



Province of the
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HUMAN SETTLEMENTS

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TERMS OF REFERENCE

SCMU11-23/24-043: WILLOWMORE 110 (12) HOUSING PROJECT: APPOINTMENT OF A CONTRACTOR FOR TOTAL DEMOLITION AND RE-CONSTRUCTION OF 12 UNITS WITH CONNECTION OF ENGINEERING SERVICES IN WILLOWMORE AT KOUKAMMA LOCAL MUNICIPALITY UNDER THE SARAH BAARTMAN REGION.

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LIST OF ACRONYMS

ECDHS	Eastern Cape Department of Human Settlement
RDP	Reconstruction Development Program
BOQ	Bill of Quantities
VIP	Ventilated Improved Pit
RWG	Rain Water Goods
COC	Certificate of Compliance
FURs	Final Unit Report
EPWP	Expanded Public Works Program
B-BBEE	Broad-Based Black Economic Empowerment
DTI	Department of Trade and Industry
NHBRC	National Home Builders Regulation Council
GPS	Global Positioning System
SABS	South African Bureau of Standards
SANS	South African National Standards
JBCC	Joint Building Contracts Committee
JCC	Joint Contracts committee
VAT	Value Added Tax
EME	Exempted micro enterprise
QSE	Qualifying small enterprise
SBD	Standard Bidding Document
ECSA	Engineering Council of South Africa
DPSA	Department of Public Service and Administration
SLA	Service Level Agreement
CSD	Central Supplier Database

1. BACKGROUND

The Eastern Cape Department of Human Settlements (ECDoHS) is engaged to improve; accelerate delivery of Reconstruction and Development Programme (RDP) houses in the Province for people in Urban Areas and to fast track the implementation of these projects. The Department is calling on contractors with high performing capacity to undertake construction of top structures and other project related activities to assist in the implementation and completion of this project in Dr. Beyers Naude Municipality which is under Sarah Baartman District Municipality.

2. PROJECT LOCATION

The proposed development is in Willowmore area. The area is situated 250 kms from Gqeberha and 200 kms from George. Lat (x) -33.27467 & Long (y) 23.50082. The Gqeberha and George towns are the nearest major material source centers.

3. PROJECT DESCRIPTION

Project details are as follows: -

Table 1: Project Details

NO.	AREA AND WARD	MUNICIPALITY	NO. OF CONNECTION TO ENGINEERING SERVICES	NO. OF UNITS
1.	Mandela Square and Ward 1	Dr. Beyers Naude Municipality	Sarah Baartman Region	12
TOTAL				12

Table 2 : Project Information

4. SCOPE OF WORKS

NO.	DESCRIPTION	STATUS	COMMENT
1.	Top Structure Construction	Outstanding	Contractor will be responsible for this exercise

There will be one contractor to be appointed in this project for construction of houses. It must be noted that the contractor might be instructed to build a 45m² houses for a Disabled people or a 50 m² houses for Military Veterans when the need is identified (Specification for 45m² and 50m² to be provided later). The work is organized as follows:

Table 3 : Housing Typologies

HOUSE TYPOLOGIES	SIZE	NO. OF UNITS	NOTE
1. Normal House	40 m ²	12	Inclusive of water & Sewer connection

It must be noted that, if the status of any of the approved beneficiaries may change due to unforeseen circumstances during the implementation of the project, the appointed contractor may be instructed to build a 45 m² houses for a Disabled person or a 50m² for a Military Veteran. This will be due to unforeseen circumstances.

4.1. CONSTRUCTION

This phase entails the construction of top structure and further social facilitation,

The contractor will be responsible for the following during this stage:

- 4.1.1 Construction of forty square meter (40 m²);
- 4.1.2 Construction of forty five square meter (45m²);
- 4.1.3 Monthly progress reporting and EPWP reports;
- 4.1.4 Compilation and Implementation of Occupational Health and Safety Plan;
- 4.1.5 Conduct fortnightly technical site meetings;
- 4.1.6 Provide completion certificates, COC (Certificate of compliance) for Electrical;

- 4.1.7** Further engagement with NHBRC to obtain Final Unit Reports (FURs) for all completed units;
- 4.1.8** Obtaining completion certificates (“Happy Letters”) for all completed units;
- 4.1.9** Connection of Engineering services and Handover of houses; and
- 4.1.10** Provide necessary reports on project completion for project close-out and commissioning.

