

05 April 2024

Request for Quotation: Provision of Independent Auditing Services of Capital Infrastructure Efficiency Grant (CIEG) expenditure (Bi-annual audit).

1. Background

Northlink College is a Public Technical and Vocational Education and Training College and a key component of government as it conducts and coordinates Education and Training on behalf of the Department of Higher Education and Training. Northlink College has seven (7) campuses which are geographically located across the northern areas of the Cape Town Metropole, Western Cape. Central Office is allocated at **80 Voortrekker Road, Bellville.**

2. Objectives of the audit would be to test and confirm if:

- 2.1 The CIEG funding has indeed been applied for repairs and maintenance and not for any operational costs; (Validity).
- 2.2 If quality work has been delivered; (Existence, Occurrence, and Value for money).
- 2.3 If reasonable rates have been charged by the Contractors for the work paid for; (Accuracy and Value for Money).
- 2.4 If the projects were critical and of important nature to the College, linked to the maintenance plans of the College; (Evaluation).
- 2.5 If a Principal Agent or other Consultants have been appointed to facilitate the projects, determine if the professional fees payable in this regard, are market-related. (Accuracy and Value for Money).

3. Scope of work and deliverables

The appointed service provider will undertake the following:

- 3.1 Obtain a detailed CIEG expenditure report from the College Financial System for the audit period under review. The audit period under review is from October 2023 to 31 March 2024 (First 6 months). The second audit period will be from April 2024 to September 2024.
- 3.2 Obtain a listing of completed CIEG projects from the College for the audit period under review, which must include the total value of expenditure incurred and paid for.

3.3 Based on the listing obtained, select a minimum of 5 projects based on total costs incurred. (From highest reported expenditure in descending order).

3.4 Trace all reported expenditures per listing, per project, back to the detailed expenditure report obtained from the College financial system.

3.5 Randomly select at minimum 5 payment transactions per project (If less than 5 transactions are applicable for a project, all payments must be selected for audit).

3.6 Perform a detailed audit check on the payments selected:

- Confirm what the payment was made for;
- Confirm what rates were applied and if these rates paid for are reasonable and market-related;
- Physically inspect the work paid for, and re-measure quantities (if possible, for instance, square meter tiling installed, or square meter roofs repainted);
- Check the measured quantities to the quantities paid for;
- Take pictures of the work conducted;
- Assess whether quality work was performed and if value for money was obtained.

3.7 Conclude on the following audit assertions relating to:

- Occurrence;
- Existence;
- Accuracy;
- Validity;
- Completeness and
- Valuation

3.8 Summary and Conclusion

In total, a maximum of 25 payment transactions (or less depending on the quantum of CIEG projects completed) will be applicable for each audit cycle, comprising a maximum 5 CIEG projects and 5 payment transactions per project. The appointed service provider must provide a conclusive **Agreed-Upon Procedure (AUP)** report indicating if the projects and transactions selected for the audit period under review, did fulfill the objectives as stated above.

The auditor must raise and findings with the College management, and obtain management responses when the audit management report is concluded, clearing and indicating the following:

- Auding finding,
- Potential impact,
- Root cause,
- Management response,
- Auditors' conclusion.
- (Photos where relevant of work conducted about sample selections must also be included)

4. Independence and objectivity of the Service Provider.

4.1 In carrying out the work, the Service Provider must ensure that their staff maintains their objectivity by remaining independent of the activities they audit.

The Service Provider shall;

- Have no Executive or managerial powers or functions;
- not be involved in the day-to-day operations of the Department of Higher Education and Training, College Campuses, and Central Office or have any relationship with any staff member belonging to such entities;
- not be responsible for the detailed development or implementation of new systems and procedures;
- Report directly to the office of the principal (CEO).

5. Continuity and profile of staff on the project

5.1 The Service Provider must ensure the presence of the senior auditors in charge of fieldwork, throughout the contract, unless agreed otherwise with the college.

5.2 Replacement of any of the proposed team members or managers must be of equal qualification and experience as the originally appointed team members/manager and such information must be communicated to the College before replacement.

6. Qualifications and experience of the prospective Service Providers

6.1 To be considered for this RFQ the Service Provider (s) must have the following qualifications and number of years of experience:

The number of personnel required is (3) three. The composition of the team will be as follows:

- 1x Partner/Director/Associate Director registered as a Chartered Accountant
- 1x Audit Manager, registered as a Chartered Accountant
- 1x Auditor

NB: The Service Provider's firm must be led by Chartered Accounts registered with the South African Institute of Chartered Accounting (SAICA), including those registered with the Independent Regulatory Board for Auditors (IRBA) (proof must be submitted).

6.2 The team should have a good understanding of the South African Constitution, knowledge of the PFMA, and all applicable legislation, regulations, instruction notes, and other prescripts as they apply to each audit.

6.3 Certified copies of the qualifications of the proposed team members must be included as proof and foreign-acquired qualifications must be endorsed by the South African Qualification Authority (SAQA) before they can be considered by the College.

6.4 The Service Providers must submit a list of references (including a reference letter per assignment) for previous similar audits. The references must be on the letterhead of the client, signed by the client, and indicating the nature of the assignment performed (audit), and the contact person with his/her contact details. Each reference letter will be taken as one (1) assignment. An extension of an assignment is not considered to be a new assignment.

6.5 A comprehensive Curriculum Vitae (CV) for each of the project team members who will be available for the duration of the contract period must be submitted. Each CV must provide the qualifications of the project team members and the number of years of experience in conducting audit details. Each CV should provide 3 contactable references.

6.6 The number of CVs required is one (1) for each above-mentioned personnel on point 6.1.

7. Conditions of the RFQ

7.1 Successful Service Provider must be in a position to commence work within five (5) calendar days of awarding of an assignment contract.

7.2 The Successful Service Provider will be provided a maximum of ten (10) working days to complete and submit the audit report for period 1.

8. Pricing and disbursement

The rates applicable for hourly fees are Auditor-General South Africa: Audit charge hourly rates, applicable at the time of the audit, excluding VAT.

Regarding disbursements, the following will apply:

- Cape Town is deemed to be local for this assignment the head office of the Service Provider and no disbursements for travel to and from Cape Town, as well as accommodation and related costs for work performed in Cape Town, will be paid;
- No work expected to be performed outside of Cape Town unless the service provider is working remotely at no extra charge; and
- Cost containment measures as prescribed by the National Treasury.

9. College obligation

9.1 The College will review and evaluate the services provided by the Service Provider on an ongoing basis.

9.2 The College will supply all reasonable, relevant, available data and information required and requested by the Service Provider in carrying out their duties under this contract.

10. Service Provider's obligation

- 10.1 To act as an independent Service Provider concerning the work;
- 10.2 To attend meetings with officials whenever required to do so to obtain information or advice regarding the work and assignments or any matters arising therefrom or in connection therewith;
- 10.3 Be responsible for its resources (e.g., computers and laptops, etc.) and to adequately perform its functions;
- 10.4 To exercise all reasonable for its skills, care, and diligence in the execution of the audit work and shall carry out their obligations by **international standard on Related Services (ISRS) 4400**;
- 10.5 Be professional in all matters and act as faithful advisor to the College as well as respect laws and customs of the country in which any business about the project is conducted;
- 10.6 To provide mitigating plans and identify all possible risks that may affect the delivery of the project on time and ensure that necessary mechanisms are in place to manage such risks.
- 10.7 All copyrights and intellectual property to all documentation, reports, etc. That emanates from this assignment will vest in the College and such information and documentation should be filed with the Central Office upon completion of the assignment within seven (7) working days.
- 10.8 To treat all available data provided by the College in the process as strictly confidential and not for any form of distribution or use unless express written approval is obtained from the College.

11. Evaluation criteria

The Service Providers will be evaluated based on Technical Evaluation Criteria and based on B-BBEE and hourly rates.

Technical Evaluation Criteria

The Evaluation criteria

No	Technical/functional requirements	Weight allocated	Total Weight
1.	Previous experience with a similar task		30
	Audit performed by the <u>Service Provider</u>		
	No assignments	0	
	1 assignment	6	
	2 assignments	12	
	3 assignments	18	
	4 assignments	24	
	5 or more assignments	30	
	- Evidence required for evaluation: Reference letters: On the letterhead of the client, signed by the client and indicating the nature of the assignment performed (auditing services), and a contact person with his/her contact details. Each reference letter will be taken as one assignment. Extensions of an assignment are not considered to be a new assignment.		
2.	<u>Key personnel: Qualifications (individual qualification requirements)</u>		35

2.1	1 x Partner/Director/Associate Director: minimum requirement	15	
	<ul style="list-style-type: none"> - Degree in law plus admission as an attorney/advocate or - CA(SA); or - Masters' degree in Auditing; or related field. <p>AND</p> <p>associate membership within the auditing field can be submitted.</p>		
2.2	1x Auditor Manager: minimum requirement	12	
	<ul style="list-style-type: none"> - BCom Accounting and Auditing; or - NQF Level 7 qualification with specialization in Accounting and Auditing; or - Bcom Forensic Accounting; or - Degree in law; or <p>AND</p> <p>associate membership within the auditing field can be submitted.</p>		
2.3	1x Auditor: minimum requirement:	8	
	<ul style="list-style-type: none"> - BCom Accounting and Auditing; or - NQF Level 7 qualification with specialization in Accounting and Auditing; or - Bcom Forensic Accounting; or - Degree in law; <p>All the minimum requirements must be met. If the minimum requirement is not met in full for personnel the score awarded will be zero (0) for those sub-criteria.</p>		

	<u>Evidence required for evaluation:</u> Certified copies of qualifications and membership numbers (this may be indicated in the CV and attach a certified copy		
No	Technical/functional requirements	Weight allocated	Total Weight
3.	<u>Key personnel: Experience (individual qualification requirements)</u>		35
3.1	1x Partner/Director/Associate Director: minimum requirement of at least 5 years' experience in Auditing or investigation overseen/performed.	15	
3.2	1x Auditor Manager: minimum requirement of at least 4 years' experience in auditing/investigations and with at least 2 audits/investigations performed.	12	
3.3	<p>1x Auditor: minimum requirement of at least 3 years' experience in auditing/investigations.</p> <p>To qualify for the weight allocated/scope as per each sub-criteria (3.1,3.2 and 3.3) <u>all the minimum requirements</u> must be met for each key personnel. If the minimum requirements are not met in full for each key personnel the score awarded will be zero (0) for that sub-criterion.</p> <p><u>Evidence required for evaluation:</u> CVs that must detail the auditing services experience.</p>	8	

The service providers need to obtain a minimum of 70 points and above to progress to the next stage of evaluation

12. Appointment, commencement and duration

The duration of the contract will be split into Bi-annual audits.

From October 2023 to 31 March 2024, the audit report is to be submitted to the Department of Higher Education (DHET) no later than **31 May 2024 (Period 1)**.

From April 2024 to 30 September 2024, the audit report is to be submitted to the Department of Higher Education (DHET) no later than **30 November 2024 (Period 2)**.

13. Payment

The College will undertake to pay in full within thirty (30) days all valid invoices for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made, where there is outstanding information not submitted by the Service Provider. All invoices must be supported by a breakdown of hours spent on Audit.

14. RFQ PRICING

The rates applicable for hourly fees are Auditor-General South Africa: Audit charge hourly rates, applicable at the time of the audit, excluding VAT.

<u>Number</u>	<u>Description</u>	<u>Rates per hour (Excluding VAT)</u>
1	Conduct CIEG expenditure audit (period 1) due date 31 May 2024 a) 1 x Partner/Director/Associate Director b) 1x Auditor Manager c) 1x Auditor	R R R
	Total cost of the audit services (Period 1)	R
2	Conduct CIEG expenditure audit (period 2) due date 30 November 2024 a) 1 x Partner/Director/Associate Director b) 1x Auditor Manager c) 1x Auditor	R R R
	Total cost of the audit services (Period 2)	R

14.1 Only service providers that achieve the minimum stipulated threshold for technical evaluation of 70% will be evaluated further by the 80/20 preference point systems. The 80 points will be allocated for price whilst, 20 points will be allocated for BBBEE totaling 100 points.

The formula will be used in calculating points scored for the Preference points system

14.2 The price and BBBEE are to calculate the price points for a service provider who progressed to this stage of evaluation as per the formula below.

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

Where

P_s = Points scored for the comparative price of the quotation under consideration.

P_t = Comparative price of quotation under consideration.

P_{min} = Comparative price of the lowest acceptable quotation

14.3 BBBEE level of contribution

The second step under price and BBBEE is to calculate BBBEE points for tenderers who progressed to this stage of evaluation as per below BBBEE status level of contribution.

The level 1 contributor will obtain 20 points and the last level contributor will obtain the lowest points as per the table below.

BBBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non – complaint contributor	0

14.4 Final score

The points scored for the price will be added together with the points scored for BBBEE to obtain the quotation total points.

Special conditions

1. Quotation closing date: Wednesday, 17 April 2024 @11h00
2. Email quotation and supporting documentation to ngobile.myeni@northlink.co.za
3. Quotation valid for at least 30 days from the closing date.
4. The quotation originally completed in ink MUST be done on the attached “Invitation to Quote” form and the Service Provider may additionally add a quotation on their business’ letterhead.
5. The quotation must be on items that strictly conform to the scope of work as requested (mentioned). Quotations must be submitted in line with the scope of work stipulated – pricing must be done per item. In the event of any items not conforming to the specifications, additional costs may be recovered from the supplier.
6. Delivery charges MUST be included in the price for “Supply and Delivery of Goods”
7. Goods/services may only be provided after and according to the official purchase order issued.

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

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

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5	Tax	Reference	Number:
		

2.6 VAT Registration Number:

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

¹"State" means –

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

²"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

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

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

YES / NO

work outside employment in the public sector?

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

YES / NO

business with the state in the previous twelve months?

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

employed by the state and who may be involved with the evaluation and or adjudication of this bid?

2.9.1 If so, furnish particulars.

.....

.....

.....

2.10 Are you, or any person connected with the bidder,
aware of any relationship (family, friend, other) between
any other bidder and any person employed by the state
who may be involved with the evaluation and or adjudication
of this bid?

YES/NO

2.10.1 If so, furnish particulars.

.....

.....

.....

2.11 Do you or any of the directors / trustees / shareholders / members
of the company have any interest in any other related companies
whether or not they are bidding for this contract?

YES/NO

2.11.1 If so, furnish particulars:

.....

.....

.....

3 Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	Personal Tax Reference Number	State Number / Employee Peral Number

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 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

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

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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
 - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract

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

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

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.

1. GENERAL CONDITIONS

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

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

1.2

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80 preference point system shall be applicable; or

b) Either the 80/20 preference point system will be applicable to 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:

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

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

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

preferences, in any manner required by the purchaser.

2. DEFINITIONS

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

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

- 6.1 B-BBEE Status Level of Contributor: = (maximum of 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		NO	
-----	--	----	--

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		NO	
-----	--	----	--

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

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

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.....

.....

.....

.....

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 certificates, 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: