



**TERMS OF REFERENCE FOR THE APPOINTMENT OF A LICENCED OPERATOR WHO QUALIFY FOR PROVISION OF BROADBAND CONNECTIVITY SERVICES IN RATLOU AND JOE MOROLONG LOCAL MUNICIPALITIES WITHIN NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY (NORTH WEST PROVINCE) AND JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY (NORTHERN CAPE PROVINCE) RESPECTIVELY.**

**Bid Ref : USAASA – INTERNET CONNECTIVITY/05/2018**

**Compulsory Briefing Session**

Date : 16<sup>th</sup> July 2018

Time : 10:00

Venue : USAASA Head Office address

Building 01, Thornhill Office Park, 94 Bekker Road, Vorna Valley, Midrand

**Bid Closure**

Date : 03<sup>rd</sup> August 2018

Time : 11:00

Delivery Address : USAASA Head Office

Building 01, Thornhill Office Park, 94 Bekker Road, Vorna Valley, Midrand

Name of Bidder.....



## 1. BACKGROUND

- 1.1. The Universal Service and Access Agency of South Africa (“USAASA”) is established in terms of Section 80 of the Electronic Communications Act Number 36 of 2005 (“the ECA”) as a statutory body with a sole mandate of promoting the goal of universal access and universal service to electronic communications network services (“ECNS”), and electronic communications services (“ECS”).
- 1.2. In the interest of fulfilling its mandate of ensuring universal service and universal access to ICTs in underserved areas, USAASA seeks to issue once-off subsidy to a suitably qualified and licensed<sup>1</sup> operator to construct and/or extend broadband infrastructure and provide services thereof in the Ratlou and Joe Morolong Local Municipalities as shown in **Annexure A and B.**

## 2. OBJECTIVE

- 2.1. USAASA therefore wishes to invite from the panel proposals to provide a total/holistic solution (broadband services), demonstrating the following:
  - 2.1.1. Proof of experience, skills, capacity and competencies in operating, supporting and maintaining broadband services;
  - 2.1.2. Proof of experience, skills, capacity and competencies in providing ICT services over broadband connectivity services;
  - 2.1.3. Proof of operating license issued by the Regulator (ICASA) as an Electronic Communications Network Service (“ECNS”) and Electronic Communications Service (“ECS”) licensee:
    - 2.1.3.1. Licensed to construct electronic communications infrastructure and provide services to end-users, in any part of the Republic of South Africa or in ICASA specified areas of the Republic of South Africa;
  - 2.1.4. Project management foundation to deliver on the objectives of the project and outcomes to be contained in the Subsidy Agreement;
  - 2.1.5. Adherence to the principles contained in the Preferential Procurement Policy Framework;

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<sup>1</sup> ICASA licensed



2.1.6. Reflect equitable representation in its ownership and control structure and human resources composition; and

2.1.7. Comply with Employment Equity and Skills Development legal requirements.

### 3. SCOPE OF WORK

Interested licensees are required to submit technical proposals to USAASA, indicating the following.

#### 3.1. Connectivity to Organisations and Institutions

3.1.1. Provide dedicated broadband connectivity services to Organisations and Institutions located within the targeted municipality. Organisations and Institutions may include Government Buildings, Educational Institutions, Health Facilities, Medium to Large Enterprises and others. **Annexure C** details the examples of organisations/institutions that can form part of the points of interest, which may require services as per the requirements below. Each organisation/institution must be turned into a Wi-Fi Hotspot with a unique protected SSID and a second SSID that provides free Wi-Fi access with a minimum of 500Mb free data per day per device. The following minimum specifications are required per Organisation/Institution:

3.1.1.1. Dedicated bandwidth of not less than 10Mbps per Organisation/Institution with scalable higher bandwidth as per policy provisions. *This is in line in line with South Africa Connect – South Africa’s Broadband Policy Targets and will be required and measured continually for compliance up to 2030;*

3.1.1.2. Data bundles of not less than 20GB per month per Organisation/Institution;

3.1.1.3. Each Organisation/Institution must have the ability to purchase more data bundles should they run out of the minimum provided bundles;

3.1.1.4. Each Organisation/Institution must be provided with a relevant equipment (CPE) to enable connectivity to the access network, which must be installed by the operator at each Organisation/Institution; and



3.1.1.5. USAASA must have the ability to monitor the usage of data at any site and at any given time.

3.1.2. Submissions must further indicate:

3.1.2.1. Types of connectivity contracts that Organisations/Institutions may choose from when taking up services (Post Paid, Pre-Paid, other);

3.1.2.2. Range of devices to be made available to Organisations/Institutions for connection to the deployed access network;

3.1.2.3. Price lists for all services and devices, as per the above; and

3.1.2.4. Any special price offerings to encourage uptake and usage (such as free or reduced connectivity per day for a certain amount of data), in view of the subsidy to be awarded from the USAF.

### 3.2. **Connectivity to Inhabitants**

3.2.1. Provide broadband connectivity services to all inhabitants of the municipality, should they choose to take up said services. Inhabitants include individuals, households and small businesses. The following minimum specifications are required per inhabitant:

3.2.1.1. Bandwidth of not less than 10 Mbps per inhabitant with possibility of higher bandwidth, should it be required. *This is in line in line with South Africa Connect – South Africa's Broadband Policy 2016 Targets;*

3.2.1.2. Data bundles of not less than 1G per month per inhabitant;

3.2.1.3. Inhabitants must have the ability to purchase more data bundles should they run out of the minimum provided bundles; and

3.2.2. Further to the minimum specifications required, as per submissions should indicate:

3.2.2.1. Maximum bandwidths to be provided per inhabitant, based on the capacity of the base stations or network points deployed;

3.2.2.2. Range of other data packages to be provided to inhabitants (per day, per month, other);

3.2.2.3. Types of connectivity contracts that inhabitants may choose from when taking up services (Post Paid, Pre-Paid, other);



- 3.2.2.4. Range of devices to be made available to inhabitants for connection to the deployed access network;
- 3.2.2.5. Price lists for all services and devices, as to be charged to inhabitants of the sample municipality; and
- 3.2.2.6. Any special pricing (such as free connectivity per day for a certain amount of data), in view of the subsidy to be awarded from the USAF.

### **3.3. Internet Connectivity**

3.3.1. The following are minimum Internet connectivity requirements per allocated school, clinic and where possible public Wi-Fi Hotspots:

3.3.1.1. Connectivity:

- 3.3.1.1.1. Average bandwidth of not less than 10Mbps per allocated school and public access centre. Entities are requested to indicate how the 10Mbps in terms of upload and download would be divided per each proposed technology solution;
- 3.3.1.1.2. Average data bundle of not less than 20GB per month per allocated school and Clinic
- 3.3.1.1.3. Where applicable for Public Wi-Fi Hotspot uncapped data bundles per month will be required;
- 3.3.1.1.4. Each allocated school, clinic and/or must have the ability to purchase more data bundles should they deplete the minimum provided bundles;
- 3.3.1.1.5. Each allocated school, clinic and public Wi-Fi Hotspot must be provided with a relevant CPE to enable connectivity to the ISP's network, which must be installed by the ISP at each allocated school, clinic and public Wi-Fi Hotspots.
- 3.3.1.1.6. For every public school, clinic and public Wi-Fi hotspots that is connected there must be an internet connected wireless access point.

### **3.3.1.1.7. Wi-Fi Coverage in Schools and Clinics**

3.3.1.1.7.1. Two (2) outdoor access point (linked to the CPE) per school/clinic with a coverage of 200 metres (multi-dimensional).

3.3.1.1.7.2. A total of two (2) indoor access points (linked to the CPE) per school/clinic. The Wi-Fi hotspot must cover at least key strategic areas as determined by the facility management.

### **3.4. Local Economic Development and Network Sustainability**

3.4.1. At each local municipality, the operator will be required to identify and appoint small business/businesses to take through an enterprise development process, which will include:

3.4.1.1. Training on support and maintenance of the deployed infrastructure;

3.4.1.2. Training on support of end users in the municipality (organisations, institutions and inhabitants) connected to the deployed infrastructure;

3.4.1.3. Training on reselling of services provided through the deployed infrastructure to end users in the municipality (organisations, institutions and inhabitants); and

3.4.1.4. Reselling of services provided through the deployed infrastructure to end users (organisations, institutions and inhabitants).

