



SOUTH AFRICAN LOCAL  
GOVERNMENT ASSOCIATION

# SALGA

*Inspiring service delivery*

**Appointment of a Service Provider to Develop, Deploy and Support SALGA and Potentially the Broader Public Sector as well as Civil Society with a Municipal Sustainability Tool / Solution to the Municipal Challenges of Financial Viability, Institutional Sustainability and Good Governance.**

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**BID NO. SALGA/73/2018**

**Closing date and time: 11 December 2018 at 11:00 am**

**Bid Validity Period: 120 Days**

**TENDER BOX ADDRESS:**

**Menlyn Corporate Park**

**c/o Garsfontein and Corobay Avenue**

**Waterkloof Glen**

**TEL: (012) 369 8000**

**EMAIL: [nmsomi@salga.org.za](mailto:nmsomi@salga.org.za)**

**WEBSITE: [www.salga.org.za](http://www.salga.org.za)**

## 1. INTRODUCTION

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

- Represent, promote and protect the interests of local government;
- Transform local government to enable it to fulfil its developmental role;
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
- Enhance the role and status of municipalities;
- Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
- Ensure the full participation of women in organised local government;
- Be the National Employers' Association representing all municipal members and, by agreement, associate members.

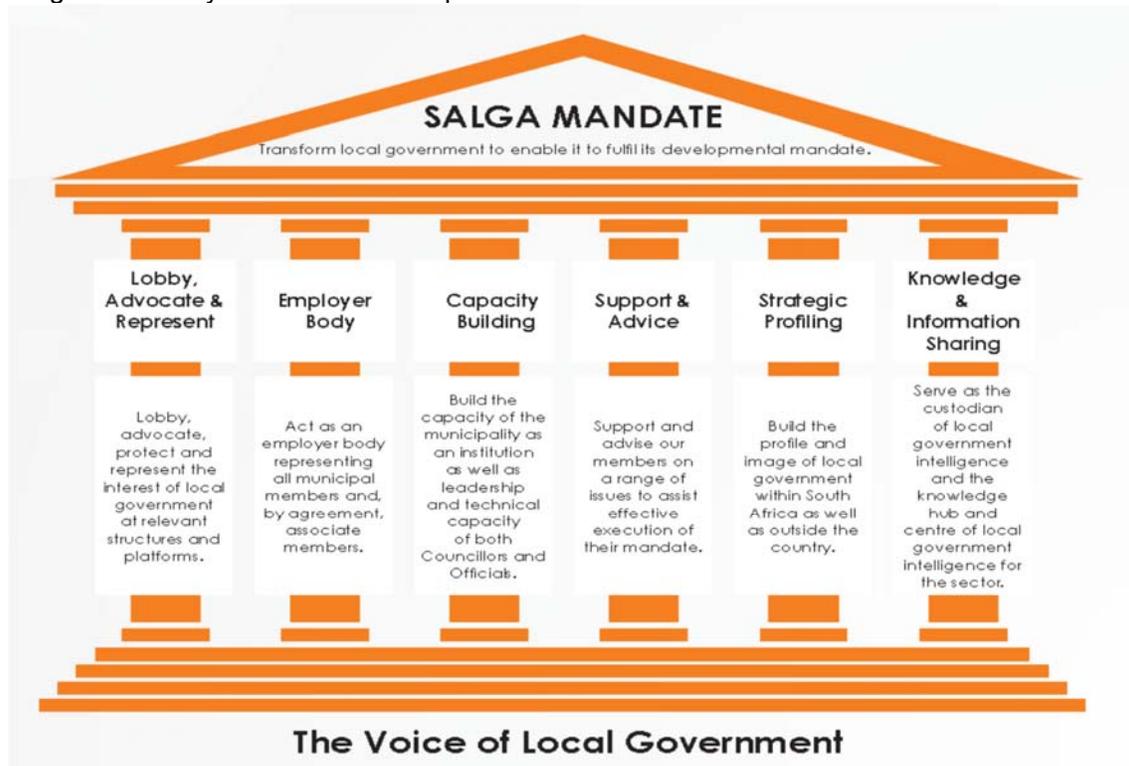
## 2. SALGA MANDATE

Developmental Local Government is an essential component of the machinery of government. In accordance with its constitutional mandate, SALGA is obliged to transform the local government sector to one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development and all socio-economic opportunities that the state has geared itself to provide for its people. SALGA also serves as the representative voice of all 257 municipalities in the country. For the past 20 years, since its establishment, SALGA has endeavoured to bring focus to its mandate of supporting local government transformation in a complex environment, characterised by a highly diverse and diffuse membership-base of municipalities. In terms of its amended Constitution, SALGA is a unitary body that consists of a national association and nine provincial offices. Its mandate rests on six primary pillars:

- (1) **Representation, Advocacy and Lobbying** refers to representing the interests of members in legislatures and other policy making and oversight structures. It also refers to engaging with various stakeholders, public debates etc. in the interest of Local Government.
- (2) **Employer Body** refers to being an effective employer representative for members. Employer representation is carried out through collective bargaining (in terms of the Labour Relations Act) in various structures including but not limited to those established in the South African Local Government Bargaining Council.
- (3) **Capacity Building** refers to facilitating capacity building initiatives through among others; representing member interests in the Local Government Sector Education Authority (LGSETA). SALGA strives to facilitate a coherent, well-co-ordinated capacity building programme for municipal councillors and officials.

- (4) **Support and Advice** refers to the provision of tools and services that enable municipalities to understand and interpret trends, policies and legislation affecting Local Government and to implement the said policies and plans
- (5) **Strategic Profiling** of Local Government refers to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling focuses within South Africa, the African continent and the rest of the world.
- (6) **Knowledge and Information Sharing** refers to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed delivery of other SALGA mandates. The knowledge hub is also a useful reference point for all who seek Local Government information.

Diagrammatically the mandate is depicted as follows:



### 3. PURPOSE OF THIS REQUEST

#### Background and Context

The South African White Paper on Local Government (WPLG) was adopted in 1998. It ushered the first democratically elected leadership of municipalities, and armed both politicians and administrators with tools that were meant to ensure that South African municipalities are strong, robust and sustainable, meet their financial commitments, and importantly, are able to deliver basic services throughout the republic.

These tools are clearly articulated in the WPLG, ranging from the local government

transformative agenda, municipal finance, administration, political and institutional systems, as well as a sector-wide performance monitoring, evaluation and review mechanism.

However, in the year 2014, the Presidential Local Government Summit, adopted a new intervention (Back-to-Basics policy framework), thus conceding that the system of local government introduced in 1998 was under stress for a variety of reasons, among others, the following:

- A collapse in core municipal infrastructure services in some communities, resulting in services either not being provided at all, or provided at unacceptably low levels.
- Slow or inadequate responses to service delivery challenges are in turn linked to the breakdown of trust in the institutions and councillors by communities.
- Social distance by our public representatives is a major cause for concern. This reflects inadequate public participation and poorly functioning ward councillors and committees.
- The viability of certain municipalities is a key concern. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to communities.
- Municipalities also need to be driven by appropriately skilled personnel and their correct placement, and there are for too many instances both of inappropriate placements and skills not measuring up to requirements.
- This is compounded by widespread instances of rent seeking and corruption amongst public representatives and business, reflecting a broader breakdown in the values and good governance principles that should be guiding the people we have elected or appointed to run the local government system and those that do business with government.

In addition to the above, new sets of challenges have presented themselves to the agenda of developmental local government. As an example, some of South African municipalities are experiencing massive and unprecedented urbanization and/or population mobility, resulting in pressure on basic service delivery infrastructure such as water, sanitation, electricity and roads.

The agenda to achieve spatial transformation, which results in productive and socially inclusive cities, towns and regions, is becoming more difficult vision to attain. The assertion is supported by the 2016 State of South African Cities Report, suggesting in its conclusion that South African municipalities have, among others, to:

- Meaningfully embark on a development path that achieves spatial and socio-

economic transformation,

- Develop the necessary resource pool of human capital and both non-financial and financial resource, including a good mix of technology, systems and structures,
- Balance power and governance structures, and reconfigure the relationship to enhance the voice and role of local actors (particularly local government, civil society organisations, business, and knowledge institutions)

#### **4. SCOPE OF WORK**

##### **4.1 BIDDER REQUIREMENTS**

It is evident that piecemeal interventions are unsustainable. The challenge facing local government institutions cannot be attributed to the municipalities alone, an all of society approach is likely to yield better result as opposed to disparate initiatives.

The purpose of this terms of reference is to establish a partnership between Local Government and potentially the broader public sector, private sector innovator(s) / service provider(s) and civil society that will find a sustainable solution to municipal challenge of financial viability, good governance and institutional sustainability.

##### **4.1.1 The service provider must be able to demonstrate the following:**

(1) Ability to holistically understand the nature, causes and future prospect of municipal institutional instability, considering the role of political and administrative leadership, governance and oversight structures, institutional capacity, financial management practices and the sparse collection of analytical information etc. in the Local Government sector.

(2) Ability to identify the increased pressure on the self-funding gap faced by municipalities, proactive identification and verification of indigents and insight into migration patterns for LG.

(3) Ability to understand the difficulty in revenue collection due to limited insights into debtors, debtor management process that are not optimised and high cost of outsourcing debt collection.

(4) Ability to understand inclusive growth and development, lack of equitable growth and dignity in service delivery and high cost of traditional communications to reach optimal number of citizens.

(5) Ability to understand the limited geo-spatial visibility of municipal customer groups, high risk plans based on inaccurate information and lack of personalized and targeted planning.

6) The overall benefits of the solution, quantified where applicable to SALGA and the Local Government sector as a whole. This may include improvements in revenue streams and cost savings brought about through the implementation of the solution as well as addressing the gross inequalities in terms of service delivery in South Africa etc.

7) Capacity to conceptualise, develop and implement a robust and long-term solution that will in turn create knowledge products (based on requirements and outputs achieved from point 1 to 6 above) that could be of benefit to the entire local government sector.

#### **4.1.2 Approach and methodology**

The scope of the project will be determined by the creativity and innovation of the proposed solution, and should cover the following minimum issues:

- 4.1.2.1 Formulation and Understanding of Rationale
- 4.1.2.2 Inception Phase and Start Up
- 4.1.2.3 Development of Business Framework / Road-Map
- 4.1.2.4 Partnership Establishment
- 4.1.2.5 Business Plan Implementation / Business Modelling / Roll Out
- 4.1.2.6 Implementation Monitoring, Evaluation & Review
- 4.1.2.7 Knowledge Development, Management and Dissemination

### **5. CONTENT OF PROPOSAL**

*(Information to be submitted by the bidders)*

5.1 The proposal should include

- 5.1.1. All relevant perceived strengths and weaknesses of the firm bidding for the service, e.g. innovation experience, in-house skills, etc; providing information which will assist SALGA to assess its capabilities, competitive advantages individually or as a consortium, etc.;
- 5.1.2. The summary of the bidder's mission statement, the vision statement, values and long term strategies and objectives as comprehensively as possible;
- 5.1.3. A list of references of previous and current appointments relevant to the required services; examples of such services capabilities and experience and more specifically the number and size of organisations where service rendered in specific sectors in government and areas of expertise.
- 5.1.4. An organogram or list of partners, managers, specialists, together with the *curriculum vitae* of the staff who will be available for the duration of the work;

any staff changes regarding staff allocated to SALGA must be done in consultation with the Project Manager representing the organisation. The successful bidder should provide experienced specialists relevant to the required services. Ideally the lead manager should have 20 plus years in local government finances.

5.1.5. A breakdown of the project costs VAT inclusive, per phase as required for services rendered. Expenditure incurred without the prior approval of SALGA will not be reimbursed. An analysis of costs must be given to cover the full amount, and where possible, costs should be linked with specific tasks to be undertaken. All other incidental costs should be included in the budget breakdown.

5.1.6. In so far as is possible, a comprehensive budget, showing the service of activities proposed, with charge-out rates and budgeted hours per activity, detailing all assumptions made in arriving at a proposed budget, including all cost factors such as a traveling.

5.1.6.1 The rates of remuneration will be subject to negotiation, not exceeding the applicable rates as contained in the guidelines of The National Treasury Instruction Practice Note No.2 of 2016/17 paragraph 4.7.

5.1.7. How the bidder proposes to provide governance assistance to SALGA; and

5.1.8. In so far as is possible, provide an overview of the methodology to be applied.

5.1.9. How the bidder will ensure that there is transfer of skills to the SALGA team.

## **5.2 APPOINTMENT, COMMENCEMENT AND DURATION**

The appointed bidder is anticipated to commence the work upon appointment for a duration of three (3) years and end on the completion of the project, subject to renewal.

## **5.3 DESCRIPTION AND EXTENT OF WORK (PROJECT MANAGEMENT)**

### **5.3.1. Performing of assignments**

Assignments are to be performed in accordance with the industry/profession standards as well as the terms of reference. All reports will be reviewed by the relevant Project Manager representing SALGA.

All data, information, working papers, reports and documents will become the property of SALGA.

The successful bidder shall work with the Directorate of SALGA on the planning of various phases of the service activities, and must be prepared to regularly report the progress to the relevant Project Manager.

### 5.3.2 Timing of assignments

The performance of this assignment shall be in accordance with the approved plan by the Project Committee. The final responsibility of approving the scope and extent of the work resides with the relevant Project Manager.

### 5.3.3 Quality assurance reviews of the work

The bidder shall ensure that all work conforms to the required quality assurance as set by SALGA.

### 5.3.4 Monitoring progress of assignments

On a mutually agreed basis, the bidder shall meet with the Project Manager to report progress of the work, and at the Project Committee meetings.

### 5.3.5 Payments

SALGA undertakes to pay out within a reasonable time period all valid claims for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made on outstanding information not submitted by the bidder.

The parties shall, upon appointment of the bidder, sign a service level agreement to govern their business relationship.

### 5.3.6 Expenditure incurred by the bidder

The SALGA will not be held responsible for any costs incurred by the bidder in the preparation and submission of the bid.

## 6. INSTRUCTION TO BIDDERS

### 6.1 General Instructions

The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision making timetable. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e. a per unit fee based on activity. Please feel free to address any other potential services not specifically mentioned in this RFP that may be of benefit to the National Executive Committee (NEC) of SALGA which is the organisation's accounting authority.

### 6.2 Objectives

SALGA's objective in the call for proposals is to select a bidder to develop and implement with SALGA and potentially the broader public sector as well as civil society, a sustainable solution to the municipal challenges of good governance, institutional sustainability and financial viability.

### 6.3 Terms of Contract

The term of the contract shall be regulated by the Service Level Agreement (SLA) to be concluded with the winning bidder. It is anticipated that the term of the contract shall be for the duration of the assignment and shall expire upon fulfilment of the scope of work. The contract may be extended by mutual agreement. Thirty (30) days written notice must be given if either party wishes to terminate the agreement prior to the contract's expiry date.

### 6.4 Questions during Proposal Process

Any enquiries regarding this RFP should be directed to **Nokwanda Msomi**, Senior Buyer: SCM at [nmsomi@salga.org.za](mailto:nmsomi@salga.org.za), located at the SALGA National Office – 012 369 8000. Questions will only be taken up to four days prior the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should notify Acting Head: Supply Chain Management at [lmathe@salga.org.za](mailto:lmathe@salga.org.za) at once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by SALGA after 12:00 noon, four (4) business days prior to RFP closing without providing an extension of time.

### 6.5 Submission of Proposal

**Submit three copies of the proposal**, in sealed opaque envelopes and clearly marked RFP Response – Request for Proposals for the Appointment of Service Provider to partake and implement with SALGA and potentially the broader public sector as well as civil society, a sustainable tool / solution to the municipal challenges of good governance, institutional sustainability and viability.

#### **E-mail address:**

Nokwanda Msomi at [nmsomi@salga.org.za](mailto:nmsomi@salga.org.za)

#### **Or physical address:**

*South African Local Government Association (SALGA)  
Menlyn Corporate Park  
Block B; 175 Corobay Avenue  
corner Garsfontein & Corobay Avenue  
Waterkloof Glen ext. 11  
PRETORIA  
0181*

**Attention: Ms Nokwanda Msomi  
Senior Buyer: SCM**

Proposals will be received at the reception desk on the first floor, during regular business hours only, up to 11:00 am on the 11 December 2018. Late submissions will not be accepted.

Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

Proposals received past the time stated above will not be considered, and will be returned to the bidder unopened.

Proposals will not be opened in public.

All proposals will remain in force and will be irrevocable for **hundred and twenty days** after the proposal closing.

Proposals shall be stipulated sums without escalator clauses or other qualifications.

## **7. Contract**

### **7.1 Contract Award**

SALGA reserves the right to accept any proposal submitted, or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents will be disqualified.

Please outline in your proposal the assistance your institution is prepared to provide in order to meet the estimated contract duration period for the full implementation of the scope of work.

### **7.2 Termination of Contract**

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder subject to the following:

- 7.2.1** The winning bidder fails to perform in accordance with the specified service requirements as set out in the RFP;
- 7.2.2** The winning bidder fails to provide project deliverables as defined under **part 5 above** without written explanation;
- 7.2.3** The winning bidder otherwise violates the provisions of the RFP to a substantial degree.

### **7.3 Liability**

SALGA will not be held liable for any actions of the winning bidder and/or its employees.

### **7.4 Important Dates**

Please note that some of the dates are based on estimated project timeframes.

## **8 CONDITIONS OF BID (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)**

- 8.1. The requirement for content of the project proposal section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.**
- 8.2. A contract will be signed with the appointed Bidder.
- 8.3. The Bidder will be required to sign confidentiality and indemnity agreements with SALGA.
- 8.4. SALGA may at its own discretion vary an instruction to include more work.
- 8.5. Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal
- 8.6. In the event that any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.
- 8.7. SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
- 8.8. Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by SALGA.
- 8.9. Bidders shall not issue any press release, social media or other public announcement pertaining to the details of their project without the prior written approval of SALGA.
- 8.10. 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.
- 8.11. 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.
- 8.12. Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
- 8.13. Disputes that may arise between SALGA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.
- 8.14. 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.
- 8.15. All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
- 8.16. SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.
- 8.17. Completion of the Standard Bidding Documents stated herein below is **mandatory**, failure to do so **may** render your bid offer invalid.

### **8.18. Standard Bidding Forms**

#### **18.8.1. 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.

#### **18.8.2. 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.

#### **18.8.3. 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.

#### **18.8.4. 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.

## **9. EVALUATION**

The following evaluation method will be used:

- After the closing date of the bid invitation, an appointed evaluation committee of SALGA officials 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 Regulations, 2017

All proposals submitted will be evaluated on three categories:

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

Bids will be evaluated in accordance with the Preferential Procurement Regulations, 2017, using the 80/20 split. The 80/20 preference points system applies for acquisition of goods or services for Rand value equal or above R30 000 up to R50 million.

Firstly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold value of 70 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

A Bid Evaluation Committee will review and evaluate the proposals. All bidders will be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. The bidders will be expected to demonstrate the proposed tool / solution. Oral presentations will be made on the date, time and location to be confirmed.

Thereafter, only the qualifying bids after the presentation will be evaluated in terms of the 80/20 preference points systems, 80 points will be used for price only and the 20 points will be used for B-BBEE Status Level of Contribution. The price points will be calculated in accordance with the formula prescribed in Regulation 6. (1) of the Preferential Procurement Regulations, 2017.

A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed, where applicable.

For functionality, the following criteria will be applicable and the maximum value of points breakdown for each criterion using these scale level descriptors:

SCALE LEVEL DESCRIPTIONS	SCALE
No relevant response or information given to enable evaluation	0
<b>Very poor</b> response based on expected standard	1
<b>Poor</b> response based on expected standard	2
<b>Average</b> response based on expected standard	3
<b>Good</b> response based on expected standard	4
<b>Excellent</b> response based on expected standard	5

Points Breakdown:

Description	Criteria for Functionality	Breakdown of Points	Weight
Understanding of the brief	Provide a detailed description of your understanding of the SALGA requirements in <b>paragraph 4.1.1</b> in the executive summary of your proposal	0 = Lack of understanding of key deliverables  3=Understanding of key deliverables and submission of documentation  5= Comprehensive understanding of key deliverables	5
Approach and Methodology	Comprehensiveness and clarity of proposal, approach and methodology, including a detailed project plan to deliver scope of work on the proposed solution highlighting its capabilities and features aligned to SALGA requirements in <b>paragraph 4.1.2</b> project plan must highlight deliverables, time-frames / milestones, resources, etc.)	0= no submission of project plan and approach  3= Submission of project plan, management plan and methodology approach in line with scope of work  5= Submission of project plan & management plan (that outlines the details of all the elements of solution development to close out) in line with scope of work	20

Description	Criteria for Functionality	Breakdown of Points	Weight
Expertise and Skills	Provide details of your expertise and experience. CV's of resources that will be allocated should be included outlining the roles and responsibilities on the project.	0 = No submission of Project Team and Project Leader  3 = Submission of Project Team and Project Leader inclusive of their CV's detailing experience and qualifications  5 = Submission of Project Team & Project Leader (That outlines the details of their roles and responsibilities in accordance with the scope of services.	15
Previous Experience	Provide an excellent and proven track record in delivering similar required solution, substantiated by reference letters from clients where similar services have been rendered, the letters should reflect the company details and contacts, project description, value and duration of contract	Scores will be allocated as follows:  1 for 1 letter 2 for 2 letters 3 for 3 letters 4 for 4 letters 5 for 5 letters	10
Innovation	Provide details with respect to how you intend to use "out of the box" thinking to bring about a solution to the requirements that will relieve the municipalities financial burden as well as revenue generation for SALGA.	Innovation will be scored based on the following criteria:  1= No relevant response 2= Very poor response 3= Average response 4= Good response 5= Excellent response	10
Financial Modelling	To provide detailed breakdown of all revenue streams to be realized and costs to be incurred for the delivery of the solution, proof of concept. The proposed model should outline a role for SALGA and any possible leverage for the sustainability of the organisation based on a mutually beneficial role with municipalities.	0= no submission of detailed breakdown of all revenue and costs to be realized or incurred  3= Submission of revenue and cost breakdown aligned to the project plan  5= Submission of revenue and cost breakdown	20

Description	Criteria for Functionality	Breakdown of Points	Weight
Presentation	Part A: presentation must not exceed 45 minutes  Summary of the proposal on the solution offered for the development, deployment and support to SALGA and broader public sector with a municipal sustainability tool / solution to the challenges of financial viability, institutional sustainability and good.  Q&A on technical submission	Scores will be allocated in accordance with the responsiveness of the proposals to SALGA requirements using the scale level descriptors below:  1= No response 2= Very poor response 3= Average response 4= Good response 5= Excellent response	20
<b>Total</b>			<b>100</b>
<b>Threshold</b>			<b>70</b>

Bidders who score 70 (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 15 points will be allocated in terms of Regulation 6(2) and 6(3) of the Preferential Procurement Regulations, 2017, 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	14
4	12
5	8
6	6
7	4
8	2

B-BBEE Status Level of Contributor	Number of points (80/20 system)
Non-compliant contributor	0

Phase 2 of evaluation will include the sum of the two criteria below:

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

Bidders must submit proof of their B-BBEE status level of contributor.

A bidder failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified but may only score points out of 80 for price, and score 0 points out of 20 for B-BBEE.

## 9 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.
- SALGA may at its own discretion vary this instruction to include more scope / work or to exclude work/service areas. In the case of the latter, the bidder shall not be entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.
- All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the bidder shall be required to sign an agreement of confidentiality.
- SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however the bidder should be able to submit a proposal on the layout of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.

- The bidder shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- SALGA reserves the right not to award the bid to any bidder at its own discretion.

## PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)					
BID NUMBER:	SALGA/73/2018	CLOSING DATE:	11 DECEMBER 2018	CLOSING TIME:	11:00
DESCRIPTION	Appointment of a Service Provider to Develop, Deploy and Support SALGA and Potentially the Broader Public Sector as well as Civil Society with a Municipal Sustainability Tool / Solution to the Municipal Challenges of Financial Viability, Institutional Sustainability and Good Governance				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT ( <i>STREET ADDRESS</i> )					
SALGA NATIONAL OFFICE, FIRST FLOOR, BLOCK B, MENLYN CORPORATE PARK, C/O GARSFONTEIN AND COROBAY AVENUE, WATERKLOOF GLEN					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes <input type="checkbox"/> No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	<input type="checkbox"/>	A REGISTERED AUDITOR			
	NAME: _____				
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]		
SIGNATURE OF BIDDER	.....	DATE			
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED			TOTAL BID PRICE (ALL INCLUSIVE)		
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:			TECHNICAL INFORMATION MAY BE DIRECTED TO:		
DEPARTMENT/ PUBLIC ENTITY			CONTACT PERSON		
CONTACT PERSON			TELEPHONE NUMBER		
TELEPHONE NUMBER			FACSIMILE NUMBER		
FACSIMILE NUMBER			E-MAIL ADDRESS		
E-MAIL ADDRESS					

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.</p>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>
<p>3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span></p> <p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.</p>

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

**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: .....	QUOTATION NO.: SALGA/73/2018
CLOSING TIME 11:00 ON 11 DECEMBER 2018	

OFFER TO BE VALID FOR ...120...DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF <u>VALUE ADDED TAX</u>
---------	-------------	---

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

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Nokwanda Msomi

Tel: (012) 369-8000

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel: (012) 369-8000

Mr. Billy Coetzee

**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 an advertised competitive bid, a limited bid, a proposal or written price quotation). 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>, member): .....

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: .....

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 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 attach proof of such authority to the bid document? YES / NO

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

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

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

2.8 Did you or your spouse, or any of the company's directors / trustees / 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 SHOULD THIS  
DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

**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 not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

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:

	<b>POINTS</b>
<b>PRICE</b>	80
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

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

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

**2. DEFINITIONS**

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

#### 80/20

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

Where

- Ps = Points scored for price of bid under consideration  
 Pt = Price of bid under consideration  
 Pmin = Price of lowest acceptable bid

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

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14

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

**5. BID DECLARATION**

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

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

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

**7. SUB-CONTRACTING**

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

*(Tick applicable box)*

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

7.1.1 If yes, indicate:

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

*(Tick applicable box)*

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

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

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

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.

<p>WITNESSES</p> <p>1. ....</p> <p>2. ....</p>
--

<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE: .....</p> <p>ADDRESS .....</p> <p>.....</p> <p>.....</p>
---

**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	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? <b>(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the <i>audi alteram partem</i> rule was applied).</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? <b>To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

**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

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....	.....
Signature	Date
.....	.....
Position	Name of Bidder

Js914w 2