5. MINIMUM SPECIFICATIONS

5.1. GENERAL

- 5.1.1** All works to be carried out in compliance with the Department of Housing Generic Specifications (GFSH 1 to 11) and the Technical Guidelines as contained in the Housing Code and NHBRC Home Builders Manual;
- 5.1.2** All Department of Labour and Expanded Public Works Program (EPWP) requirements should be met;
- 5.1.3** All works to be done in compliance with the current Occupational Health & Safety Regulations;
- 5.1.4** All relevant Local Authority requirements to be adhered to and relevant permission obtained and;
- 5.1.5** All works must be done in compliance with the Department of Local Government Covid 19 Regulations as well as the NHBRC Guidelines for the Management of Projects Under Construction, During and Post Covid 19.

5.2. INFRASTRUCTURE

In addition to the above, the minimum requirements for infrastructure will be in accordance with the following:

- 5.2.1.** Guidelines for Human Settlements Planning and Design Vol. 1 & 2 (“Redbook”);

5.2.2. NHBRC Technical Requirements and SANS 10400.

5.2.3. Department of Housing Generic Specification, GFSH 08.

5.3. TOPSTRUCTURE

In addition to the specification already mentioned, the following are additional minimum requirements:

5.5.1 The 2011 revised National Building regulations; South African National Standards (SANS) 10400 XA Energy Usage in Buildings and therefore all work must comply with SANS 10400;

5.5.2 All external doors must be SABS approved hardwood such as meranti frame ledged button doors or similar approved;

5.5.3 All door locks must be SABS approved with a minimum of five-year guarantee;

5.5.4 SABS approved roof trusses to be used and Roof Covering to be cement roof tiles;

5.5.5 Smaller size windows and special low E clear and E opaque safety glass for all window types as prescribed;

5.5.6 Concrete aprons to be provide on all 4 sides with a minimum width of 1000mm including storm water management precautionary measures (as per NHBRC project enrolment requirement);

5.5.7 Fascia's and barge boards to be provided;

5.5.8 House to be plastered and painted both internally and externally;

5.5.9 Installation of a ceiling with the prescribed air gap for the entire dwelling;

5.5.10 Installation of above ceiling insulation comprising a 130mm mineral fibre glass blanket for the entire house;

5.5.11 Installation of a pre-paid meter with distribution board including plugs and lights to all living areas of the house.

5.5.12 Connection of Engineering services

6. PROJECT DELIVERABLES

6.1 GENERAL

The scope of works detailed in Section 4 clearly describes the extent of what is expected from the contractors. Project deliverables can, however, be summarized as follows:

6.1.1 Completing construction of houses as described in the scope of works, including providing FURs, COCs and “Happy Letters”.

7. FINANCIAL SCHEDULE OF RATES PROPOSAL

The Financial Schedule of rates proposal provided shall specify and state a **firm and fixed** price, including total fees and expenses (**VAT zero rated**), in order to complete the project.

Bidders must ensure that they fill in the following document as part of Financial Schedule of rates proposal as per the Bill of Quantities.

Blank spaces will be regarded as incomplete. Should the bidder not charge for the service, the bidder must indicate that with a zero (0). Bidders must complete the entire Pricing Schedule

The total of Table 4: Bill of quantities for activities of the remedial work on the existing 45m² house will be considered as the bidders quoted amount and must be carried over to the final submit and form of offer.

Table 4 : Bills of quantities for activities of 40m² house

ITEM NO	DESCRIPTION OF MILESTONES	UNIT	QUANTIT Y	RATE	AMOUNT
1	Demolition and cart away	NO.	1		
2	Foundation/ Slab – Normal – R,S,C,H	NO.	1		RATE ONLY
3	Foundation/ Slab- Modified – H2 (Earthworks, Concrete & reinforcement)	NO.	1		
4	Foundation/ slab – Stiffened – H3	NO.	1		RATE ONLY
5	Wall plate (Brickwork, doors & frames, windows,	NO.	1		
6	Roof (structure, covering & Beam filling)	NO.	1		
7	Completion (ceiling& insulation, finishing, Aprons, plastering & painting, Electrical, fascia & barge boards	NO.	1		
8	Connection of engineering services (water & sewer)	NO.	1		
9	Plumbing & toilet complete	NO.	1		
10	Compilation and Implementation of Occupational Health and Safety Plan	NO.	1		
11	Implementation of Environmental Management Plan	NO.	1		
12	Obtaining of FUR's from NHBRC, COCs, Happy letters and completion Certificates	NO.	1		
13	Monthly progress & EPWP reports	NO.	1		
SUB TOTAL 5.1 Carried to Final summary					R
TOTAL FOR 12 UNITS					R

NB: the minimum market related price for this project is **R208, 048.20** as per unit this include all extra ordinary site conditions.

8. PAYMENT MILESTONES AND PRICE GUIDELINES

8.1 Payment will only be made upon the completion of milestones (payment milestones) and price guidelines as follows:

Table 5 :Payment Milestones and Price Guidelines

ITEM	MILESTONE	UNIT	QUANTITY	PERCENTAGE PAYABLE
1	FLOOR SLAB (EARTHWORKS, CONCRETE & REINFORCEMENT) incl. P&Gs	No	1	26%
2	WALL PLATE (CRACK REPAIRS, BRICKWORK, DOORS & FRAMES, WINDOWS)	No	1	22%
3	ROOF (STRUCTURE, COVERING & BEAM FILLING, GABLE ENDS, BARGEBOARDS, FASCIA BOARDS)	No	1	30%
4	COMPLETIONS (CEILING& INSULATION, FINISHING'S, APRONS, PLASTERING & PAINTING, ELECTRICAL, FASCIA & BARGE BOARDS)	No	1	22%
TOTAL		NO.	1	100 %

NB: A sectional completion plan must be provided as a proposal by the contractor, agreed upon and approved by the Department. A written approval of the sectional completion plan must form part of the contract.

9. EVALUATION CRITERIA

ECDHS has set minimum standards (Stages) that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum standards consist of the following:

Table 6: Evaluation stages

(STAGE 0): Administrative compliance	(STAGE 1): Price and Specific goals Evaluation	(STAGE 2): Risk Assessment
Bidders must submit all documents as outlined in Table 7 below	Bidders will be evaluated in terms of section 5 of the PPPFA 2000, Preferential Procurement Regulations, 2022.	Bidders will be evaluated in terms risk. Bidders that fail to meet the risk criteria will be considered to containing a potential high risk level and will not be considered for appointment

9.1 STAGE 0 – ADMINISTRATIVE COMPLIANCE

9.1.1 Without limiting the generality of ECDHS's other critical requirements for this Bid, bidders must submit the documents listed in the Table below. All documents must be completed and signed by the duly authorised representative of the prospective bidder. During this phase, bidders' response will be evaluated based on compliance with the listed administration and mandatory bid requirements. In case of a Joint Venture/Consortium all parties are expected to submit individual documentation:

Table 7: Administrative compliance

No	Document that must be submitted	Explanatory Information
1	SBD1: Invitation to tender	Complete and sign the supplied proforma document
2	SBD2: Tax clearance certificate	Provide proof of Tax compliance with the South African Revenue Service (SARS)
3	SBD4: Declaration of interest	Complete and sign the supplied proforma document
4	SBD6.1: Preference points claim form;	Complete and sign the supplied proforma document
5	SBD6.2: Declaration certificate for local production and content for designated sectors and Annexure A	Complete and sign the supplied proforma documents. Evaluation of local production and content
6	Bill of quantities and summary & form of offer	Submit full details of the pricing proposal as per Bill of quantities. Blank spaces will be regarded as incomplete. Should the bidder not charge for the service, the bidder must indicate that with a zero (0). Bidders must complete the entire Pricing Schedule
7	National home builders registration council (NHBRC) certificate	Bidders must submit a valid International NHBRC certificate (certified copy) at closing date. The Department will verify the NHBRC certificate prior/during evaluation. Non compliance will lead to elimination.
8	Central supplier Database (CSD) registration	Service Providers must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered, prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Submit CSD printout as proof of registration.
9	Annexure A: Performance report	Completed performance reports must be submitted together with the bid proposal, failure to submit will result in non-

		allocation of points
10	Annexure B: Intent to form Joint venture consortium agreement	The joint venture and/or consortium agreements must clearly set out the shareholding and roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement. A signed agreement will be expected to be submitted prior award of contract.

9.1.2 Evaluation for local production and content for designated sectors.

9.1.2.1 On local content designated items, only locally produced goods or services with a stipulated minimum threshold for local production and content of 100% will be considered.

9.1.2.2 The relevant designated sector: Steel Components and Plastic pipes and fittings. The minimum threshold for local production and content: 100%: - Reinforcing Bars (100%) Door and Window Frames (100%) Roof Trusses (100%) Joining Connection Components (100%) and Plastic pipes and fittings (100%);

9.1.2.3 Exchange rate to be used for the calculation of local content (local content and local production are used interchangeably) must be the exchange rate published by the SARB at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

9.1.2.4 Failure to indicate minimum percentage (%) or not meeting minimum percentage for local content will automatically invalidate the bid for further consideration.

9.1.2.5 If the raw material or input to be used for a specific item is not available locally, bidders should obtain written authorization from the DTI should there be a need to import such raw material or input and a copy of this authorization letter must be submitted together with the bid document at the closing date and time.

9.1.2.6 The main contractor may not sub-contract work to an extent that the local content and production is compromised. The conditions and rules applying to the main bidder on local production and content also apply to the sub-contractor(s).

9.1.2.7 For further information, bidders may contact the Steel products and components unit within DTI at 012 394 5157

9.1.2.8 Bidders must complete SBD 6.2 with Annexure C and it must be submitted with the bid at the closing date and time Bids which have not scored the required minimum percentage of 100% for Local Production and content will be disqualified unless the bidder obtains exemption form DTI at this stage. Only qualifying bids will proceed to the evaluation on price and specific goals.

9.2 STAGE 1: PRICE AND SPECIFIC GOALS EVALUATION

9.2.1 Regulation 3 of the Preferential Procurement Policy Framework Act 2000: Preferential Procurement Regulations 2022, (the Regulations) stipulates that an organ of state must, prior to making an invitation for tenders, determine and stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of tenders. If there is uncertainty on the preference point system to be applied, institutions must advertise the tender indicating that the tender will be evaluated on either the 80/20 or 90/10 preference point system.

9.2.2 If it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

9.2.3 Regulation 5 and 6 stipulates that 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).

9.3 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

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

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

9.3.1 POINTS AWARDED FOR SPECIFIC GOALS

In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table below as may be supported by proof/ documentation stated in the conditions of this tender:

Table 8: Specific goals allocated points

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system)	Number of points allocated (90/10 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Women owned Organizations	8	3	
Youth	4	2	
People with Disability	2	2	
Locality: Eastern Cape	5	2	
Military Veterans	1	1	

9.3.2 CLAIMING OF PREFERENCE POINTS

9.3.2.1 Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in a form of valid Central Supplier Database (CSD) supplier profile that outlines the ownership of the organisation.

9.3.2.2 Preference points allocated for persons with disabilities may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in form of a medical certificate / letter not older than 6 months from a registered medical practitioner (Practitioner number, contact details to be stated on correspondence) detailing the disability. The Medical certificate will only be used for evaluation purposes.

9.3.2.3 Preference points allocated for promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in a form of valid Central Supplier Database (CSD) supplier profile that outlines the ownership of the organisation.

9.3.2.4 Preference points for Locality may be allocated for promotion of enterprises located within the Eastern Cape Province may be claimed by submission of proof that the enterprise is located within the borders of Eastern Cape Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within Eastern Cape Province. Enterprises located outside the borders of the Eastern Cape Province and who only appoints agents and or commission warehouses in this municipal area are expressly excluded from claiming points for this goal. Bidders must submit proof of the Company's Registered Offices. Proof of rate statement, lease agreement or confirmation of locality from local authority.

9.3.2.5 Preference points allocated for Military Veterans may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding. Bidders must submit proof in terms confirmation letters from the Department of Military Veterans.

NB: Bidders must provide sufficient proof and supporting documentation in respect of the above evaluation criteria and specific goals evaluation. Bidders who do not submit the required information shall not be scored for the respective/relevant evaluation criteria. In a case of a joint venture and/or consortium the agreements must clearly set out the shareholding and roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. Failure to submit shareholding will result in non-allocation of points

9.4 STAGE 2: OBJECTIVE CRITERIA/RISK ASSESMENT

9.4.1 The Department reserves the right not to appoint the highest scoring bidder, in a case where the bidder has quoted below the minimum market related amount of **R208 048.20 for the 40m² house**. The market related price includes all extra ordinary development site conditions i.e. double handling, difficult terrain, scatterdness of sites, creation of access roads and all geo technical site conditions.

9.4.2 Risk analysis:

9.4.2.1 The Department has the right to conduct a risk analysis on shortlisted bidders including verification through contractors site visit and conduction of loco inspection. The loco inspection will be conducted for verification of:

9.4.2.2 Plant and equipment

9.4.2.3 Completed projects (site visits)

9.4.2.4 Personnel

9.4.3 The risk assessment implies a systematic identification and judgement of potential risks levels to create a foundation decision making.

9.4.4 The risk analysis will be conducted on the bidder's quality of work and performance on previous completed projects not older than five (05) years starting from 2018 to the date of advert of the bid. Bidders must submit all three (03) documents listed below on Table 09 for each project to be assessed for risk. Failure to submit all documents will result in non-allocation of points:

Table 9: Document that must be submitted for risk analysis

No	Document that must be submitted	Explanatory Information
1	Appointment letters.	Bidders must submit appointment letters of previous or current project undertaken that will utilised for assessment of risk
2	Performance reports which must reflect 50% completion (Attached on bid document as Annexure A),	Bidders must submit performance reports on previous or current similar projects undertaken. Reports must be completed and signed by client with contactable references.
3	Practical completion certificates or final completion certificates	Bidders must submit Practical completion certificates or final completion certificates on similar previous or current project undertaken. Reports must be completed and signed by client with contactable references.

9.4.5 Performance reports are attached as Annexure A of the bid document and must be completed signed and stamp by the client.

9.4.6 Completed performance reports must be submitted together with the bid proposal, failure to submit will result in non-allocation of points. Bidders that fail to submit performance reports will be considered as high risk as the Department will be unable to satisfy itself.

9.4.7 Where information provided for loco inspections and performance reports are found to be fraudulent or there's misrepresentation of information, the Department will eliminate the bidder from further evaluation.

9.4.8 Risk assessment scorecard

9.4.8.1 The risk assessment score card will focus on the following risk factors.

9.4.8.1.1 Performance on pervious projects.

9.4.8.1.2 Quality standard of completed projects this refers to assessment of quality, contract extension and variation orders.

9.4.8.2 Risk will be assessed through scoring risk levels as below:

9.4.8.2.1 Poor = 04 points

9.4.8.2.2 Fair= 03 points

9.4.8.2.3 Good = 02 points

9.4.8.2.4 Excellent = 01 points

9.4.8.3 The score of seven (07) points will be maximum risk level the Department is willing to accept.

9.4.8.4 Bidders who score a total of eight (08) points and above will be considered to containing a potential significant to sever risk level and will not be considered for appointment.

Table 10: Risk assessment scorecard

RISK ASSESSMENT SCORECARD			
Risk level	Risk description	Performance on previous project	Quality
4– Poor	Risk that will have a severe impact on achieving desired results to the extent that one or more of its critical outcome objectives will not be achieved	Project not completed 181 days or more past the stipulated time frames.	Project completed/not completed with outstanding compliance issues
3 – Fair	Risk that will have a significant impact on achieving desired results, to the extent that one or more stated outcome objectives will fall below acceptable levels.	Project completed within 91 to 180 days past the stipulated time frames.	Project completed with partially resolved compliance issues
2 - Good	Risk that will have a Moderate impact on achieving desired results, to the extent that one or more stated outcomes objectives will fall below goals but above minimum acceptable levels	Project completed within 90 days past the stipulated time frames.	Project completed with minor resolved compliance issues
1 – Excellent	Risk has little or no impact on achieving outcome objectives	Project completed within the stipulated time frames.	Project completed with no outstanding compliance issues

- 9.4.9** The Department reserves the right not to appoint the highest points scorer if the tenderer has already been awarded another project from the Eastern Cape Department of Human Settlements (ECDHS) and has not achieved 50% completion of the awarded project (signed performance reports to be provided).
- 9.4.10** If a bidder has been awarded a project from the ECDHS and has not achieved 50% completion on the awarded project. The bidder will be eliminated from further evaluation
- 9.4.11** Where the highest point scorer declines the appointment, the second highest point scorer will be considered, and if the second highest scorer declines the appointment the third highest point scorer will be considered and if the third highest points scorer declines the bid will be cancelled and re-advertised.
- 9.4.12** The Department will not negotiate a price higher than that quoted by the bidder.
- 9.4.13** The minimum market related amount of **R208 048.20 for the 40m² house** will be utilized as the minimum related price.
- 9.4.14** If the price offered by a tenderer scoring the highest points is above the market related price,
- 9.4.15** The Department may
- 9.4.15.1** Negotiate a market-related price with the tenderer scoring the highest points;
- 9.4.15.2** If the tenderer scoring the highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the second highest points;

9.4.15.3 If the tenderer scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the tenderer scoring the third highest points and if the third highest points scorer does not agree to a market related price the bid will be cancelled and re-advertised.

9.4.16 In an event where the Department has advertised more than one (01) tender on a single notice, the highest scoring bidder will be awarded one tender of the tenders advertised. If a single bidder has scored the highest points on multiple tenders the Department will enter into negotiations with the bidder to give waiver to award the second highest scoring bidder up to the third highest points scorer.

10. LEGALITIES OF CONTRACT AND TENDER RULES

10.1 GENERAL CONDITIONS OF CONTRACT

10.1.1 The JBCC shall apply.

10.2 SPECIFIC CONDITIONS OF THE CONTRACT

Special Conditions that apply to this contract are as follows:

10.2.1 The contractor will have to sign a valid contract agreement with the DoHS immediately upon approval of the award.

10.2.2 The contractor will be liable for any recollection of missing data, as a result of poor completion of questionnaire by the appointed entity;

10.2.3 Copyright of the reports to be delivered by the bidder to the Department will vest upon the Department on acceptance of the final reports.

10.2.4 Department reserves the right to conduct risk analysis on whether to appoint a contractor or not.

10.2.5 The contractor must have access to internet as basis of communication (email).

10.2.6 The contractor will draft and submit its own detailed Bill of Quantities

(BOQ).

10.2.7 The contractor will furnish the Department with an invoice upon Completion of each milestone (along with other required supporting documentation).

10.2.8 Contractor will be required to attend an initial meeting organized by the ECDHS to introduce the relevant project stakeholders.

10.2.9 The contractor will be liable for any recollection of missing data because of poor completion of questionnaire by the appointed entity.

10.2.10 Tariffs must not exceed the tariffs published by ECSA, DPSA or the Department of Public Works for specified Consultant's categories.

11. DOCUMENTS TO BE SUBMITTED

The following documents **MUST** be submitted with the proposal and failure to submit will lead to **elimination**. In case of a Joint Venture/Consortium all parties are expected to submit individual documentation:

11.1 Joint Venture/Consortium Agreement (where applicable); and

11.2 Valid National Home Builders Registration Council (NHBRC) Certificate;

12. DURATION OF THE PROJECT

The duration of the project (Implementation) is expected to be for period Eighteen (18) months.

13.RETURNABLE SCHEDULES

The Contractor must ensure that the following documents are completed and returned with the bid proposal:

- 13.1** SBD 1: INVITATION TO TENDER.
- 13.2** SBD 2: TAX CLEARANCE CERTIFICATE.
- 13.3** SBD 4: DECLARATION OF INTEREST.
- 13.4** SBD 6.1: PREFERENCE POINTS CLAIM FORM.
- 13.5** SBD 6.2: DECLARATION CERTIFICATE FOR LOCAL
PRODUCTION AND CONTENT FOR DESIGNATED
SECTORS.
- 13.6** FINAL SUMMARY & FORM OF OFFER.

14.COLLECTION OF BID DOCUMENTS

Bid documents will be available from the **24 November 2023** on the on Departmental website (www.ecdhs.gov.za).

15.SUBMISSION OF BID PROPOSALS

- 15.1** Bid proposals must be deposited in a Bid Box (that is accessible 24 hours) situated at the Ground Floor, Department of Human Settlements, Steve Tshwete Houses, 31–33 Phillip Frame Road, Waverley Park, Chiselhurst, East London.
- 15.2** It is the responsibility of the bidder and that of the courier in case of couriered bids to ensure that the bid is deposited in the bid box and not submitted to officials. The Department will not take any responsibility for bids not deposited in the bid box.
- 15.3** Bid proposals must be submitted in a sealed envelope clearly marked with bidders' details as follows:

**SCMU11-23/24-043: WILLOWMORE 110 (12) HOUSING PROJECT:
APPOINTMENT OF A CONTRACTOR FOR TOTAL DEMOLITION AND RE-
CONSTRUCTION OF 12 UNITS WITH CONNECTION OF ENGINEERING
SERVICES IN WILLOWMORE AT DR BEYERS NAUDE LOCAL MUNICIPALITY
UNDER THE SARAH BAARTMAN REGION.**

15.4 Faxed or emailed bid proposals will not be accepted. The Technical Proposal envelope may be opened in public on the closing day.

16. BID VALIDITY

This bid will be valid for one hundred and twenty (120) days after the closing date.

17. COMPULSORY BRIEFING

A compulsory briefing session will be held at Willowmore municipality offices, 24 Wehmeyer Sttreet, Willowmore, 6445, at 11H00 on the **05 December 2023**. Thereafter proceed to site. Failure to attend the compulsory briefing session will lead to disqualification.

18. CLOSING DATE

All bid proposals in response to this bid should reach the Department not later than the **17 January 2024 at 11H00**. Bids received after 11H00 will not be accepted and considered.

19. CONTACT DETAILS ON TERMS OF REFERENCE

All **technical enquiries** regarding this bid may be directed to:

Mr V. Nana: Chief Construction Project Manager – Department of Human Settlements, Sarah Baartman Regional Office, **EAST LONDON**

Tel: (082) 8283 973

Email: VuyolwethuN@ecdhs.gov.za

All **Supply Chain Management** related enquiries regarding this bid may be directed to:

Mr. Xolile Mpupa: Acting Director – Demand Management; Department of Human Settlements, **EAST LONDON**

Tel: (043) 711 9641

E-mail: xolilem@ecdhs.gov.za

20.FINAL SUMMARY AND FORM OF OFFER

Table 11 : Final Summary and Form of Offer

FINAL SUMMARY & FORM OF OFFER			
SCMU11-23/24-043: WILLOWMORE 110 (12) HOUSING PROJECT: APPOINTMENT OF A CONTRACTOR FOR TOTAL DEMOLITION AND RE-CONSTRUCTION OF 12 UNITS WITH CONNECTION OF ENGINEERING SERVICES IN WILLOWMORE AT KOUKAMMA LOCAL MUNICIPALITY UNDER SARAH BAARTMAN			
NO.	ITEM	RATE	TOTAL
A.	Construction of 40 m ²		
SUB - TOTAL			
TOTAL ABOVE IN WORDS			

SIGNED BY/ON BEHALF OF THE BIDDER

--

NAME

--

SIGNATURE

--

DATE

COMPANY STAMP

21.ANNEXURE A

PERFORMANCE REPORT

CONFIDENTIAL

This performance report should be completed and submitted with the bid proposal. Submission of this report is essential to assist the Department to make procurement decisions based on the most objective information. This may influence matters such as the offering of tendering opportunities; award of contracts; assessment.

Contract Details

Contract No:

Contract Title			
Original Contract Price			
Date of Contract		Original Date for Completion	

Contractor Details

Total extensions of time approved		Extended Contractual Completion Date	
Predicted Date for Completion		Actual Date of Completion	

Reference's Details

Name of Organisation				
Organisation's Representative	Name			
	Position			
	Tel		Mobile	
	Email			

Performance Report

Evaluation Criteria	N/A	Minor	Moderate	Major	Severe
Time Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Standard of Work/Quality of workmanship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subcontractor Mgmt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plans and Designs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Definition and Relative Weighting of Grading

Grading	Definition	Rating*
Minor	Risk has little or no impact on achieving outcome objectives	1
Moderate	Risk that will have moderate impact on achieving desired results, to the extent that one or more stated outcomes objectives will fall below goals but above minimum acceptable levels	2
Major	Risk that will have a significant impact on achieving desired outcomes, to the extent that one or more stated outcome objectives will fall below acceptable levels.	3
Severe	Risk that will have a severe impact on achieving desired outcomes, to the extent that one or more of the critical outcome objectives will not be achieved	4

Overall Comments on Performance

Reference's opinion

I have attached further information ☐

SIGNED BY/ON BEHALF OF THE CLIENT



NAME



SIGNATURE



DATE



COMPANY STAMP

22. ANNEXURE B:

INTENT TO FORM JOINT VENTURE/ CONSORTIUM

PREAMBLE

This agreement is made and entered into by and between

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

of the first part and

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

of the second part.

Whereas the foregoing parties have resolved to form a Joint Venture under the title of

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

for the exclusive purposes of securing and/or executing the Contract to be awarded
by

Eastern Cape Department of Human Settlements
for (brief description of Contract)

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

Shareholdings for each JV/Consortium Members

Members	Shareholding	Signature representative	of

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF HUMAN SETTLEMENTS					
BID NUMBER:	SCMU11-23/24-043	CLOSING DATE:	17 JANUARY 2024	CLOSING TIME:	11H00
DESCRIPTION	WILLOWMORE 110 (12) HOUSING PROJECT: APPOINTMENT OF A CONTRACTOR FOR TOTAL DEMOLITION AND CONSTRUCTION OF 12 UNITS WITH CONNECTION OF ENGINEERING SERVICES IN WILLOWMORE AT KOUKAMMA LOCAL MUNICIPALITY UNDER THE SARAH BAARTMAN REGION.				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT					
DEPARTMENT OF HUMAN SETTLEMENTS					
31-33 PHILLIP FRAME ROAD, STEVE TSHWETE BUILDING, GROUND FLOOR					
WAVERLY PARK					
EAST LONDON					
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
		TCS PIN:		OR	CSD No:
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]		<input type="checkbox"/> Yes		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes
		<input type="checkbox"/> No			<input type="checkbox"/> No
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
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 ACT (CCA)		
		<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)		
		<input type="checkbox"/>	A REGISTERED AUDITOR		
		NAME:			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> 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 to sign this bid; e.g. resolution of directors, etc.)					
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:			
DEPARTMENT OF HUMAN SETTLEMENTS		CONTACT PERSON		MR V. NANA	
CONTACT PERSON		TELEPHONE NUMBER		082 828 3973	
TELEPHONE NUMBER		FACSIMILE NUMBER		N/A	
FACSIMILE NUMBER		E-MAIL ADDRESS		VuyolwethuN@ecdhs.gov.za	
E-MAIL ADDRESS		xolilem@ecdhs.gov.za			

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED--(NOT TO BE RE-TYPED) OR ONLINE
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.
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO 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.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
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? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3.	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4.	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
<p>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.</p>	

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

TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of bid that the taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

- 1 In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids.
- 2 SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
- 3 The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
- 4 In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
- 5 Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za.
- 6 Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.



TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate**Purpose**Select the applicable optionTenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)											
Trading name (if applicable)											
ID/Passport no					Company/Close Corp. registered no						
Income Tax ref no					PAYE ref no	7					
VAT registration no	4				SDL ref no	L					
Customs code					UIF ref no	U					
Telephone no					Fax no						
E-mail address											
Physical address											
Postal address											

Particulars of representative (Public Officer/Trustee/Partner)

Surname											
First names											
ID/Passport no					Income Tax ref no						
Telephone no					Fax no						
E-mail address											
Physical address											

Particulars of tender (If applicable)Tender number Estimated Tender amount R Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
--------------	----------------	-----------	----------------	------------------	--------

Audit

Are you currently aware of any Audit investigation against you/the company? YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

Date

Name of representative/agent **Declaration**

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

Date

Name of applicant/Public Officer **Notes:**

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
 - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - (b) without just cause shown by him, refuses or neglects to-
 - (i) furnish, produce or make available any information, documents or things;
 - (ii) reply to or answer truly and fully, any questions put to him ...

As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 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 consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 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.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

² 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.

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 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.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date
.....
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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 **To be completed by the organ of state**

- a) The applicable preference point system for this tender is the 80/20 preference point system
- b) The applicable preference point system for this tender is the 90/10 preference point system

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS	
PRICE	80	90
SPECIFIC GOALS	20	10
Total points for Price and SPECIFIC GOALS	100	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is

adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20	or	90/10
$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$	or	$Ps = 90 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)} \end{array}$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

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 allocated (90/10 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Number of points claimed (90/10 system) (To be completed by the tenderer)
Women owned organizations	8	3		
Youth	4	2		
People with Disability	2	2		
Locality: Eastern Cape	5	2		
Military Veterans	1	1		
TOTAL POINTS	20	10		

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

..... SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:
DATE:
ADDRESS:

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Commodity	Components	Local Content Threshold
Steel and plastic pipes and fittings	Reinforcing Bars (100%) Door and Window Frames (100%) Roof Trusses (100%) Joining Connection Components (100%) and Plastic pipes and fittings (100%);	100%

3. Does any portion of the goods or services offered have any imported content?

(Tick applicable box)

YES		NO	
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- 3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER
LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF
EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY
(CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

IN RESPECT OF BID NO.

ISSUED BY: (Procurement Authority / Name of Institution):

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NB

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on <http://www.thdti.gov.za/industrialdevelopment/ip.jsp>. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned,(full names),
do hereby declare, in my capacity as
of(name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.
The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5

of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____

Annex C

Local Content Declaration - Summary Schedule

(C1) Tender No.
 (C2) Tender description:
 (C3) Designated product(s)
 (C4) Tender Authority:
 (C5) Tendering Entity name:
 (C6) Tender Exchange Rate:
 (C7) Specified local content %

STEEL PRODUCTS AND STRUCTURES
 DEPARTMENT OF HUMAN SETTLEMENTS

Pula

EU

GBP

Note: VAT to be excluded from all
 calculations

Calculation of local content				Tender summary		
Tender item no's	List of items	Tender price - each (excl VAT)	Exempted imported value	Tender value net of exempted imported content	Imported value	Local value
(C8)	(C9)	(C10)	(C11)	(C12)	(C13)	(C14)
1	Reinforcing bars					
2	Joining/ Connecting components					
				(C20) Total tender value	(C16) Total tender value	(C17) Total tender value
				(C21) Total Exempt imported content	(C18) Total exempted imported content	(C19) Total imported content

Signature of tenderer from Annex B

(C22) Total Tender value net of exempt imported content	R 0	R 0	R 0
(C23) Total Imported content	(C24) Total local content	(C25) Average local content % of tender	
			R 0
			R 0

Date: