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TERMS OF REFERENCE

BID NUMBER: BID02302\2024

**BID – PROVISION OF MAPS DATA FOR RESEARCH ON MARKET STRUCTURE IN TOWNSHIP
AND RURAL ECONOMY**



1. BACKGROUND

- 1.1 The Competition Commission (Commission) is a statutory body constituted in terms of the Competition Act, No. 89 of 1998 (the Act). It is one of three, independent competition regulatory authorities established in terms of the Act, with the other two being the Competition Tribunal and the Competition Appeal Court. The Commission is empowered by the Competition Act to investigate, control, and evaluate restrictive business practices, abuse of dominant positions, mergers, undertake market inquiries and advocacy in order to achieve equity and efficiency in the South African economy.
- 1.2 The Commission is a public entity listed in schedule 3A of the Public Finance Management Act (PFMA), and acts in compliance with section 217 of the Constitution of South Africa and applicable Public Procurement Regulations and Prescripts.
- 1.3 The Commission requires a suitably qualified service provider for the **Provision of Research on Market Structure in Township and Rural Economy** by sourcing and collecting data on the number townships and a number of economic and demographic variables. This consists of web scrapping of business data in townships and rural towns across South Africa to provide a broader picture (landscape) of the nature and number of businesses by business category in these areas. The service provider is expected to collect the data and produce summary statistics (for example, nationally, provincially, and in a sample of regions) in the form of tables, figures, and geo-maps.
- 1.4 Therefore, the CCSA requires a suitably qualified service provider of business maps data for townships and rural towns.

2. SITUATION ANALYSIS

- 2.1 The rural and township economies in South Africa are crucial components of the country's economic landscape. Rural areas (i.e., towns) typically serve as central hubs for clusters of villages characterized by households facing economic challenges. Within these contexts, the rural economy holds immense promise as a catalyst for inclusive and sustainable development. In particular, rural economy has the potential to create meaningful and productive employment opportunities, combat poverty, enhance food security, and foster social justice. Nevertheless, despite this potential, substantial deficits in decent work persist, resulting in elevated poverty rates and pervasive informality among rural workers.
- 2.2 On the other hand, township economy has proven to contribute significantly to the South African economy. Specifically, townships account for approximately 17% and 6% to South Africa's overall employment and gross domestic product (GDP), respectively. Recognizing this, the national government has acknowledged the crucial importance of fostering the development and growth of the township economy, including informal trade. The National Development Plan (NDP) envisions the township economy as a potential source for creating between about 2 million new jobs by 2030, underscoring the government's commitment to nurturing its potential.



2.3 While significant attention has been devoted to understanding the contribution and importance of the township economy in South Africa, less is known about the role played by the rural town economy and the underlying structural and ownership dynamics present in both these economic spheres (i.e., rural town and township). Further, these economies face unique challenges, such as limited infrastructure, access to finance, skills development, and market opportunities. Additionally, ownership dynamics related to race, gender, age, and education influence economic participation and resource allocation within these contexts. As such, understanding the structural and ownership dynamics in the rural and township economy is crucial for addressing these challenges and promoting equitable economic development.

2.4 By delving into these dynamics, policymakers, researchers, and development practitioners can gain valuable insights into the distinct challenges, opportunities, and growth potential within rural and township economies. Understanding the structural and ownership dynamics is crucial for formulating effective strategies that promote sustainable and equitable development, foster inclusive growth, and enable economic empowerment in these areas. Furthermore, such insights may also shed light on the role, if any, that competition policy can play in addressing the identified challenges.

3. SCOPE OF WORK

3.1 Conduct a Comprehensive Data Gathering on Business Activities in Townships and Rural Towns Across All South African Municipalities/ Districts

3.1.1 Categorize business activities into distinct sectors such as (i) Retail, (ii) Services, (iii) Manufacturing.

3.1.2 In terms of the retail sector, differentiate between spaza shops and liquor stores from general retail.

3.1.3 Specify and distinguish various businesses within the retail categories such as grocery, clothing, pharmacy, etc.

3.1.4 Delineate subcategories of businesses within the services sector (i.e., medical services etc.) and manufacturing sector (i.e., intermediate products and final products).

3.1.5 Distinguish between informal and formal businesses: For informal enterprises, furnish summary statistics illustrating the density of retail establishments, separating spaza shops and liquor stores such as shebeens from other identified business sectors.

3.1.6 For formal enterprises, determine and show (using examples of geographical mapping) the prevalence or share of national chain enterprises or businesses within each business sector, examining the concentration levels in each respective category.

3.1.7 Present data on number and/or density of retail centers such as shopping malls and complexes per township or rural town.

3.1.8 Present data on business space accessibility within shopping malls by comparing prevalence of national chains versus local chains in townships and rural towns.

3.1.9 Calculate the proportion of space allocated to national chain businesses in contrast to local independent businesses.



4. DELIVERABLES

Project phase	Deliverable	Required analysis
Inception phase	A draft and final inception report with the following: <ul style="list-style-type: none">Methodology of townships and rural towns boundary data.List of townships and rural towns for approval.Confirmation of data availability and access in South AfricaPresentation of inception report	Description of townships and rural towns in terms of the methodology. Evidence of adequate data access will also be required in this phase.
Project delivery	Monthly progress reports	Status of data collection: <ul style="list-style-type: none">The data that has already been gatheredData to be gathered in the following monthAssistance required (if any) from the CCSA
	Final report	Report and presentation: graphic presentations and summary statistics of the data collected.
	Access to Data	All the data, raw, cleaned, and consolidated, be submitted in Excel format.

5. TIMEFRAMES

5.1 The project will run for approximately twenty-four (24) weeks from the start date

6. CONTRACTUAL OBLIGATION

6.1 All bidders must complete SBD 3.3 as well as the applicable annexure (Pricing schedule).

6.2 The bidders are required to provide a dedicated Project Manager/ Lead Researcher upon contracting.

6.3 In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors.

6.4 The successful bidder will be required to have adequate professional indemnity cover (upon parties contracting at an estimate value of R 2 million)



- 6.5 Unsatisfactory performance can result in CCSA invoking its right to terminate the contract in terms of measuring unsatisfactory performance.
- 6.6 Bidder must adhere to Protection of Personal Information (POPI) Act.

7. ABSENCE OF OBLIGATION & CONFIDENTIALITY

- 7.1 No legal or other obligation shall arise between the service provider and CCSA unless/until both parties have signed a formal contract or Service Level Agreement in place.
- 7.2 The Contract site is at **CCSA (as and when required)**.

8. WORKMEN AND SUPERVISION ON SITE

- 8.1 The service provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract.

9. ADMINISTRATIVE CRITERIA (Phase 1)

- 9.1 Proof of registration on CSD (**Central Supplier Database**)
- 9.2 Initialled General conditions of contract (GCC) on each page, completed and signed Standard bid documents (SBD 1, 3.3 including A, 4, and 6.1)
- 9.3 Bidder to provide BBBEE Certificated (accredited by SANAS) or fully completed, signed, and commissioned Sworn affidavit.

Bidders to fully comply with the conditions of tender.

10. EVALUATION CRITERIA (Phase 2)

- 10.1 Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria are designed to reflect the Commission's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.
- 10.2 The functional performance areas and elements to be assessed with their weights are summarised below: The tender submission will be functionally evaluated out of a **minimum of 70 points – any bidder who scores less than 70** will not be considered for further evaluation (**maximum score is 100**).
- 10.3 Bidders who obtained less than the minimum threshold of **70 points** will be declared non-responsive and therefore will not be eligible for **evaluation of BBBEE Aligned to Specific Goals & Price**.



10.4 Evaluation Criteria (Phase 2)

Evaluation Area	Evaluation Criterion	Maximum Points
Bidders' database to map townships and rural towns The bidder must have an existing database of business data in townships and rural towns across South Africa.	A sworn affidavit confirming availability / access to Database that they propose relevant for this project. Affidavit to include description data source including variables and/or scope of data source. Names of data sources may be kept confidential.	40
Experience of the firm The bidder must submit the company profile detailing relevant at least 10 years' experience of the firm in web scrapping of business data in townships and rural towns across South Africa to provide a broader picture (landscape) of the nature and number of businesses by business category in these areas. Demonstrate ability to customise content.	Proven experience and expertise: 15 years' experience and above = 30 points 10 years' experience = 20 points Non-compliance with minimum points = 0 points	30
Reference letters of completed projects (within last 5 years)	Bidder must provide reference letters that indicate completed projects. The Bidder must submit Contactable Reference letters indicating the successful Project Completion, nature of the programme, target group, duration of the project, overall project outcome as well as Contact Person for Reference with Contact Numbers such as telephone and email address. - Minimum 2 reference letters = 20 points - Above 3 reference letters = 30 points Non-compliance with minimum points = 0 points CCSA reserves the right to conduct due diligence in terms of the reference letters submitted	30
Total		100

10.5 BBBEE, Specific Goals and Price Preference:

10.5.1 As the tender price is estimated to be between R2001 and R50 million including VAT, the tender responses will be evaluated on the 80/20-point system.



11. ADJUDICATION USING A POINT SYSTEM

- 11.1 The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder.
- 11.2 Preference points shall be calculated after process has been brought to a comparative basis taking into account all factors of non-firm prices.
- 11.3 In the event that two or more bids have scored equal points in terms of price and preference points for BBBEE, the successful bid must be the one scoring the highest number of preference points for BBBEE - in terms of PPPFA Act 5 of 2000.
- 11.4 However, when functionality is part of the evaluation process and two or more bids have scored equal points for BBBEE, the successful bid must be the one scoring the highest score for functionality.
- 11.5 Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

12 POINTS AWARDED FOR PRICE AND BBBEE & SPECIFIC GOALS PREFERENCE POINT

The **80/20** Preference Point System:

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

- 12.2 **20** points allocated in terms of the Commissions specific goals (*further recognition*):

The **80/20** preference point system

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

$$Ps = 80 \{1 - (Pt - P_{min})\}$$

P_{min}

Where:

Ps	=	Points scored for comparative price of bid under consideration
Pt	=	Comparative price of bid under consideration
Pmin	=	Comparative price of lowest acceptable bid

13 B-BBEE & SPECIFIC GOALS PREFERENTIAL POINTS WILL BE AWARDED AS FOLLOWS:

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
B-BBEE LEVEL 1	10	
B-BBEE LEVEL 2	9	



B-BBEE LEVEL 3	8	
B-BBEE LEVEL 4	6	
B-BBEE LEVEL 5	4	
B-BBEE LEVEL 6	3	
B-BBEE LEVEL 7	2	
B-BBEE LEVEL 8	1	
Non-compliant contributor	0	
Further recognition for EME/QSE and or Women and or Youth, and or Rural Enterprise to be determined by the specification adjudication authority	10	

13.1 Bidders who qualify as EME's and QSE's in terms of the B-BBEE Act must submit a Sworn affidavit. Misrepresentation of information constitutes a criminal offence.

13.2 Bidders other than EME's or QSE's must submit their original and valid B-BBEE status level verification certificate, substantiating their B-BBEE rating issued by SANAS.

13.3 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

14 CONSORTIUM

14.1 A consortium is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.

14.2 A consortium requires that each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which delignates the rights and obligations of each member.

14.3 In a consortium, only the lead bidder's credentials both in terms of financial and technical qualifications are considered. Therefore, the interpretation and application to a Bid process is such that the lead partner is identified, and the following requirements are required as follows:

a) Lead Partner

- All administrative documents (consortium agreement between the lead partner and the partner)



- Technical requirements (which will show in the proposal and other requirements why the need for the consortium, which for all intent and purpose fulfils the requirements of the bid through combination of skills)

b) Partner

- Proof of CSD registration.
- Tax Pin.
- BBBEE Sworn-Affidavit.
- SBD 4

14.4 It should be taken into cognisance that although the lead partner is the qualifying entity, the partner should prove that it can do business with state-owned entities, through CSD registration, proof that the taxes are compliant, its level of BBBEE status in order to align with the BBBEE status level required by the BID, declare interest and answer questions that it is not a disqualified entity with the National Treasury. The foregoing ensures compliance from an SCM process perspective that the consortium is in order.

14.5 Of importance is that in a consortium, each individual team members retain their identities.

15 A JOINT VENTURE

15.1 A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, returns and risks and shared governance.

15.1.1 Unincorporated joint venture:

All SCM documents are filled in by the joint venture in the name of the joint venture, although the submission of administrative documents (partnership agreement between parties) will be completed in the name of the joint venture, and the following will be required from both parties, amongst others

- a) SBD 4
- b) SBD 6.1
- c) Tax pin
- d) CSD registration.
- e) The JV agreement will direct which bank account of the two entities will be used.
- f) Consolidated Joint BBBEE Certificate.

15.2 Incorporated joint venture

15.2.1 This aligned to a registered entity or company. A registered entity/ company with a consolidated BBBEE certificate and a bank account in the name of the Joint venture. The required compliance documents must be complete by the entity/ company the name of the joint venture, and the following will be required amongst others

- a) SBD 4
- b) SBD 6.1
- c) Tax pin



- d) CSD registration.
- e) The JV agreement will direct which bank account of the two entities will be used.
- f) Consolidated Joint BBBEE Certificate.

15.2.2 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended Sub-contractor is an EME that has the capacity and the ability to execute the sub-contract.

15.3 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capacity and the ability to execute the sub-contract.

16 COMMUNICATION

Respondents are warned that a response will be disqualified should any attempt be made by a bidder either directly or indirectly to canvass any officer(s) or employees of CCSA in respect of BID process, between the closing date and the date of the award of the business.

All enquiries relating to this BID should be emailed ***three days before the closing date.***

17 CONDITIONS TO BE OBSERVED WHEN BIDDING

The Commission does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. The Commission also reserves the right to withdraw or cancel the BID at any stage.

No BID shall be deemed to have been accepted unless and until a formal contract / Contract Form and letter of award or Purchase Order is prepared and executed.

The competitive shall remain open valid by the Commission for a period of **120 days** from the closing date of the BID Enquiry.

CCSA reserves the right to:

- 17.1 Not evaluate and award a bid that do not comply strictly with this BID document.
- 17.2 Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.
- 17.3 Contact any bidder during the evaluation process, in order to clarify any information, without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.
- 17.4 Cancel this BID at any time.
- 17.5 Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the cost effectiveness and the principal of value for money not necessarily on the basis of the lowest costs.



18 Cost of Bidding

18.1 The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and the CCSA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

19 Note to Bidders:

19.1 Due diligence to be conducted by CCSA prior to the award of the contract.

END OF TERMS OF REFERENCE DOCUMENT

Annexed to this document for completion and return with the document:

- ANNEXURE SBD 1 and conditions to tender. – must be fully completed and signed.
- ANNEXURE SBD 3.3 (*pricing schedule- A*) – *must be fully completed and signed.*
- ANNEXURE SBD 4 – must be fully completed and signed.
- ANNEXURE SBD 6.1 – must be fully completed and signed.
- ANNEXURE General Conditions of Contract (GCC) initialled on each page.