

RFP 02/2021

**PROVISION OF DIAMOND INSURANCE SERVICES FOR A PERIOD OF
THREE (3) YEARS**

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1. Introduction to State Diamond Trader

The State Diamond Trader is a state-owned entity established in terms of section 14 of the diamonds Act, 56 of 1986 as amended ("the act"). It is classified as a schedule 3B entity of the Public Finance Management Act. The vision of the state diamond trader is to be the catalyst for the transformation and growth of the local diamond beneficiation industry. Aligned with this vision, the entity has as one of its strategic objectives is to ensure acquisition of and equitable access to rough diamonds, with a focus on historically disadvantaged groups.

The State Diamond Trader invites certain qualified bidders to submit tenders and proposals in accordance with the rules set out in this RFP for the provision of the:

- diamond insurance services for a period of three (3) years

A submission of a tender by you in response to this Invitation will be deemed as your acceptance of the State Diamond Trader terms and conditions of this tender.

2. Structure of the RFP

No	Description of the document content	Document Name
1.	Documents outlining the RFP background, conditions and instructions.	Main RFP
2.	Document outlines the business requirements, technical competency requirements and any other information related to the tender requirement.	Scope of service
3.	Documents required (Standard Bidding Documents) as per National Treasury for all competitive bidding process and must be returned with bid submission.	SBD Documents Central Supplier Database (CSD Report)
4.	Response templates. Templates that are required to form part of the Bidder's Tender response.	Pricing Schedule

3. Key Timelines & Activities

The table below highlights all the important dates and times for this bid from the time of bid publication until closing date for submission.

No	Activity	Date & Time
1	Bid Publication on National Treasury's eTender website, SDT website and other applicable media	22 July 2021
2	Non-compulsory Bidders briefing session	No briefing session will be conducted. Bidders are to send any queries to quotation@statediamondtrader.gov.za .
3	Bidders to submit written questions	23 July - 06 August 2021
5	Tenders due ("Closing Date and time")	13 August 2021 at 11:00am

4. Instructions to Bidders

4.1 General Instructions

This document constitutes a Request for Proposal (RFP) which details State Diamond Trader's requirements for service provider for the provision of diamond insurance services for a period of three (3) years. All bidders must comply with the requirements and instructions as set out in the RFP.

Bidders must ensure that information and documentation supplied can be easily understood and thus, evaluated in a fair and consistent manner. All pricing information must be fully disclosed with all charges clearly defined.

4.2 Objectives

State Diamond Trader's primary objective in issuing this RFP is to conclude one service agreement with successful bidder for the provision of Diamond Insurance Services.

4.3 Scope of Work

The service provider should have:

- An understanding of the requirements in insuring good of high value. Example of high-valued goods include but not limited to diamonds, gold and platinum.
- Extensive knowledge of the risk involved in insuring high value goods, unique and volatile goods and the requirements thereof.

- The goods are insured against the following incidents but not limited to the ones listed below:
 - Natural disaster
 - Fire
 - Theft
 - Loss
- The overnight limit is R50 million and daily limit (during working hours) is R80 million.
- The goods are kept safe at the State Diamond Trader vault.

4.4 Term of Contract

The contract shall be for a duration of three (3) years.

4.5 Bid Validity

Bid must be valid for a minimum period of 180 days from the closing date of the tender.

4.6 Submission of Proposal

Bid documents will only be considered if received on or before the Closing Date and Time, regardless of the method used to send or deliver such documents to State Diamond Trader. Bids can be hand delivered or posted using the addresses below.

Physical Address:

Jewel City
225 Main Street
Johannesburg
2001

Postal Address:

P.O. Box 61212
Marshalltown
Johannesburg
2107

Late tenders will not be accepted.

Bidders must submit four (4) copies, one original of the proposal and a soft copy, in sealed envelopes and clearly marked "Request for Proposal for Diamond Insurance Services for a period of three (3) years". The price responses and BEE response must be submitted in a sealed file or envelope separate from Technical Response file.

4.7 Enquires

SCM Enquires: Supply Chain Management Officer

Email: quotation@statedimaondtrader.gov.za

Contact Number: 010 003 0310

5. Bid Qualification

- 5.1 A Bidder must be a South African entity (Company, Close Corporation, Sole Proprietor or individual) or have a local branch in South Africa.
- 5.2 The Bidder must be fully tax compliant. As an organ of state, State Diamond Trader cannot conduct business with a company whose tax matters are not in order as declared by SARS.
- 5.3 Bidders who wish to render services to State Diamond Trader must be on or will register on the National Treasury Central Supplier Database (CSD) as per National Treasury Circular No.3 of 2015/6- Central Supplier Database.
- 5.4 State Diamond Trader will disqualify a bidder/s who engages in the following:
 - 5.4.1 Engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other Bidder in respect of the subject matter of this RFP;
 - 5.4.2 Seeks any assistance, other than assistance officially provided by a government entity, from any employee, advisor or other representative of a government entity in order to obtain any unlawful advantage in relation to procurement or services to be provided to a government entity;
 - 5.4.3 Makes or offers any gift, gratuity, anything of value other inducement, whether lawful or unlawful, to any of SDT official or other representatives;
 - 5.4.4 Accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to the procurement or service to be provided to the entity;
 - 5.4.5 Pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or result from the award of any tender, contract, right or entitlement which is in any way related to services to be rendered to the entity;
 - 5.4.6 whose Tender contains a negligent misrepresentation which is materially incorrect or misleading
 - 5.4.7 who materially fails to comply with any conditions or requirements of this RFP;

6. Bid Evaluation Process

After the closing date of the bid invitation, all received bid proposals will be evaluated for compliance and selection. The following evaluation method will be used to evaluate bids.

6.1 Gate 0 - Administration Evaluation

Bidders must submit the following administrative standard bidding documents (SBDs) fully completed and signed.

- SBD 1 Invitation to Bid
- SBD 4 - Declaration of Interest
- SBD 6.1 - Preferential Point Claim Form – **Non-submission and incompleteness will result into a zero score on B-BBEE points.**
- SBD 8 - Declaration of Bidder's Past Supply Chain Management Practices
- SBD 9 - Certificate of Independent Bid Determination
- CSD - Central Supplier Database Report

6.2 Gate 1 – Mandatory Evaluation

Failure to meet the requirements stated on the table below will result into instant disqualification.

No.	Mandatory Requirement	Document to be submitted as proof of evidence
1.	The bidder must be an authorised financial service provider.	A valid Certificate/License of an Authorised Financial Service Provider with the Financial Sector Conduct Authority (FSCA) as per Financial Advisory and Intermediary Services Act 2002 (FAIS)
2.	The bidder must submit proof of insurance underwriter	Bidder must submit a signed letter from their insurance underwriter

6.3 Gate 2 – Functionality Evaluation

Only bidders that have met mandatory requirements in Gate 1 will be evaluated in Gate 2 for Functionality. In the technical analysis criteria, bidders will need to attain a minimum **70** points of out of 100 points to proceed to the next stage, i.e., Price and B-BBEE evaluation.

No.	Criteria	Measure of Criteria	Weight
1.	Company Experience – Company Profile	<p>The bidder must have a minimum of five (5) years where they have successfully facilitated or performed and executed projects related to the insurance of high-valued and unique goods. The bidder must submit a company profile that will clearly state the number of years' experience.</p> <p>Less than 5 years = 0 5 years to 7 years = 20 points Above 7 years = 30 points</p>	30
	Company Experience - Reference Letters	<p>Bidders must provide valid, signed, contactable 3 reference letters on client's letterhead not older than 5 years where your company has provided similar service on high-valued items.</p> <p>The reference letter must include the following: Name of company Contact details Description of goods insured/Type of insurance provided Duration of contract</p> <p>10 points for each letter SDT reserves a right to contact provided references to confirm information provided.</p>	30
2	Financial Viability Assessment	<p>The Bidder must be financial stable to undertake this project because of goods insured are of high value. The Bidder must submit a Bank Code Report.</p> <p>Point Allocation Code A- C = 40 points Code D – E = 20 points Code F -H = 0</p>	40
Total			100

6.4 Gate 3 – Price and B-BBEE Evaluation

In the third stage of the evaluation, Tenders that passed the prescribed technical threshold will be evaluated in terms of the 80/20 preference points system under section 2 of the Preferential Procurement Policy Framework Act, 2000, read with the Preferential Procurement Regulations, 2011.

Criterion	Points
Price	80
B-BBEE	20
Total	100

Stage 1 – Price Evaluation

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

Where

P_s = Points scored for price of bid under consideration

P_t = Rand value of bid under consideration

P_{\min} = Rand value of lowest acceptable bid

Stage 2 – B-BBEE Evaluation

Criterion	Points
BEE Certificate or Sworn Affidavit and submission of SBD 6.1	20

Bidders are advised to complete the SBD 6.1 fully and correctly in order to claim B-BBEE points. Failure to do so will result into scoring zero for B-BBEE.

7. Reservation of Rights

SDT reserves a right:

- 7.1 make no award
- 7.2 withdraw, suspend or cancel this RFP or the RFP process at any time and without providing reasons;
- 7.3 not provide reasons for its rejection or the failure of any Bidder or Tender, save on application and in terms of applicable legislation;
- 7.4 change any of its requirements as set out in this RFP by giving Bidders reasonable notice;
- 7.5 mend, vary, or supplement any of the information, terms or requirements contained in this RFP, any information or requirements delivered pursuant to this RFP, or the structure of the RFP process;
- 7.6 provide further information in respect of, and modify the provisions of, this RFP at any time prior to the Closing Date by notice to all prospective Bidders;
- 7.7 conduct site visits and/or perform audits whenever SDT deems it prudent to do so;
- 7.8 undertake further checks on Bidders, which may include information on public record or in the public domain, information contained in internal SDT records or information received from other government institutions;
- 7.9 no longer consider a Bidder's Tender where adverse information about the Bidder or its Tender submission has come to the attention of SDT, provided that such Bidder is informed accordingly and invited to comment;
- 7.10 to award a Tender based on which Bidder is offering the best value for money, even if such Tender is not the lowest priced tender;

8. RFP not Offer

This RFP does not constitute an offer to do business with State Diamond Trader, but merely serves as an invitation to Bidders to facilitate a requirements-based decision process.

Nothing in this RFP or any other communication made between State Diamond Trader (including its officers, directors, employees, advisers and representatives) is a representation that State Diamond Trader will offer, award or enter into a contract with the Bidder.

The Bidder will bear all its costs in preparing, submitting and presenting any response or Tender to this RFP and all other costs incurred by it throughout the RFP process.

9. Organisation of Bid Response

File 1	Section 1 <ul style="list-style-type: none">• Standard Bidding Documents• CSD Report Section 2 <ul style="list-style-type: none">• Financial Sector Conduct Authority (FSCA) certificate/licence• Letter from insurance underwriter• Reference Letters• Company Profile• Bank Code Report
File 2	Section 1 <ul style="list-style-type: none">• Pricing Proposal Section 2 <ul style="list-style-type: none">• B-BBEE Certificate or Sworn Affidavit