



## **FREE STATE DEVELOPMENT CORPORATION**

**VALUATION OF INVESTMENT AND OWNER-OCCUPIED PROPERTIES FOR THE  
FREE STATE DEVELOPMENT CORPORATION.**

**BID NUMBER: FDC BID NO. 001/2021**

**COMPULSORY BREFING SESSION: N/A**

**CLOSING DATE: 04 MARCH 2021 AT 12:00 PM**

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**PREPARED BY:**

FREE STATE DEVELOPMENT CORPORATION

33 KELLNER STREET

WESTDENE BLOEMFONTEIN

9301

**TECHNICAL CONTACT PERSON: EDGAR KGAILE AND MATEE MOKHETHI**

**SUPPLY CHAIN MANAGEMENT CONTACT PERSON: NTOMBI MTIMKULU**

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REQUEST FOR PROPOSALS

<b>YOU ARE HEREBY INVITED TO SUBMIT A BID TO MEET THE REQUIREMENTS OF FREE STATE DEVELOPMENT CORPORATION</b>	
<b>BID NUMBER:</b>	<b>FDC BID NO. 001/2021</b>
<b>DATE OF ADVERTISING</b>	<b>05 FEBRUARY 2021</b>
<b>COMPULSORY BRIEFING SESSION DATE:</b>	<b>N/A</b>
<b>COMPULSORY BRIEFING SESSION TIME:</b>	<b>N/A</b>
<b>CLOSING DATE:</b>	<b>04 MARCH 2021</b>
<b>CLOSING TIME:</b>	<b>12:00</b>
<b>CLOSING DATE FOR BID ENQUIRIES</b>	<b>24 FEBRUARY 2021 at 16:30</b> All enquiries must be directed to <a href="mailto:edgar@fdc.co.za">edgar@fdc.co.za</a> and <a href="mailto:mateem@fdc.co.za">mateem@fdc.co.za</a>
<b>PERIOD FOR WHICH BIDS ARE REQUIRED TO REMAIN OPEN FOR ACCEPTANCE:</b>	<b>90 days (submissions must be valid for 90 days after the closing date)</b>
<b>DESCRIPTION OF BID:</b>	<b>VALUATION OF INVESTMENT AND OWNER-OCCUPIED PROPERTIES FOR THE FREE STATE DEVELOPMENT CORPORATION.</b>
<b>BID DOCUMENTS DELIVERY ADDRESS:</b>	<b>FDC BUILDING 33 KELLNER STREET WESTDENE BLOEMFONTEIN</b>
<b>NAME OF BIDDER:</b>	
<b>CONTACT PERSON:</b>	
<b>E-MAIL ADDRESS:</b>	
<b>TELEPHONE NUMBER:</b>	
<b>FAX NUMBER:</b>	
<b>BIDDER'S STAMP OR SIGNATURE</b>	

**CHECKLIST OF RETURNABLE SCHEDULES AND DOCUMENTS**

**Please adhere to the following instructions**

- Tick in the relevant block below.
- Use the prescribed sequence in attaching the annexures when completing the Bid Document.

- o Ensure that the following documents are completed and signed where applicable:

**NB:** Should any of these documents not be included, the bidders **may** be disqualified on the basis of non-compliance.

YES	NO	
		Original Bid and a Copy – hard copies clearly marked as original and one Electronic Copy. <b>Important:</b> Kindly note that every document that is submitted as part of the original submission must be <u>duly authorised with the required signatures or initials on each and every page</u> . Failure to comply will result in the bid being noted as incomplete.
		Specifications, Conditions of BID and Undertakings by Bidder
		Certificate of Authority for Joint Ventures
		SBD 1 - Invitation to Bid
		SBD 4 - Declaration of Interest
		SBD 6.1 and B-BBEE status level certificate
		SBD 8 - Declaration of Bidder's Past Supply Chain Practices
		SBD 9 - Certificate of Independent Bid Determination
		Bidder's Company Profile.
		Tax Clearance Certificate or Valid SARS pin number confirmation certificate.
		Company Registration Document
		B-BBEE Certificate or sworn affidavit
		Registration with Central Supplier Database
		Expertise of Key Personnel: Curriculum Vitae and proof of qualifications
		Proof of residence

## 1. SUPPLY CHAIN MANAGEMENT UNIT

1.1 Only questions, queries clarifications which are submitted to this e-mail address, [edgar@fdc.co.za](mailto:edgar@fdc.co.za) will be addressed.

1.2 Bid documents must be submitted as follows:

1.2.1 Original Bid – and

1.2.2 One Soft/ electronic Copy (CD or memory stick).

## 2. BID TIMETABLE

This timetable is provided as an indication of the timing of the bidding process. It is indicative only and subject to change by Free Development Corporation. Bidders are to provide proposals that will allow achievement of the intended commencement date.

Activity	Date
Advertisement of bid	<b>05 February 2021</b>
Bid document available	<b>05 February 2021</b>

Closing date for bid enquiries	<b>24 February 2021 at 12:00</b> All enquiries must be directed to: <a href="mailto:edgar@fdc.co.za">edgar@fdc.co.za</a>
Briefing Session	<b>N/A</b>
Closing date and time	<b>04 March 2021 at 12:00</b>

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	FDC NO. 001/2021	CLOSING DATE:	04 MARCH 2021	CLOSING TIME:	12:00
DESCRIPTION	PROPERTY VALUATION				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
FDC BUILDING, 33 KELLNER STREET, WESTDENE, BLOEMFONTEIN					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	NTOMBI MTIMKULU		CONTACT PERSON	EDGAR KGAILE	
TELEPHONE NUMBER	051 400 0800		TELEPHONE NUMBER	051 400 0800	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	ntombi@fdc.co.za		E-MAIL ADDRESS	edgar@fdc.co.za	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
<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]			<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
<b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>					

**PART B**

**TERMS AND CONDITIONS FOR BIDDING**

**1. BID SUBMISSION:**

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED- (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. 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 SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

**2. TAX COMPLIANCE REQUIREMENTS**

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

(Proof of authority must be submitted e.g. company resolution)

DATE: .....

## REQUEST FOR PROPOSAL

### VALUATION OF INVESTMENT AND OWNER-OCCUPIED PROPERTIES FOR THE FREE STATE DEVELOPMENT CORPORATION.

#### Introduction

The Free State Development Corporation (FDC) is a public entity established in terms of the FDC Act 6 of 1995. In terms of the Public Finance Management Act it is classified as a schedule 3D entity.

The mandate of the FDC is to establish and develop sustainable SMMEs in the Free State Province by providing both financial and non-financial support services.

#### FDC Mission

To provide financial and business support services to SMME's and Cooperatives; to undertake the development and management of properties; and to facilitate and promote investments and exports in the Free State Province.

#### FDC Vision

To be the development and investment agency of choice in contributing to the economic growth of the Free State Province.

**NOTE:** For the purpose of comparison and in order to ensure a meaningful evaluation, bidders must submit detailed information in substantiation of compliance to the evaluation criteria mentioned.

A bidder/s that score less than **75 points** out of 100 in respect of functionality will be regarded as submitting a non-responsive bid and will be disqualified.

Bidder/s that meets the minimum required percentage or minimum points, will be evaluated in terms of price and preference as per the PPPFA Act, No.5 of 2000 and its associated Regulations issued by the National Treasury 2017.

## **1. Background and motivation**

FDC has a property portfolio in various districts within the borders of the Free State Province. As a result, it is required by its Asset Management policy to evaluate both its Investment and owner-occupied properties on an annual basis, to ensure that such properties are disclosed at fair values as at year end.

## **2. Scope of work**

2.1. To perform valuation of investment properties as well as owner occupied properties for the year ending 31 March 2019, 31 March 2020 and 31 March 2021 in the following districts:

Lejweleputswa

Thabo Mofutsanyane

Fezile Dabi

Motheo

Xhariep

Determined values to be recorded against the list provided.

## **3. Number of Properties**

3.1. Residential Properties

3.2. Commercial Properties

3.3. Industrial Properties

3.4. Vacant Site

3.5 Inventory List

3.6 Properties that appear on property search engines but not on the list provided by the FDC.

3.7 Securities pledged (Immovables and Movable)

## **4. Requirements for the proposal**

4.1. The FDC would like to appoint professional property valuers to physically value properties as per above list.

4.2. Project costs should be inclusive of travel, accommodation and valuation.

4.3. Clear demonstration of valuation experience (list of references with valid contacts, attach testimonials from reference)

4.4. The valuation reports shall include assumptions (basis for calculation and motivation for choice of assumption) used in reaching the determined values.

4.5. Project leader and CV of proposed team to be assigned for this project including short indication of relevant experience.

4.6. The team should be available for interaction and assistance to answer audit queries based on the valuations that they have performed.



4.7. Company profile, Professional Registration documents (recognized for property valuers) and B-BBEE Certificate or sworn affidavit.

4.8. Tax Clearance Certificate or Valid SARS pin number confirmation certificate.

4.9. Earliest date to commence the assignment.

4.10 Timelines of project and submission dates of interim reports must be clearly stated on proposal.

4.11 Submission date of final report 10 April 2021.

#### 5. Functionality score (Evaluation Criteria)

CRITERIA	WEIGHT	VALUE	SCORE
Past experience (attach references letters)	<b>(40 points)</b>		
1-2 reference letters	10 points		
3-4 reference letters	20 points		
5 -6 reference letters	30 points		
7 references or more	40 points		
Key personnel experience: Project Manager Qualified (Professional registration as a valuator)	<b>(40 points)</b>		
1-2 years of experience	10 points		
3-4 years of experience	20 points		
5-6 years of experience	30 points		
7 years or more	40 points		
Free State based companies	20 points		
Total	100 points		

**Note: The Minimum qualifying score for functionality is 75%. All Proposals that fail to achieve the minimum qualifying score on functionality shall not be considered for further evaluation.**

#### Preference Point System

All proposals that will achieve the minimum qualifying score will be evaluated further in terms of the preference point system as follows:

**PRICE 80**

**BEE 20**

**6. Costing model**

**SECTION 1: Cost Proposal**

1. Please indicate your Total Price here: R..... **(compulsory)**
2. **NOTE: All prices must be VAT exclusive and must be quoted in South African Rand (ZAR).**  

YES	NO
-----	----
3. Are the rates quoted firm for the full period of the contract?

**Important:** If not firm for the full period, provide details of the basis on which adjustments shall be applied e.g. CPI, and also details of the cost breakdown.

**6.1 Valuation of Investment property, owner occupied properties and inventory**

Activity/ Deliverable	Number of Re-source(s)	Rate/Hour per Resource	Number of hours	Total Cost (VAT Excl.)
<b>Sub -Total (A)</b>				

**6.2 Technical Review of Investment Property Valuation Report for 2018/2019,2019/2020 and 2020/2021**

Activity/ Deliverable	Number of Re-source(s)	Rate/Hour per Resource	Number of hours	Total Cost (VAT Excl.)
<b>Sub-Total (B)</b>				

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**6.3. Support during audit of the Investment Property by the Auditor General (Attending to audit queries related to financials and year end procedures.)**

Activity/ Deliverable	Number of Re-source(s)	Rate/Hour per Resource	Number of hours	Total Cost (VAT Excl.)
<b>Sub-Total (C)</b>				
<b>Total Bid Price (A+B+C) (VAT Excl)</b>				

**Price Declaration Form**

Dear Sir,

Having read through and examined the Request for Quotation (RFQ) Document and terms of reference, The Requirement and all other Annexures to the RFQ Document, we offer to provide the services of performing Valuation of investment and owner-occupied properties for the Free State Development Corporation to the Free State Development Corporation for the amount of.

R.....(Excluding VAT) In words

.....(Excluding VAT)

We confirm that this price covers all activities associated with the project management and consulting service, as called for in the Terms of reference document. We confirm that FDC will incur no additional costs whatsoever over and above this amount in connection with the provision of this service.

We undertake to hold this offer open for acceptance for a period of 90 days from the date of submission of offers. We further undertake that upon final acceptance of our offer, we will commence with the provision of service when required to do so by the FDC.

We understand that you are not bound to accept the lowest or any offer and that we must bear all costs which we have incurred in connection with preparing and submitting this document.

We hereby undertake for the period during which this proposal remains open for acceptance not to divulge to any persons, other than the persons to whom the proposal is submitted, any information relating to the submission of this tender or the details therein except where such is necessary for the submission of this proposal.

**SIGNED**

**DATE**

\_\_\_\_\_

(Print name of signatory)

\_\_\_\_\_

Designation

\_\_\_\_\_

**FOR AND ON BEHALF**

**COMPANY**

**OF:**

NAME

\_\_\_\_\_

Tel No

\_\_\_\_\_

Fax No

\_\_\_\_\_

Cell No

\_\_\_\_\_

SBD 3.3

**PRICING SCHEDULE**  
**(Professional Services)**

NAME	OF	BIDDER: .....	BID	NO.:
.....				
CLOSING TIME 12:00 .....			CLOSING DATE: 04 MARCH 2021	

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
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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 all applicable taxes 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-----	R-----
.....	R-----	R-----
.....	R-----	R-----
.....	R-----	R-----
.....	R-----	R-----

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

.....	R-----	days
.....	R-----	days
.....	R-----	days
.....	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.....



Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

SBD 4

### DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state<sup>1</sup>, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; and/or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

2.1 Full Name of bidder or his or her representative:  
.....

2.2 Identity ..... Number:  
.....

2.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):  
.....

2.4 Company ..... Registration ..... Number:  
.....

2.5 Tax ..... Reference ..... Number:  
.....

2.6 VAT ..... Registration ..... Number:  
.....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

- <sup>1</sup>"State" means –
- (a) any national or provincial department, national or provincial public entity or constitutional institution with- in 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 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 **YES / NO**





**4 DECLARATION**

I, \_\_\_\_\_ THE \_\_\_\_\_ UNDERSIGNED  
(NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....  
Signature Date

.....  
Position Name of bidder

## SBD 6.1

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

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

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

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#### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2

a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore 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:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	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 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

Where

- P<sub>s</sub> = Points scored for price of bid under consideration
- P<sub>t</sub> = Price of bid under consideration
- P<sub>min</sub> = 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:

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

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

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

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

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

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution

Witnesses
1. _____
2. _____

_____
Signatures of bidders.
Date _____
Address _____

# CONTRACT FORM - PURCHASE OF GOODS/WORKS

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

## PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

(i) Bidding documents, viz

- Invitation to bid;
- Tax clearance certificate;
- Pricing schedule(s);
- Technical Specification(s);
- Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
- Declaration of interest;
- Declaration of bidder's past SCM practices;
- Certificate of Independent Bid Determination
- Special Conditions of Contract;

(ii) General Conditions of Contract; and

(iii) Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.

5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.

6. I confirm that I am duly authorised to sign this contract.

7. NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	.....
.....	.....
2.	.....
.....	.....



**CONTRACT FORM - PURCHASE OF GOODS/WORKS**

**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

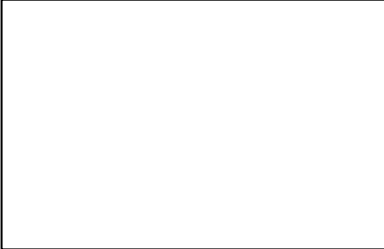
1. I..... in my capacity as.....  
accept your bid under reference number .....dated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

<b>ITEM NO.</b>	<b>PRICE (ALL APPLICABLE TAXES INCLUDED)</b>	<b>BRAND</b>	<b>DELIVERY PERIOD</b>	<b>B-BBEE STATUS LEVEL OF CONTRIBUTION</b>	<b>MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)</b>

I confirm that I am duly authorised to sign this contract.

SIGNED AT .....ON.....  
NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP 

WITNESSES

1. ....

2. ....

DATE .....

### CONTRACT FORM - RENDERING OF SERVICES

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

#### PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

- 8. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid .
- 9. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (iv) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (v) General Conditions of Contract; and
  - (vi) Other (specify)
- 10. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
- 11. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
- 12. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 13. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....

CAPACITY .....

SIGNATURE .....

NAME OF FIRM .....

DATE .....

WITNESSES	
1	.....
2	.....
DATE:	.....

**CONTRACT FORM - RENDERING OF SERVICES**  
**PART 2 (TO BE FILLED IN BY THE PURCHASER)**

- 4. I..... in my capacity as.....  
accept your bid under reference number .....dated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
- 5. An official order indicating service delivery instructions is forthcoming.
- 6. I undertake to make payment for the services rendered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	B-BBEE STATUS LEVEL OF CONTRIBUTION	MINIMUM THRESHOLD FOR LOCAL PRODUCTION AND CONTENT (if applicable)

4. I confirm that I am duly authorised to sign this contract.

SIGNED AT .....ON.....

NAME (PRINT) .....

SIGNATURE .....

OFFICIAL STAMP

WITNESSES

1 .....

2 .....

DATE: .....

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p><b>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</b></p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<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:		

**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. cancels a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**SBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Institution)

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

I certify, on behalf of: \_\_\_\_\_ that:

(Name of Bidder)

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

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

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



**SBD 9**

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

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

**If the supplier fails to perform any or all services within the period specified in this bid document, the FDC shall, without prejudice to applicable remedies in terms of South African Law, deduct from the total bid amount as a penalty, a sum calculated on a delivered price of the unperformed services using the current prime interest rate calculated for each day of the delay until the actual performance. The FDC may also consider termination of the contract.**

\_\_\_\_\_  
**Name of bidder**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