3.4.1.5. Methodology to be used to ensure that the network will be self- sustainable beyond Agency's' subsidy time frame.

3.4.2. In line with 3.6.1, submissions should provide a local economic development methodology used to achieve the objectives of local enterprise development.

## **4. USAF SUBSIDY REQUEST**

4.1. Successful service provider should take note of the fact that USAASA will not provide a 100% subsidy towards the costs required to deploy broadband

infrastructure and ensure that there are services in any municipality. Submissions should therefore indicate the following:

4.1.1. Based on 3.1.2 above, the amount of subsidy required from the USAF, as a percentage of the total cost to upgrade (if existing) and/or newly construct (if not existing) the backhaul infrastructure to connect the municipality to the nearest national backbone POP. If wireless, the amount of subsidy required must be broken down to subsidy requirement per hop. If wired, the amount of subsidy required must be broken down to subsidy requirement per kilometre.

4.1.2. Based on 3.2.1 above, the amount of subsidy required from the USAF, as a percentage of the total cost to upgrade (if existing) and/or newly construct (if not existing or not sufficient) base stations or network points to ensure broadband coverage over the municipality. The amount of subsidy required must be further broken down to subsidy requirement per base station or network point.

4.1.3. Based on 3.2.2 above, the amount of subsidy required from the USAF, as a percentage of the total cost to deploy a public Wi-Fi Hotspot.

4.2. All subsidy amounts must be quoted in South African Rands (ZAR) and must be inclusive of VAT.

## **5. DELIVERY PERIOD**

5.1. Interested operators should note that all Broadband Connectivity Services is required to be completed (including sign-offs by USAASA and submission of all relevant documentation) before the end of August 2018.

## **6. MONITORING AND REPORTING**

6.1. On award and allocation of a once-off subsidy to an operator

6.1.1. The operator will be reporting to the Project Manager.

6.1.2. The operator will be required to provide a project plan, detailing time periods, project milestones or resources using MS Projects.

6.1.3. Project meetings between the operator and the Project Manager will be held on a monthly basis, wherein the operator will be required

to submit and present a monthly report on progress made with regards to the deployment of the infrastructure.

## 7. CONTRACT PERIOD

- 7.1. The contract between USAASA and the awarded operator shall be for a period to be determined and agreed between USAASA and the awarded operator.

## 8. EVALUATION CRITERIA

**Please note that the Evaluation of the submitted proposals will be evaluated in three stages:**

### **Stage 1- Compulsory/Mandatory Documents**

- 8.1. All bid proposals must be submitted with the following information, name of bidder, contact person, contact details, postal address, physical address, telephone number, fax number.
- 8.2. All bids must be submitted with the following:
- 8.2.1. Central Supplier Database Report
  - 8.2.2. A B-BBEE Certificate;
  - 8.2.3. Certified ID Copies of Directors of the Company
  - 8.2.4. A valid ICASA issued ECNS and ECS license;
  - 8.2.5. A valid ICASA issued Radio Frequency Spectrum License(s), should the bidder propose the use of technologies that require radio frequency spectrum in the licensed bands.
- 8.3. The 80/20 preference point system will be used to evaluate USAF Subsidy Request and B-BBEE points.



8.3.1. Stage 2- **Functionality**

The second phase will be the evaluation of functionality. The functionality threshold is 80%. Bidders who score less than 80% will be disqualified.

NO	ELEMENT	0	WEIGHT	SCORE
A)	<b>TECHNICAL</b>			
1	<b>Training and Skills Transfer</b>  <i>Project Plan (Timelines, activities to be undertaken)</i> <i>0 = No Training Plan in place</i> <i>10 = Training plan with training schedules.</i> <i>15 = Training plan with ability to enable the user to trouble shoot and provide completion</i>		15	
2	<b>Maintenance and Support</b>  <i>0 = No Maintenance and support Plan in place</i> <i>10 = Maintenance and support plan in place with submitted sample reports.</i> <i>15 = Maintenance and support plan with a plan to support after hours during public</i>		15	
3	<b>Project Management</b> <i>Project Plan (Timelines, activities to be undertaken)</i> <i>0 = No Project Plan in place</i> <i>10 = Project plan with activities and milestones submitted</i> <i>15 = Project plan with activities and milestones submitted with resources allocated</i> <i>20 = Project plan with activities and milestones</i>		20	
4	<b>Bidder Experience</b>  <i>Bidder experience in similar projects</i>		15	

	<p>0= 0 -1 year  5 = 2 -4 years  8 = 5 – 8 years  10 = 9 – 10 years  15 = 10 years and above</p>		
5	<p><b>Capacity to Deliver</b></p> <p>a. Number of personnel assigned to project with 05 to 15 years combined working experience</p> <p>b. Staff qualifications including Management Team (RPL) Related to personnel and management with technical and management expertise in relation to the ICT sector)</p> <p>c. Technical qualifications (matric/ NQF level)</p> <p>0 = 1- 3 (CVs and list of qualifications)  10 = 4 – 9 (CVs and list of qualifications)  15 = 10 and above ( CVs and</p>	20	
	<p><b>Contactable References</b></p> <p>(Letters related to the similar bid, supply of internet connectivity services rendered)</p> <p>1 reference = 2  2 references = 4  3 references = 6  4 references = 10</p>	15	
<b>Threshold</b>		<b>80</b>	
<b>Total score</b>		<b>100</b>	

8.3.2. The second phase will be mandatory presentation, to the Evaluation and Adjudication committees, by bidders that have met the criteria for the first phase.

8.3.3. **Only bidders which score 80 points and above from this phase will be evaluated on the next stage of Price and BBBEE.**

**Stage 3- Pricing Stage**

- If the bidder attained 80 points/percent or more in Stage 2 the bidder will now be evaluated for Price in terms of the 80/20 preference point system, where 80 points will be for Price and 20 points will be for the organisation's B- BBEE status.
- The points scored in respect of B-BBEE contribution (i.e. PPPFA status) will be added to the points scored for price.
- The following formula will be used to calculate the points for Price:

$$Ps = 80 \{1 - \frac{(Pt - P \text{ min})}{P \text{ min}}\}$$

Where

Ps = Points scored for comparative price of proposal or quotation

Pt = Comparative price of proposal or offer

P min = Comparative price of lowest acceptable proposal or offer

The points for the bidder's PPPFA status will be awarded as per the company's B- BBEE status level of contribution in accordance with the table below and The BEE rating certificate accredited by SANAS or A BBBEE Sworn Affidavit:

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

**NB: The third phase is USAF Subsidy Request (as per 4.1 and 4.2 above) and B- BBEE evaluation of bidders who met the threshold. The USAF Subsidy Request may be evaluated based on the principles of "Least Cost Subsidy".**

**9. Experience in the requested services:**

Preference will be given to professionals/companies that will be able to demonstrate prior experience of similar projects done.

**10. Proposed Methodology:**

10.1 The bidder must provide a detailed proposal, articulating, amongst other things, the following:

- Methodology/ approach to be used to carry out similar the assignment as per TOR. The bidder's proposal must clearly and separately deal with the immediate scope and ad hoc services;
- Proposed timelines of delivering on the immediate scope; and indicative response times for attending and delivering on ad hoc services; and

10.2 Quotations should provide separate/ detailed costing for each of the above services outlined above.

**11. BID CONDITIONS**

11.1 USAASA reserves the right not to award, should the bid proposals be inadequate in terms of functionality.

11.2 USAASA reserves the right to withdraw this bid or extend the validity period of this bid before the validity period expires.

11.3 Interested operators must provide three (3) contactable referees for the work done elsewhere in the country.

11.4 USAASA reserves the right to contact the references.

11.5 USAASA reserves the right to award part of a bid and not the whole bid.

11.6 USAASA reserves the right to withdraw and cancel the tender.

11.7 USAASA reserves the right not to accept the lowest proposal.

11.8 USAASA reserves the right to sign and conclude a formal contract with the successful bidder.

11.9 USAASA reserves the right to visit the selected operators' reference sites elsewhere in the country.

11.10 General conditions of contract will be applicable to this bid.

## 12. BRIEFING SESSION

12.1 A compulsory briefing and clarification session will be held at Building 01, Thornhill Office Park, Vorna Valley Midrand, 1686 **on 16 July 2018 at 10h00** to clarify to bidder(s) the scope and probable extension of work to be executed.

12.2 It is highly recommended that bidders attend the briefing session. Bidders who do not attend the briefing session but submitted bids will be disqualified during Phase 1 Evaluation (Mandatory Requirements)

## 13. SUBMISSION OF BIDS

13.1 Three (3) copies of bids must be submitted comprising of one (1) original and two (2) copies. Bidders are required to submit their bids in 2 different envelopes, **technical bids in one envelope** and **the financial bid in a separate envelope**.

13.2 USAASA may request clarification or further information regarding any aspect of the bidder. The bidder must provide the requested information within forty-eight (48) hours after the request has been made; otherwise the bidder may be disqualified.

The following information must be endorsed on the envelopes: Bid No

Closing date

Name of the bidder

This is a two-stage bidding process in which proposals submitted must include technical and price, **submitted in separate envelopes**. For this purpose, the Service Provider must provide in respect of:

- Clearly marked **Technical**, one (1) original plus five (4) hard copies.
- The price proposal, SBD 1 and BBECE Certificate in one sealed envelope, named price bid sheet should include the following  
information:  Name of Service Provider

- Certification that the person signing the proposal entitled to represent the Service Provider empowered to submit the bid and authorized to sign a contract with the USAASA.

13.1 All the official forms (SBD) must be completed and signed in all respects by bidders. Failure to comply will invalidate a bid.

13.2 Bidders are requested to submit one (1) original plus four (4) hard copies; of the proposal and bid documents.

13.3 For ease of reference, Bids should be packaged in the following format:

- **Schedule/Slide A**  
Signed Tender Document and Completed SBD Forms
- **Schedule/Slide B**  
Mandatory Documents
- **Schedule/Slide C**  
Functionality Response
- **Schedule/Slide D**  
Company Profile
- **Schedule/Slide E**  
Any other supporting document

#### 14. CONTACTABLE PERSONS

Bidding enquiries, Kganki Kekana on 011 564 1600 – [kganki@usaasa.org.za](mailto:kganki@usaasa.org.za) ;

#### 15. CLOSING DATE OF PROPOSAL

15.1 A comprehensive proposal together with quotations meeting the above requirements must reach USAASA by no later than **03 August 2018, by 11h00**. Proposals in a hard copy must be hand delivered to USAASA offices at:

Building 1,  
Thornhill Office Park  
94 Bekker  
Road Vorna  
Valley Midrand  
1686

**No late proposals will be considered.**

## ANNEXURE A

### RATLOU LOCAL MUNICIPALITY:

Ratlou Local Municipality is part of Ngaka Modiri Molema district Municipality.

**MDB code:** EC153

ANNEXURE C – Ratlou Local Municipality Municipal Profile

Map of Ratlou Local Municipality

#### Municipal Information

Area 4 884km<sup>2</sup>

#### Description

Ratlou Local Municipality is one of the local municipalities under the jurisdiction of Ngaka Modiri Molema District Municipality in the North West province. It shares its borders with three other municipalities and the Republic of Botswana. The municipality is divided into 14 wards. Owing to its nature as a rural municipality, Ratlou does not have large economic centres within its jurisdiction. Most government services are conducted from various centres that are mainly located in Setlagole.

Cities/Towns Disaneng, Kraaipan, Madibogo,

Setlagole Main Economic Sectors Agriculture, Mining,

#### Tourism Demographic Information

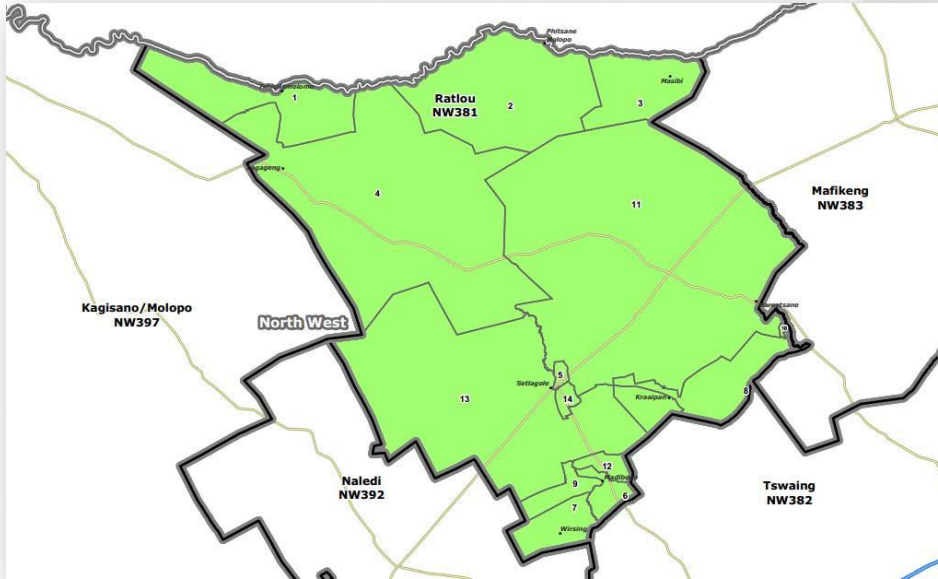
Population 107 339

Households 26 889

Population Growth 0.11% pa

Unemployment Rate 43.90%

## Ratlou Local Municipality Municipal Profile



*Map of Ratlou Local Municipality*

Municipal Information	
<b>Area</b>	4 884km <sup>2</sup>
<b>Description</b>	Ratlou Local Municipality is one of the local municipalities under the jurisdiction of Ngaka Modiri Molema District Municipality in the North West province. It shares its borders with three other municipalities and the Republic of Botswana. The municipality is divided into 14 wards. Owing to its nature as a rural municipality, Ratlou does not have large economic centres within its jurisdiction. Most government services are conducted from various
<b>Cities/Towns</b>	Disaneng, Kraaipan, Madibogo, Setlagole
<b>Main Economic Sectors</b>	Agriculture, Mining, Tourism



<b>Demographic Information</b>	
<b>Population</b>	107 339
<b>Households</b>	26 889
<b>Population Growth</b>	0.11% pa
<b>Unemployment Rate</b>	43.90%

**ANNEXURE B**

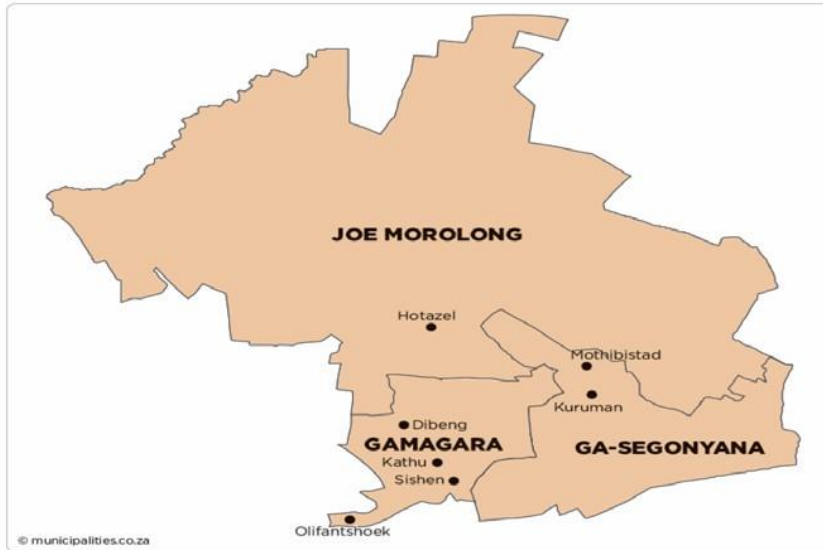
**JOE MOROLONG LOCAL MUNICIPALITY**

Joe Morolong Local Municipality is part of John Taolo Gaetsewe District Municipality in

Northern Cape Province *Map of Joe Morolong Local Municipality*

<b>Municipal Information</b>	
<b>Area</b>	20 172km <sup>2</sup>
<b>Description</b>	Joe Morolong Local Municipality was formerly known as Moshaweng Local Municipality. It is located in the Northern Cape province within John Taolo Gaetsewe District Municipality (Kgalagadi District Municipality). The area is mostly rural, with about 60% of it comprising virgin land surface. The village is situated approximately 24km north-east of Kuruman. Although unemployment is high, the municipality has a great deal of potential for developers, especially those interested in
<b>Cities/Towns</b>	Churchill, Hotazel, Santoy, Van Zylsrus,
<b>Main Economic Sectors</b>	Tourism
<b>Demographic Information</b>	
<b>Population</b>	89 530
<b>Households</b>	23 707
<b>Population Growth</b>	-0.90% pa
<b>Unemployment Rate</b>	38.60%

Map



**ANNEXURE C Organisations/Institutions that form Points of Presence as  
will  
Require Connectivity**

<b>ORGANISATION / INSTITUTION</b>	<b>BANDWIDTH</b>
School	10Mbps
Health Facility	10Mbps
Local Municipality Office	10Mbps
Library	10Mbps
Town Hall	10Mbps
Post Office	10Mbps
Police Station	10Mbps
Education / Health Circuit Office	10Mbps
Traditional Houses	10Mbps
Law Court	10Mbps
Other	10Mbps

## PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)						
BID	USAASA-Internet Connectivity/05/2018	CLOSING	06/08/2018	CLOSING	11h00	
DESCRIPTION	PROVISION OF BROADBAND CONNECTIVITY IN RATLOU AND JOE MOROLONG LOCAL MUNICIPALITIES WITHIN NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY (NORTH WEST PROVINCE) AND JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY (NORTHERN CAPE PROVINCE) RESPECTIVELY.					
<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 (STREET ADDRESS)						
95 Bekker Road						
Vorna Valley						
Midrand						
<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						
		<input type="checkbox"/> FCS PIN:		OR	CSD No: <input type="checkbox"/>	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE		<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN <input type="checkbox"/> Yes <input type="checkbox"/> No		
IF YES, WHO WAS THE CERTIFICATE		<input type="checkbox"/>				
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				
		<input type="checkbox"/> A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN				
		<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</b>						
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?		Yes	No	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	Yes	No
		[IF YES ENCLOSE PROOF]		[IF YES ANSWER PART B:3 BELOW ]		
SIGNATURE OF BIDDER		.....		DATE		
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority						
TOTAL NUMBER OF ITEMS				TOTAL BID PRICE (ALL		
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED</b>			<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>			
DEPARTMENT/ PUBLIC ENTITY			CONTACT PERSON			
CONTACT PERSON			TELEPHONE NUMBER			
TELEPHONE NUMBER			FACSIMILE NUMBER			
FACSIMILE NUMBER			E-MAIL ADDRESS			
E-MAIL ADDRESS						

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID</b>	
<b>SUBMISSION:</b>	
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.	
<b>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR ONLINE</b>	
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.	
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.	
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.	
<b>2. TAX COMPLIANCE REQUIREMENTS</b>	
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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
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.	
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
<del>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</del>	
2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	<input type="checkbox"/> YES <input type="checkbox"/> NO
<b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>	
3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?	YES    NO
3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	YES    NO
<del>3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?</del>	<del>YES    NO</del>

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

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

**PRICING SCHEDULE – FIRM PRICES  
(PURCHASES)**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

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

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	---

- Required by: .....
- At: .....
- Brand and model .....
- Country of origin .....
- Does the offer comply with the specification(s)? \*YES/NO
- If not to specification, indicate deviation(s) .....
- Period required for delivery .....
- \*Delivery: Firm/not firm
- Delivery basis .....

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

\*\* "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

\*Delete if not applicable

**DECLARATION OF INTEREST**

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

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

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

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

2.2 Identity Number: .....

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

2.4 Company Registration Number: .....

2.5 Tax Reference Number: .....

2.6 VAT Registration Number: .....

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

<sup>1</sup>“State” means –

- (a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) any municipality or municipal entity;
- (c) provincial legislature;
- (d) national Assembly or the national Council of provinces; or
- (e) Parliament.

<sup>2</sup>“Shareholder” means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.



2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

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

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

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

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

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

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

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

2.8 Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months? **YES / NO**

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

2.9.1 If so, furnish particulars.

.....



**4 DECLARATION**

I, THE UNDERSIGNED (NAME)..... CERTIFY

THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF  
PARAGRAPH 23 OF THE GENERAL CONDITIONS OF CONTRACT SHOULD THIS DECLARATION  
PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

May 2011

This document must be signed and submitted together with your bid

## THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

### INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on the 1 September 1996. The NIP policy and guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases / lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (DTI) is charged with the responsibility of administering the programme.

### 1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million. or
  - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2 year period which in total exceeds US\$10 million.  
or
  - (c) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.  
or
  - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.
- 1.3 To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

## **2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY**

2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.

2.2 The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1.(b) to 1.1. (d) above.

## **3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)**

3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.

3.2 In order to accommodate multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the DTI in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million (ten million Rands), to contact and furnish the DTI with the following information:

- Bid / contract number.
- Description of the goods, works or services.
- Date on which the contract was accepted.
- Name, address and contact details of the government institution.
- Value of the contract.
- Imported content of the contract, if possible.

3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone (012) 394 1401, facsimile (012) 394 2401 or e-mail at [Elias@thedti.gov.za](mailto:Elias@thedti.gov.za) for further details about the programme.

## **4 PROCESS TO SATISFY THE NIP OBLIGATION**

4.1 Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:

- a. the contractor and the DTI will determine the NIP obligation;
- b. the contractor and the DTI will sign the NIP obligation agreement;

- c. the contractor will submit a performance guarantee to the DTI;
- d. the contractor will submit a business concept for consideration and approval by the DTI;
- e. upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
- f. the contractor will implement the business plans; and
- g. the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2 The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number .....	Closing date:.....	Name of
bidder.....		
Postal address .....		
.....		
Signature.....	Name (in print).....	
Date.....		

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

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

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

---

**1. GENERAL CONDITIONS**

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

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

1.2

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

1.3 Points for this bid shall be awarded for: (a)

Price; and

(b) B-BBEE Status Level of Contributor.

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

	<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 OR 90/10 PREFERENCE POINT SYSTEMS**

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 P_s \left[ \frac{80}{100} \right] \left[ \frac{P_t - P_{min}}{P_{min}} \right] & \text{or} & P_s \left[ \frac{90}{100} \right] \left[ \frac{P_t - P_{min}}{P_{min}} \right]
 \end{array}$$

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Price of bid under consideration

$P_{min}$  = Price of lowest acceptable bid

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

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



B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

**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	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are youth	<input type="checkbox"/>	<input type="checkbox"/>
Black people who are women	<input type="checkbox"/>	<input type="checkbox"/>

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 company/firm:..... of

8.2 VAT registration number:.....

8.3 Company registration number:.....

**8.4 TYPE OF COMPANY/ FIRM**

- Partnership/Joint Venture / Consortium
  - One person business/sole propriety
  - Close corporation
  - Company (Pty) Limited
- [TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

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

**8.6 COMPANY CLASSIFICATION**

- Manufacturer
  - Supplier
  - Professional service provider
  - Other service providers, e.g. transporter, etc.
- [TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

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

WITNESSES

1.  
.....

2.  
.....

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

DATE: .....

.. ADDRESS .....

..

.....  
.....

**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 of Restricted Suppliers 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 Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</b>  The Database of Restricted Suppliers now resides on the National Treasury's	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>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>	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:	<input type="checkbox"/>	<input type="checkbox"/>

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

**SBD 8**

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME)..... CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

Js365bW

**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