assist municipalities make the necessary adjustments and investments towards diversifying their economies, thereby reducing risk inherent in global downturns and economic shocks. Understanding the economic regions operating within and across municipal boundaries provides opportunities for cross-boundary municipal cooperation and joint strategic planning. It can also lay the basis for economic modelling as well as value chain optimisation especially across political/administrative boundaries.

Spatial planning and alignment is also required for giving effect to long term, strategic economic development goals. Municipalities use tools such as spatial development frameworks and land use schemes to give effect to their strategic spatial goals and hence economic objectives. For some municipalities, 'Special Economic Zones' (SEZ) are also a tool to propel economic development in the local and regional economy. The potential development of SEZs often requires significant infrastructure investment and spatial alignment to fully realise and support the economic activity intended for the zones. Understanding the functional economic areas including the the backward and forward linkages within value chains should inform and direct spatial and infrastructural planning. A regional economic understanding is therefore needed to identify areas for cooperative planning between and among municipal governments and across the intergovernmental system. A closer understanding of economic regions can assist in defining economic regional boundaries and thereby determine the boundaries for regional spatial development frameworks (RSDF) as well as help refine the role of settlements within an economic region.

Lastly, SALGA currently drives a Small Town Regeneration Programme aimed at assisting selected municipalities revitalise the economies of towns in decline. It necessarily includes a spatial component and the programme adopts an inclusive economic development approach towards local stakeholders. An understanding of the multiple functional economic regions which a town (or towns in a municipality) form part of suggests ways in which the local economies can be resuscitated or supported in the medium to long term.

For these, and other reasons, SALGA requires a suitable service provider to assist local governments understand and respond strategically to their regional economic context.

2. PURPOSE AND OBJECTIVES

Understanding the regional economic context within which local economies operate and conducting economic planning at regional scale has been largely neglected at local government level. SALGA on the other hand performs a support function directly to members and lobbying role on behalf of its members. This study may assist local governments understand and respond individually and collectively to the opportunity or threats inherent in regional economies. It may also provide the basis for advocating for changes to a) processes and practice within the current intergovernmental arrangements, b) policy and legislation or even for c) the development of new support instruments (financial and non-financial) to enable local government to perform a more effective economic planning function. Thus, the **purpose** of this body of work is to:

Develop a process guide that allows local governments to understand and craft an 'endogenous' response to their regional economic context. Outline the support SALGA could provide municipalities towards regional economic planning.

Objectives

The objectives of the research are thus to:

- i. Explore methods of defining economic regions applicable to the SA local government context
- ii. Compile a data almanac of economic regions in SA
- iii. Analyze and assess economic regions from a Local Government Perspective
- iv. Define, characterize and map an economic region from a 'non-metro' municipality perspective
- v. Develop a process guide to assist local governments plan strategically for economic regions
- vi. Recommend a strategic support role for 'Organized Local Government'

3. SCOPE AND APPROACH

The entire study should be calibrated through the lens of local government. That is, the constitutional mandate, powers and functions devolved to local government, and taking in account of the practical constraints municipalities experience in the discharge of their mandate. Factors to consider include governance and administrative issues, financial, economic, spatial, political, and the intergovernmental relations environment pertaining to local government in South Africa.

This work should take into account global, regional (SADC) and national trend and factors as they impact on economic regions and municipalities within SA. Also the policies, strategies and practice of government departments, agencies or state-owned companies

should be used to both assess and develop strategies around economic regions from a local government vantage point. Policy priorities such as the NDP, IPAP, SIPS, MTSF, Provincial growth and development plans, and others should inform over and above the assessment and strategy process but also guide the data collection process for regions.

The study comprises two parts, Part A) defining and understanding economic regions; and Part B) responding to economic regions from a local government and 'organized local government' perspective. Various approaches exist to define understand economic regions, these relate to scale and in this context the powers and functions of local government. A lot of data already exists with various national departments and agencies describing economic regions, which could cataloged and made available as a starting point towards understanding regions. Approaches to assessment of regions relate to definition, the scale and the specific actors involved (local government in this case). Responding strategically to the opportunity inherent within regions needs to take the same factors into account. Using one region and municipality as an example, it is hoped that responding to economic regions can be more easily understood. Lastly by developing a process guide for local government and a set of priority actions for 'organised local government' it is the intention that this study takes on a distinct 'how to' focus.

The work packages and scope for the study take shape around the objectives, spelled out in more detail below:

Part A: Understanding Economic Regions

- i. Explore methods of defining economic regions applicable to the local government context**
 - a. Provide an overview of possible approaches and methods used to define economic regions
 - b. Recommend an approach (or approaches) suitable to the municipal scale, policy context and considering unique regional variations
- ii. Compile a data almanac of economic regions**
 - a. Develop a typology of regions based on the approach/es in section (i) above
 - b. Develop an almanac of (existing) data and maps related to each regional typology (which can be tagged on to the SALGA LG Barometer)
- iii. Understanding economic regions in SA**
 - a. Identify key trends (economic, political, environmental), policies, strategies and factors (Global, SADC, National) that might have an impact or bearing on municipalities within particular economic regions in SA
 - b. Identify and compile the key variables needed to understand and assess the spatial and economic potential and constraints of the region; variables could include input factors and physical endowments, current flows of goods and services, economic infrastructure (current and planned), economic output (by sector), value chains and opportunities for value chain extension, skill-levels, population and migration dynamics, local actors and stakeholders, movement and transport factors, role and function of towns and settlements, spatial and economic relationships between settlements, constraints and threats to growth

- c. Outline potential strategic responses (e.g. thematic, spatial, economic) based on the regional typology and possible variations within each typology
- d. Analyse the existing legislative provision for regional intergovernmental cooperation (e.g. Spluma, Systems Act, IGR act) and assess whether the provisions are sufficient to facilitate intergovernmental cooperation, including financial investment from municipalities and other spheres of government into joint projects (capital and non-capital)
- e. Make recommendations towards establishing suitable institutional arrangements, and legislative review if required, to facilitate intergovernmental collaboration among clusters of local governments and across spheres of government

iv. Define, characterize and map one economic region from a non-metro municipality perspective

- a. Define and map an economic region relevant to a selected 'non-metro' municipality
- b. Conduct a baseline assessment, propose a set of strategic responses and describe the institutional mechanisms and approaches needed for municipalities to cooperate and respond to the opportunity (or threats) inherent in the economic region.

Part B: Responding to Economic Regions

v. Develop a detailed process guide to assist local governments conduct strategic planning for economic regions

- a. Based on the work in Part A, construct a process guide for a municipality/cluster of municipalities, to define, assess, develop a suitable strategy and establish suitable (formal/informal) institutional arrangements for intergovernmental collaboration
- b. The guide should set out the key outcomes, decisions and steps to be taken (and by whom) within each phase of the work

vi. Recommend the strategic role 'Organized Local Government' should perform in support of municipalities

- a. Given its mandate, recommend a strategic support role for 'organized local government', to bolster in particular the economic development function of municipalities within their regional economic context. The role should include a set of priority functions and activities
- b. Propose a lobby agenda which could cover policy reform, fiscal and process reform which 'organized local government' could adopt on behalf support its members
- c. Develop a stakeholders management approach that 'organized local government' should consult or collaborate with to better support municipalities

4. OUTPUT, SKILLS AND TIMEFRAMES

This body of work should be completed by the 31 March 2017. Based on the scope of work above the following elements will be required in the suggested time frames (not to be construed with person days):

Products and Meetings

1. 1 x inception meeting and report
2. 1 x approach to defining economic regions (report)
3. 1 x data almanac (database, report)
4. 1x Progress and conceptual approach meeting
5. 1 x approach to understanding economic regions (report)
6. 1 x applied regional economic development approach (1 region, 1 'non-metro' municipality) (report)
7. 1 x steercom
8. 1 x process guide for local government (inclusive of applied regional economic development approach)
9. 1 x strategic support role for 'organized local government'
10. 1 x steercom and close out meeting

Skills Required

In order to successfully complete this work, a combination of techniques, research approaches and skills will be required. The project may require literature review and desktop research skills, focus group discussions and/or in-depth interviews as well as institutional analysis. In summary the team would need a combination of skills related to regional economic development, spatial planning as well as urban economics. The team would need to understand the local government policy and institutional environment as well as the intergovernmental policy and institutional arrangements that are currently in place.

For these reasons the following skills are strongly advised:

- Regional economics practitioner, value chain specialist, urban economist
- Professional Planner - Town and regional planner (registration with SACPLAN required)
- Local government specialist and knowledge of intergovernmental relations
- Mapping and GIS specialist

Person Days

Person days are the number of days, at eight hours per day that it is anticipated it will take to complete this task.

- The study is anticipated to take approximately 120 person days to complete

5. REQUIREMENTS

Prospective service providers/consultants are required to:

1. Confirm in writing their availability within 5 working days to conduct the required assignments within the specified timeframes,

2. Fill all Supply Chain Management Bid documents (SBD1, SBD2, SBD3.3, SBD4, SBD6.1, SBD8, SBD9); and
3. Ensure that they familiarise and understand Procurement General Conditions of Contract that will be attached as well.
4. Prices must be in South African Rand Value and must show the price excluding VAT (if a VAT vendor). VAT at 14% and price inclusive of VAT.
5. A valid Tax Clearance Certificate should be submitted with this tender document
6. Pricing proposal must be an all-inclusive fee; no additional costs will be added due to errors made, as this will impact the final evaluation (i.e. Pricing and B-BBEE Status level of Contribution). [Disbursements must be included in the pricing proposal]
7. The successful bidder will have thorough knowledge of the local government sector and dynamics within which it operates.
8. Submit proven track record (4 examples) of similar successfully completed assignments. Enclose copies of reports with contactable references.
9. Submit copies of the corporate profiles and CV's of all team members which must include the following details:
 - Brief description of similar work
 - The proposed role of each team member
 - Registration with professional bodies where required
10. The service provider must take note, the workload of the study is limited to the personnel identified above, no personnel will be allowed to partake to the study without the consent of SALGA
11. Submit a detailed project plan outlining a schedule of activities and proposed payment milestones
12. An inception meeting will be required with the successful bidder within 10 business days of confirmed notification of appointment or alternatively within a time frame agreed upon by both parties.
13. Submit a proposal including project plan that outlines a schedule of activities and how the scope and deliverables will be achieved satisfactorily.

CONDITIONS OF BID

- a. The requirement for content of the project proposal section above outlines the information that must be included in bid offers. Failure to provide all or part of the information will result in your bid being excluded from the evaluation process.
- b. SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal and such information must be submitted within reasonable time.
- c. SALGA reserves the right not to make any appointment from the proposals submitted.
- d. Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless explicitly authorized by SALGA.
- e. Bidders shall not issue any press release or other public announcement pertaining to details of their project without the prior written approval of SALGA.

- f. Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.
 - g. A valid original Tax Clearance Certificate issued by the South African Revenue Services, must be submitted, failing which the relevant bidder's bid shall not be considered.
 - h. Any and all project proposals shall become the property of SALGA and shall not be returned.
 - i. The bid offers and proposals should be valid and open for acceptance by SALGA for a period of 120 days from the date of submission
 - j. Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
 - k. SALGA reserves the right not to accept any bid which does not comply with the specifications and conditions set out in the bid documents.
 - l. SALGA reserves the right not to award the bid to the bidder that scores the highest points provided that this is in accordance with the provisions of the PPPFA regulations.
 - m. If any dispute arises out of or in connection with this Agreement, or related thereto, whether directly or indirectly, the Parties must refer the dispute for resolution, firstly by way of negotiation and in the event of that failing, by way of arbitration. The reference to negotiation is a mandatory precondition to the Parties having the dispute resolved by arbitration.
- A dispute within the meaning of this clause exists once one Party notifies the other in writing of the nature of the dispute and requires the resolution of the dispute in terms of this clause.
 - Within 10 (ten) Business Days following such notification, the Parties shall seek an amicable resolution to such dispute by referring such dispute to designated representatives of each of the Parties for their negotiation and resolution of the dispute. The representatives shall be authorised to resolve the dispute.
 - In the event of the negotiation between the designated representatives not resulting in an agreement signed by the Parties resolving the dispute within 15 (fifteen) Business Days thereafter, the Parties must refer the dispute for resolution by way of arbitration in accordance with the then current rules of the Arbitration Foundation of Southern Africa ("AFSA").
 - The periods for negotiation or arbitration may be shortened or lengthened by written agreement between the Parties.
 - Each Party agrees that the arbitration will be held as an expedited arbitration in Pretoria in accordance with the then current rules for expedited arbitration of AFSA by 1 (one) arbitrator appointed by agreement between the Parties, including any appeal against the arbitrator's decision. If the Parties cannot agree on the arbitrator

or appeal arbitrators within a period of 10 (ten) Business Days after the referral of the dispute to arbitration, the arbitrator and appeal arbitrators shall be appointed by the Secretariat of AFSA.

- The provisions of this clause shall not preclude any Party from access to an appropriate court of law for interim relief in respect of urgent matters by way of an interdict, or *mandamus* pending finalisation of this dispute resolution process.
 - The references to AFSA shall include its successor or body nominated in writing by it in its stead.
- n. In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.
- o. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
- p. SALGA will not be liable for any costs related to the submission of this bid including post-bid closing processes (ie: site visits, presentation etc).

12 STANDARD BIDDING FORMS

Completion of the Standard Bidding Documents below stated is mandatory, failure to do so will render the bid offer invalid.

a) **Preference Points Claim form**

Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 8 and 9. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

b) **Declaration of Interest**

Form SBD 4 - Bidders must complete this document in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

c) **Declaration of past Supply Chain Management Practice**

Form SBD 8 - Bidders must complete this document in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

d) **Certificate of Independent Bid Determination**

Form SBD 9 - Bidders must complete this document in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

e) **Pricing Schedule**

Form SBD 3.3. Price must be quoted in South African currency and must be inclusive of VAT. Bidders are further requested to indicate their price in all elements listed on the pricing schedule.

f) **Supplier Registration Form.**

Bidders must complete this document in full. DO NOT RETYPE THESE FORMS. They must be completed on the original and signed, all in black ink.

g) Invitation to Bid

SBD1 must be completed in full and signed.

- h) An original or certified copy of a valid BBEE certificate must be submitted together with the bid offer.

6. EVALUATION CRITERIA

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of staff officials of SALGA and possibly other external parties will evaluate the proposals of the bidders.
- The committee will individually evaluate each of the bid proposals received against the appointed criteria as provided for in Preferential Procurement Policy Framework Act of 2005 (as amended).

All proposals submitted will be evaluated on three categories:

- (i) Functionality (technical content)
- (ii) Price
- (iii) B-BBEE status level of contribution

Bids are evaluated in accordance with the preferential procurement Policy Framework Act (PPPFA), using the 80/20 split.

Firstly, the assessment of functionality must be done in terms of the evaluation criteria and the minimum threshold value of 65 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

Thereafter, only the qualifying bids are evaluated in terms of the 80/20 preference points systems, 80 points will be used for price only and the 20 points are used for B-BBEE Status Level of Contribution.

For functionality, the following criteria will be applicable and the maximum value of each criterion is indicated as below:

Where 1=Very Poor 2=Poor 3=Good 4=Very Good 5=Excellent

CRITERIA FOR FUNCTIONALITY	WEIGHT
Approach and Methodology <ul style="list-style-type: none"> • Clarity, quality and logic of the proposal • Appropriateness towards achieving the objectives of the study • Provide cutting edge ideas within the context of the study • Demonstrates feasibility of the proposal 	40
Previous experience	40

CRITERIA FOR FUNCTIONALITY	WEIGHT
<ul style="list-style-type: none"> • Provide reports of similar work with contactable references 	
Qualifications & Expertise (knowledge & skills) <ul style="list-style-type: none"> • Appropriateness of skills set for the study 	10
Work-Plan <ul style="list-style-type: none"> • Should outline a schedule of activities and how the scope and deliverables would be satisfactorily achieved. • Must include the proposed number of hours per person and specific personnel's role in achieving the objectives of the study • The personnel rates should be clearly indicated 	10
Total for functionality	100

Bidders who score 65 (average) points and above will be considered in phase 2 of the evaluation.

The 80/20 points system will be used when evaluating this Request for Proposal.

The remaining 20 points will be allocated 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 (80/20 system)
1	20
2	18
3	16
4	12
5	10
6	6
7	4
8	2
Non-compliant contributor	0

Summary of the evaluation process:

CRITERIA	WEIGHT
Price	80
B-BBEE status level of contribution	20
TOTAL	100

The Bid Evaluation Committee will thereafter meet in order to formulate recommendations to the Bid Adjudication Committee.

7. GENERAL CONDITIONS

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.
- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.

8. REPORTING AND ASSIGNMENT ENQUIRIES

All enquiries related and relevant to the objectives and scope of the current project can be referred to the project manager listed below:

Mr. Charles Parkerson

Director: Economic Development

Tel: 012 369 8000

E-mail: cparkerson@salga.org.za

REQUEST FOR QUOTATION

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

RFQ NUMBER: SALGA/412016 CLOSING DATE: 25 NOVEMBER 2016 CLOSING TIME: 11:00

DESCRIPTION: **THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA) HEREBY**

REQUESTS PROPOSALS FOR UNDERSTANDING ECONOMIC REGIONS IN SOUTH AFRICA:

DEVELOPING A STRATEGIC LOCAL GOVERNMENT RESPONSE (5 copies of the proposal incl original copy)

The successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

BID DOCUMENTS MAY BE POSTED TO: Po Box 2094
Pretoria
0001

OR

DEPOSITED IN THE BID BOX SITUATED AT (*STREET ADDRESS*)
175 Corobay avenue Cnr Corobay & Garsfontein Rd Waterkloof Glen Pretoria 0010

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER

FACSIMILE NUMBER CODENUMBER.....

VAT REGISTRATION NUMBER

HAS A TAX CLEARANCE CERTIFICATE BEEN SUBMITTED (SBD 2)? YES/NO

ARE YOU THE ACCREDITED REPRESENTATIVE
IN SOUTH AFRICA FOR THE GOODS/SERVICES OFFERED BY YOU? YES/NO
(IF YES ENCLOSE PROOF)

SIGNATURE OF BIDDER

DATE

CAPACITY UNDER WHICH THIS BID IS SIGNED

TOTAL BID PRICE..... TOTAL NUMBER OF ITEMS OFFERED

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	QUOTATION NO.:SALGA/41/2016
CLOSING TIME 11:00 ON 25 NOVEMBER 2016	

OFFER TO BE VALID FOR 30 DAYS FROM THE CLOSING DATE OF REQUEST FOR QUOTATION.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u>
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1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of VAT for the project. R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION	HOURLY RATE	DAILY RATE
.....	R.....

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R..... days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....
TOTAL: R.....			

Name of Bidder:

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	R.....
.....	R.....
.....	R.....
.....	R.....
TOTAL: R.....			

- 6. Period required for commencement with project after acceptance of bid
- 7. Estimated man-days for completion of project
- 8. Are the rates quoted firm for the full period of contract?
- 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.
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.....
.....

Any enquiries regarding bidding procedures may be directed to the –

South African local Government Association
Nokwanda Msomi
(012) 369 8000

Or for technical information –

Mr. Charles Parkerson

Tel: (012) 369 8000

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. **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, 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 presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:
Name of state institution at which you or the person connected to the bidder is employed :
Position occupied in the state institution:

Any other particulars:
.....
.....
.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

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

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

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

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / 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.

.....

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

1.2 The value of this bid is estimated to **exceed/not exceed** R1 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTION	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to 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 a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE 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) **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- (b) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (c) **“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;

- (d) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- (e) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (f) **“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;
- (g) **“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;
- (h) **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- (i) **“EME”** means an Exempted Micro Enterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (j) **“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;
- (k) **“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;
- (l) **“non-firm prices”** means all prices other than “firm” prices;
- (m) **“person”** includes a juristic person;
- (n) **“QSE”** means a Qualifying Small EEnterprise as defines by Codes of Good Practice under section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (o) **“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;
- (p) **“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;*
- (q) **“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;
- (r) **“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
- (s) **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

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

4. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

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

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

- 5.2 A bidder who qualifies as a EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.
- 5.3 A Bidder other than EME or QSE must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating

issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

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

7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 5.1

7.1 B-BBEE Status Level of Contribution: . =(maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit.

8. SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted?
 (*Tick applicable box*)

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

8.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME.

(*Tick applicable box*)

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

9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm:.....

9.2 VAT registration number:.....

9.3 Company registration number:.....

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

9.7 Total number of years the company/firm has been in business:.....

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES

1.

2.

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

DATE:

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.
- 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? (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).</p> <p>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.</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)? 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.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		

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

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 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 *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:

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: _____ that:

(Name of Bidder)

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

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

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