



For more information on TCTA, please visit our web site www.tcta.co.za

APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT THE AUDIT OF FINANCIAL MODELS OF TCTA PROJECTS FOR A PERIOD OF 60 MONTHS

Bid Number:	108/2022/PF&T/MODEL/RFB
Briefing Session Date and Time:	N/A
Clarifications Deadline:	17 June 2022 at 11h00
Closing Date and Time:	07 July 2022 at 11h00
Bid Validity Period:	120 (one hundred and twenty) calendar days commencing from the RFB closing date
Bid Submission Physical Address:	<i>Bid Submissions must be sent to:</i> <i>Proposals must be hand delivered at TCTA's offices located at the address indicated below and addressed to The Receiving Officer, and marked RFB No. 108/2022/PF&T/MODEL/RFB on or before the closing date and time:</i> 265 West Avenue Tuinhof Building Stinkhout Wing Centurion
Enquiries:	<i>Name: The Receiver Officer</i> <i>Email Address: Kindly send all clarification questions or enquiries to the receiving officers at tenders03@tcta.co.za.</i>

DATE OF ISSUE: 03 JUNE 2022

TABLE OF CONTENTS

1.	DEFINITIONS, ACRONYMS AND ABBREVIATIONS.....	1
2.	PREPARATION OF BID SUBMISSIONS.....	2
3.	BACKGROUND	3
4.	SCOPE OF WORK	5
5.	STAGE 1: RETURNABLES.....	18
6.	STAGE 2: FUNCTIONALITY	20
7.	STAGE 3: PRICE AND B-BBEE	23
8.	STAGE 4: SUPPLIER VETTING	24
9.	CONDITIONS OF BID.....	24
	ANNEXURE A: COMPANY EXPERIENCE	ERROR! BOOKMARK NOT DEFINED.
	ANNEXURE B: PERSONNEL EXPERIENCE	40
	ANNEXURE C: SBD 1 – REQUEST FOR BID MANDATORY	50
	ANNEXURE D: SBD 4 - DECLARATION OF INTEREST (MANDATORY).....	53
	ANNEXURE E: SBD 6.1: IN TERMS OF PPR 2017 (MANDATORY)	58
	ANNEXURE F: SBD 8 - DECLARATION OF BIDDER’S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MANDATORY).....	65
	ANNEXURE G: SBD 9 - CERTIFICATE OF INDEPENDENT BID DETERMINATION (MANDATORY)	68
	ANNEXURE H: FINANCIAL PROPOSAL TEMPLATE	71

1. DEFINITIONS, ACRONYMS AND ABBREVIATIONS

B-BBEE	Broad Based Black Economic Empowerment in terms of the Broad Based Black Economic Empowerment Act 53 of 2003 (B-BBEE Act).
B-BBEE STATUS LEVEL OF CONTRIBUTOR	The B-BBEE status received by a measured entity issued in terms of section 9(1) of the B-BBEE Act.
BID SUBMISSION	A bidder's written proposal in response to an Invitation for Bids (Request for Bids/Quotations/ Information etc.)
BLACK PEOPLE	Africans, Coloureds and Indians as defined in the Broad Based Black Economic Empowerment Act 53 of 2003
CONSORTIUM OR JOINT VENTURE OR CONSORTIUM	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;
CONSULTANT	A professional person appointed to provide technical and specialist advice or to assist with the design and implementation of projects. The legal status of this person can be an individual, a partnership, a corporation or a company.
CONTRACT	A legal agreement or National Treasury issued Standard Bid Document Number 7 signed by TCTA and a successful bidder. This term does not refer to the actual bid process.
CONTRACT MANAGER	A representative from the Requesting Department that will be responsible for monitoring the day-to-day activities related to the contract
DESIGNATED SECTORS	Sectors, sub-sectors or industries that have been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.
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
PROCUREMENT SPECIALIST	Any person in the Procurement Unit who is responsible for managing a bid process from start to finish
PO	A Purchase Order generated by the Procurement Unit after the conclusion of a successful bid process authorizing the expenditure against an awarded contract.
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;
RD	A requesting department withing TCTA or its representative
SUPPLIER	A juristic person or legal entity that provides goods or services to TCTA.
AMD	Acid Mine Drainage
BRVAS	Berg River Voëlvlei Augmentation Scheme

BWP	Berg Water Project
DWS	Department of Water and Sanitation
EIR	Effective Interest Rate
EXCO	TCTA Executive Committee
HDIs	Historically Disadvantaged Individuals
IFRS	International Financial Reporting Standards
KWSAP	Komati Water Scheme Augmentation Project
LHWP	Lesotho Highlands Water Project
MCWAP	Mokolo Crocodile River West Water Augmentation Project
MMTS-2	Mooi-Mgeni Transfer Scheme-Phase 2
ORWRDP	Olifants River Water Resource Development Project
PFMA	Public Finance Management Act, 1999
RFT	Request for Tender
SALGA	South African Local Government Authority
TCTA	Trans-Caledon Tunnel Authority
uMWP-1	uMkhomazi Water project Phase 1
VAT	Value Added Tax
VRESAP	Vaal River Eastern Sub-system Augmentation Project
VRS	Vaal River System

2. PREPARATION OF BID SUBMISSIONS

- 2.1. Bidders are required to comply fully with this Request for Bid including annexures during submission to TCTA.
- 2.2. In order for a Bid Submission to be acceptable, it must:
 - 2.2.1. Not be late and it must be delivered to the address stated on the front page. TCTA shall not accept nor be obliged to accept Bid Submissions submitted after the stipulated closing date and time, notwithstanding that such late submission is as a result of circumstances beyond the Bidder's control;
 - 2.2.2. Clearly reflect the Bid description and bid number on the outer packaging;
 - 2.2.3. Contain all signed and completed Annexures.
- 2.3. TCTA reserves the right to reject bids that are not acceptable and to not evaluate them. This section is subject to the provisions in the Conditions of Bid.
- 2.4. Bidders must provide 2 (two) copies of the Bid submission and one electronic copy on an unencrypted USB. For avoidance of any doubt, bidders must submit the above requirement which must contain sections for each category the bidder wishes to be considered for.

- 2.5. This Bid has 4 stages of evaluation summarised in the document below. Each stage reflects the process of evaluation. Bid submissions must be neat and legible and prepared in the same order as the stages of evaluation. Each stage must be clearly marked.

3. BACKGROUND

TCTA is a major public entity listed in Schedule 2 of the Public Finance Management Act 1 of 1999 and a water management institution established by Notice No. 2631 in Government Gazette No. 10545 dated 12 December 1986, as amended by Government Notice No. 277 in Government Gazette No 21017 dated 24 March 2000. TCTA's role in the water sector includes, *inter alia*, the funding and implementation of bulk raw water infrastructure development projects, on behalf of the Department of Water and Sanitation ("the **Minister**") from time to time.

The TCTA funds and implements projects as Gazetted. In raising finance for these projects TCTA uses, in the main, the principles of project finance. Bond markets have been used in securing funding for the Vaal River System. TCTA's projects are accounted for separately. The loans/bonds raised for these projects are paid back with interest using the underlying revenue streams. These revenue streams are based on Capital Unit Charges (CUCs) or tariffs determined annually using financial models written in Microsoft Excel, with each project having its own independent financial model, based on TCTA's template adjusted for project specific characteristics.

The accuracy and integrity of the financial models is of paramount importance as it is relied upon by various project stakeholders: major raw water users (such as large industrial users, water boards and some municipalities), project funders (local and international funders), authorities (the Department of Water and Sanitation, the National Treasury, the South African Reserve Bank) and credit rating agencies. The Service Provider needs to be reputable and acceptable to the stakeholders relying on the accuracy of the models. Each of these stakeholders has specific requirements from the financial models, thus:

- water users (off-takers, which include mines, large industrial corporations, state-owned entities, municipalities, water boards, and their stakeholders, including SALGA), need assurance that the tariff which they are required to pay is fair, reasonable and accurately determined to repay the cost of the infrastructure over the debt repayment period, which is typically 20 years;
- project funders need confidence that tariffs have been determined correctly to cover the debt service obligations of TCTA related to the project being financed within the agreed debt repayment period;

- the National Treasury is consulted annually and requires accurate information to support the tariff to be gazetted;
- international credit rating agencies rate each project annually and the financial models form an integral part of the information required by these agencies;
- investors in TCTA bonds rely, in the main, on the information contained in TCTA's financial statements which in turn is based on forecast revenue streams as determined by the financial models. These models have to reflect accurate information;
- TCTA relies on it as an internal control management measure that calculations are accurate as these calculations are used for reporting purposes and inform decision making in terms of crafting *inter alia* suitable funding strategies and managing liabilities in the short, medium and long-term, setting tariffs sufficient to repay the debt and comply with regulatory parameters such as borrowing limits;
- The Department and National Treasury rely on the models to estimate TCTA's ability to operate within regulatory parameters and issuing of regulatory parameters for the future;
- The Department relies on the models as a determination of the financial liability that needs to be disclosed in the DWS annual financial statements;
- The Department and National Treasury also rely on the models to confirm TCTA's ability to service debt on funding instruments backed by explicit and implicit government guarantees; and
- the Minister approves the tariffs annually as well as the borrowing limits and it is incumbent upon TCTA to furnish the Minister with accurately determined tariffs and borrowing limits for Ministerial consideration and approval.

TCTA's internal requirements from the financial models are mainly to confirm that tariffs are set sufficiently to repay each project's debt through its projected revenue stream, debt is sustainable, liquidity risk is accurately assessed, regulatory parameters are achievable, and reporting is accurate.

For further information on TCTA, bidders can refer to the Annual Reports, which can be accessed at: <http://www.tcta.co.za/annual-report>

The purpose of this request is to invite reputable Service Providers with appropriate skills, qualifications and experience to submit a tender with the intention of providing services of an annual audit of financial models of TCTA projects over a 5-year period.

The scope of services to be provided will be split into two categories being (I) Project Finance Tariff Models and (II) Finance Tariff Receivable Models..

The projects include the following:

Projects models already in the debt repayment stage:

- Berg Water Project (BWP),
- Vaal River System (VRS),
- Komati Water Scheme Augmentation Project (KWSAP),
- Mokolo Crocodile River (West) Water Augmentation Project (MCWAP),
- Mooi-Mgeni Transfer Scheme Phase 2 (MMTS-2), and
- Vaal River Eastern Sub-system Augmentation Project (VRESAP).

Projects models still in the structuring phase:

- Berg River Voëlville Augmentation Scheme (BRVAS),
- uMkhomazi Water project Phase 1 (uMWP).

4. SCOPE OF WORK

4.1. REVIEW OF (I) PROJECT FINANCE TARIFF MODELS

The successful bidder will be required to conduct an annual audit of the financial models as outlined below.

4.1.1. MODEL DETAILS

Bidders shall take into account the following information on each project's Tariff Model:

4.1.1.1. Model structures

The Project Finance Tariff Models for TCTA's projects have been developed on a standardised Excel template and use the same format, logic and flow. Each project has its own characteristics and parameters which will vary between projects, but in the main follows the template. These models have been audited in prior years by previous Service Providers, the most recent contract with TCTA came to an end in 2020. The common elements of the models include:

- They are planning tools and are forward looking. Actual historical data is captured to ensure the forecasts are as accurate as possible.
- The models have an annual timeline in general, and cover the time period of construction, and twenty years of debt repayment. Some sections may have monthly or quarterly information, but is consolidated into the annual timeline where appropriate.
- All models have the following worksheets:

- A summary sheet reflecting the water tariffs and volumes for the remainder of the project, together with a number of graphs summarising the forecasts.
- An input sheet where assumptions and inputs are captured.
- A cashflow sheet. This is in the same format for all models. It includes the forecast cashflows for the remainder of the project for each year. It includes the following sections:
 - Water revenue which is the product of the forecast tariffs and water volumes;
 - Change in the forecast for accounts receivable;
 - Administration costs;
 - Capital expenditure cashflows;
 - The movement in the capital of assets and liabilities. This is where the capital repayments of the various loans are reflected;
 - Interest and other finance charges;
 - The net funding requirement;
 - The forecast debt curve made up of long and short-term liabilities and assets.
 - Actualised figures. In all models except the VRS model, the actual historical figures are captured in the section at the bottom of the cashflow sheet. In the VRS model there is a separate worksheet to capture the actuals.

For models where there is more than one end-user, or more than one phase, there may be a forecast cashflow worksheet for each end-user or phase, and a combined cashflow for all customers and phases.

- Loan schedules. These are the actual loan schedules agreed with lenders. Each sheet may have more than one loan schedule, and there is a summary at the top of each sheet.
- Sensitivity analysis data and graphs that are updated using a macro that changes five variables (demand, CPI, interest rates, admin costs, capex costs) and records the impact on the project's cashflows.
- Output sheets including:
 - Forecast debt curves (gross and net debt);
 - Forecast borrowing requirements and utilisation of borrowing limits (gross borrowings);
 - Projected debt service obligations;
 - Projected TCTA Going Concern calculations;

- Reports for TCTA Treasury;
- Sources and Uses of funding calculations;
- Graphs reflecting capitalised interest
- Models may have other worksheets that include:
 - Outputs:
 - Reporting templates and graphs which are used for reports and presentations. These include tables and graphs summarising aspects of the project.
 - A check sheet with flags for if there are any errors.
 - Inputs:
 - Detailed long term capital plans.
 - Loan assumptions sheets prior to the use of the actual loan schedules.
 - Working sheets:
 - Loan consolidation sheets.

4.1.1.2. Tariff structure

- A “Goal seek” tariff is calculated for the existing tariff review period for each project. This tariff is usually then escalated at CPI for the remainder of the project. The tariff is set so that any remaining debt raised to pay for the construction costs is repaid within the prescribed period (normally 20 years from operational commencement).
- Tariff step-down structures exist in some projects where the debt would otherwise repay earlier than the prescribed 20-year period.
- Tariff phase-in structures exist in projects where further augmentation schemes are anticipated.
- Tariff structures or profiles may, in some instances, be unique to the specific project structuring and implementation requirements.
- Periodic tariff capping of the tariff exists in projects where the decision to increase/reduce the tariff is pending or may be premature due to uncertainty on input assumptions or will create unnecessary volatility.

4.1.1.3. Input Assumptions

- Input assumptions are sourced internally and externally to TCTA.

- Inputs assumptions include dates and timing, and forecasts water demand, royalties, operating and maintenance costs, admin costs, capital expenditure plans, CPI, PPI, interest rates, approved borrowing limits, capital allocation ratios, fiscal funding allocations, and agreed tariffs.
- The source document for each forecast is described as a note in each cell. The historical forecasts are not changed for years preceding the current year as they are often superceded by the actuals and current forecasts. The forecasts from previous years do not need to be audited for this exercise.

4.1.1.4. Model comparison

Details comparing the current components of each model can be found in the tables below. These details may change over the duration of the contract term. These details are to give bidders a sense of the size and complexity of the models:

TABLE 1: PROJECT FINANCE TARIFF MODELS CURRENTLY IN DEBT REPAYMENT PERIOD

	VRS	BWP	VRESAP	KWSAP	MMTS-2	MCWAP
General Info:						
Project Phase	LHWP Ph 1: Debt repayment LHWP Ph 2: Project structuring phase Acid mine drainage (AMD): Short-term Debt repayment	Debt repayment	Debt repayment	Debt repayment	Debt repayment	Phase 1: Debt repayment Phase 2: project structuring phase
Number of years remaining in forecast	27	7	9	13	4	Phase 1: 7 Phase 2: 27
Number of phases	2+AMD	1	1	1	1	2
Number of tariff calculations	5	2	3	1	1	3
Number of worksheets	52	22	34	25	24	41
Approximate Model Unique	136393 divided by 57	93102 divided by 31	76424 divided by 24	30596 divided by 25	48155 divided by 32	221332 divided by 38

	VRS	BWP	VRESAP	KWSAP	MMTS-2	MCWAP
Formulae (total model formulae divided by number of columns in model):	columns = 2400	columns = 3000	columns = 3200	columns = 1200	columns = 1500	columns = 5800
Contain "Macro" calculations	Yes 9	Yes 4	Yes 3	Yes 2	Yes 1	Yes 4
Number of loans, sub-loans & financial instruments	Bonds 8 x long term loans Commercial Paper Programme (CPP)	3 x long term loans across 23 drawdowns Commercial Paper Programme	5x long term loans across 38 drawdowns Revolving facility Commercial Paper Programme (CPP)	4x long term loans Revolving facility Commercial Paper Programme (CPP)	4x long term loans across 11 drawdowns Revolving facility Commercial Paper Programme (CPP)	3x long term loans across 14 drawdowns Revolving facility
Graphs / charts	45	15	26	20	20	32

TABLE 2: PROJECT FINANCE TARIFF MODELS CURRENTLY BEING STRUCTURED

	BRVAS	uMWP
Project Phase	Structuring	Structuring
Number of years remaining in forecast	20 years from first water delivery	20 years from first water delivery
Number of phases	1	1
Number of tariff calculations	2	2
Number of worksheets	22	22
Approximate Model Unique Formulae (total model formulae divided by number of columns in model):	65 442 divided by 29 columns is 2300	78 947 divided by 37 columns is 2100
Contain "Macro" calculations	Yes	Yes
Number of loans, sub-loans & financial instruments	2 X long term loans Commercial Paper	5x long term loans Revolving facility

	BRVAS	uMWP
	Programme (CPP)	Commercial Paper Programme (CPP)
Graphs / charts	15	23

4.1.2. Services required from successful bidder:

The successful bidder will be required to audit the models and confirm:

4.1.2.1. General Input Assumptions

All input assumptions are consistent with the relevant source documentation, and that the general input assumptions for the year preceding the current year have been captured correctly, and that forecast periods are in line with relevant source documentation.

4.1.2.2. Loan Inputs

The accurate capturing and calculation of loan drawdowns for respective lenders and projects for the immediately preceding year (i.e., the actuals of previous year) and future periods including *inter alia* capitalised interest, capital repayments, interest payments and commitment fees.

4.1.2.3. Loan Workings

That the loans reflected in the Project Finance Tariff Models are reflected and calculated consistently with the relevant loan schedules.

4.1.2.4. Scenario Analyses

That scenarios including sensitivity analyses are working correctly and that they are linked to the relevant working cells.

4.1.2.5. Tariffs:

- The tariffs calculated in the models comply with the Implementation and Income Agreements per project;
- The accurate calculation of the required tariff to repay the debt within the set parameters e.g. by a given date per project (typically 20 years post operational declaration).

4.1.2.6. Gross Borrowings

The accurate calculation of gross borrowings per annum measured against the approved borrowing limit as provided by TCTA. This includes *inter alia* the calculations from the year prior to the current year as well as the forecast

cashflows, closing balances, capitalisation of interest, inflationary growth on CPI linked instruments, and redemption provisions to determine peak of debt. Gross borrowings is to exclude financial assets.

4.1.2.7. Net Debt

The accurate calculation of the net debt outstanding per annum which is gross debt net of any assets.

4.1.2.8. Graphs and tables

The accurate reflection of graphical information extracted from the model including accurate data names, labels, titles, expression of information on axes etc. and tables used for reporting purposes.

4.1.2.9. Going concern calculations

The accurate linking to calculate any combined TCTA debt exposures and obligations including any Going Concern calculations.

4.1.2.10. Best Practice

Review the logic and accuracy of the computations and include a compliance assessment of the model with recommended best practice in the construction of project finance models.

4.1.3. Deliverables

The successful bidder will be required to:

- 4.1.3.1. Deliver the initial findings and recommendations report relating to the audit of each model as described in section 4.1.2 above. The report is to include findings and recommendations on the accuracy and integrity of each model and recommended best practice suggesting improvements to the model and highlighting issues for the attention of the TCTA in the Project Finance Tariff Models.
- 4.1.3.2. Review changes made by TCTA to the Project Finance Tariff Models following the initial audit and allow for at least three engagements and iterations per project between the Auditor and the TCTA financial modeller in order to check and review changes made.
- 4.1.3.3. Deliver a preliminary report annually per project based on the audit of the Project Finance Tariff Models for TCTA's external stakeholders.
- 4.1.3.4. Deliver two opinion letters (audit reports) annually per project based on the audit of the Project Finance Tariff Models as follows:

- Opinion letter 1: For TCTA's internal purposes which includes main findings and details of findings, processes followed etc. which is for TCTA's attention to record the workings and findings; and
- Opinion letter 2: For TCTA's external stakeholders which includes only the main findings; and

4.1.3.5. When the need arises where the stakeholders may raise enquiries pertaining to the outcome of the model audits; the enquiry and the Service Provider's response should be co-ordinated through TCTA.

4.2. (II) REVIEW OF FINANCE TARIFF RECEIVABLE MODELS

The successful bidder will be required to conduct an annual audit of the Finance Tariff Receivable Models as outlined below.

4.2.1. MODEL DETAILS

4.2.1.1. Model structures

- The Finance Tariff Receivable Models for TCTA's projects have been developed on a standardised Excel template and use the same format, logic and flow as each other. The models generally have an annual timeline, and cover the time period of construction, and twenty years of debt repayment. The projects are at various stages.
- Each project has its own characteristics and parameters which will vary between projects, but in the main follows the template. The common elements of the models include:

4.2.1.2. Input Sheets

An input sheet for forecast annual cashflows that are captured and are supported by source documents, including:

- Revenue assumptions;
- Operating expenses;
- Capital expenditure;
- A debt input sheet that is linked to the debt schedules, and summarises debt cashflows per loan per annum;
- A general ledger (GL) input sheet that has the most recent year-end general ledger figures.

- A table that classifies the GL line items and is used in the workings sheets to pull in data from the GL.

4.2.1.3. Historical Data:

Worksheets that contain stored values from prior years' tables are kept for information purposes in the model. These include the prior year GL; prior years summary tables; prior years debt summary tables; and prior year assets and liabilities table. These do not need to be audited.

4.2.1.4. Working sheets:

A summary of debt cashflows summing the various individual loans from the debt input sheet.

4.2.1.5. Output Sheets:

- A worksheet that summarises the annual cashflows including the stored annual historical values, and forecast annual cashflows linked to the workings worksheets. This table calculates the following main outputs:
 - Annual Balance of the Tariff Receivable (Carrying amount);
 - Annual Interest Income based on calculated Effective Interest Rate (EIR);
 - Present Value of the Tariff Receivable balance;
 - Current and Non-Current calculation of Tariff Receivable;
 - Annual Debt balance;
 - Annual Excess/required short-term funding;
- A worksheet that reconciles total receivables from the prior year.
- A worksheet that reconciles total contractual maturities from the prior year.
- A worksheet that tabulates the overall movements in the current and non-current liabilities over the most recent financial year.

4.2.1.6. Model comparison

Details comparing the current components of each model can be found in the tables below. These details may change over the duration of the contract term. These details are to give bidders a sense of the size and complexity of the models. There are currently only Tariff Receivable models for the projects that are in the debt repayment period, but as new project expenditure starts, Tariff Receivable Models will be developed for them:

TABLE 3: (II) FINANCE TARIFF RECEIVABLE MODELS CURRENTLY IN USE

	VRS	BWP	VRESAP	KWSAP	MMTS-2	MCWAP
General Info:						
Formulas in model	11 000	7900	1 750	2300	3 000	1 900
Contain “Macro” calculations	No	No	No	No	No	No
Main Inputs:						
Revenue streams per project	1	1	1	1	1	1
Number of loans, sub-loans & financial instruments	- Bonds - 6 x long term loans - Commercial Paper Programme (CPP)	- 3 x long term loan agreements across 23 drawdowns. - Commercial Paper Programme	5x long term loans across 38 drawdowns Revolving facility Commercial Paper Programme (CPP)	- 4x long term loans - Revolving facility - Commercial Paper Programme (CPP)	3x long term loans across 11 drawdowns - Revolving facility - Commercial Paper Programme (CPP)	3x long term loans across 14 drawdowns - Revolving facility
Graphs / charts	0	0	0	0	0	0

4.2.2. Services required from successful bidder:

The successful bidder will be required to audit the models and confirm:

- 4.2.2.1. General Input Assumptions – confirm accurate capturing of general input assumptions for the preceding financial year and forecast periods for *inter alia* tariff revenue, administration costs, O&M, capital expenditure and fiscal allocations in line with relevant source documentation.
- 4.2.2.2. Confirm that the yearly Effective Interest Rate (EIR) is calculated accurately.
- 4.2.2.3. Confirm accurate capturing or linking of all loan payments or receipts for each loan for the preceding financial year (i.e., actuals) and forecasts for future periods including *inter alia* capitalised interest, capital repayments, interest payments and commitment fees.
- 4.2.2.4. Confirm that the loans reflected in the models are reflected accurately against the relevant loan schedules.
- 4.2.2.5. Carrying amount of Tariff Receivable – accurate calculation of the carrying amount of tariff receivable balance per annum;
- 4.2.2.6. Interest Income on the Tariff Receivable – accurate calculation of the interest income discounting the tariff receivable balance;

- 4.2.2.7. Present Value of the Tariff Receivable - accurate calculation of the present value of the tariff receivable balance per annum;
- 4.2.2.8. Current and non-current balances of the tariff receivable – accurate calculation of the current and non-current balances of the tariff receivable;
- 4.2.2.9. Debt balance per facility – accurate calculation of debt balance per facility per annum to agree to loan amortisation schedules;
- 4.2.2.10. Excess/required short-term funding – accurate calculation of the excess or shortfall short-term funding per year winding down to zero at the end of the debt repayment period.
- 4.2.2.11. Review the logic and accuracy of computations contained and include a compliance assessment of the model with recommended best practice in the construction of financial models.

4.2.3. Deliverables

The successful bidder will be required to:

- 4.2.3.1. Deliver the initial findings and recommendations report relating to the audit of the models as described in section 4.2.1 above. The report is to include findings and recommendations on the accuracy, integrity and recommended best practice suggesting improvements to the model and highlighting issues for the attention of TCTA for the Finance Tariff Receivable Models.
- 4.2.3.2. Review changes made by TCTA to the Finance Tariff Receivable Models following the initial audit and allow for at least three engagements/iterations per project between the Auditor and the TCTA financial modeller in order to check and review changes made;
- 4.2.3.3. Deliver two opinion letters (audit reports) annually **per project** based on the audit of the Finance Tariff Receivable Models as follows:
 - Opinion letter 1: For TCTA's internal purposes which includes main findings and details of findings, processes followed etc. which is for TCTA's attention to record the workings and findings; and
 - Opinion letter 2: For TCTA's external stakeholders which includes only the main findings; and
- 4.2.3.4. When the need arises where the external stakeholders such as TCTA's external auditors may raise enquiries pertaining to the outcome of the model audits; the enquiry and the Service Provider's response should be co-ordinated through TCTA.

4.3. PROGRAMME

4.3.1. Project Finance Tariff Models:

Generally, the successful bidder shall be expected to undertake the audit of the Project Finance Tariff Models between the months of May and July of the year preceding the approval of the Tariffs. For the first year of the contract, the successful bidder shall be expected to undertake an audit of the six Project Finance Tariff Models that are in their debt repayment phase, and to do so between the months of August and October 2022. In subsequent years, there may be additional models that have completed the structuring phase and have entered the debt repayment phase. These additional models will then need to undergo the annual audit.

TCTA was not able to audit the 2021/22 Project Finance Tariff Models in 2021 and the 2022 audit will supersede that requirement.

The successful bidder shall be expected to prepare a detailed programme indicating task breakdown, proposed resources, time allocation, and submission of deliverables and scheduling for the duration of the contract period per annum.

4.3.2. (II) Finance Tariff Receivable Models:

For the first year of the contract, the successful bidder shall be expected to undertake an audit of the existing Finance Tariff Receivable Models during May 2023.

In subsequent years, the audit must be completed by the end of May each year. In subsequent years there may be additional models that have completed the structuring phase. These additional models will then need to undergo the annual audit.

The successful bidder shall be expected to prepare a detailed programme indicating task breakdown, proposed resources, time allocation, and submission of deliverables and scheduling for the duration of the contract period per annum.

4.3.3. Timeline:

The anticipated timeline for the audit is as follows:

Activity	Start date	End date
Appoint model audit service provider for five-year contract		31 August 2022
2022 Tariff Financial Model external audit	1 September 2022	31 October 2022
2022 Preliminary reports from service provider	15 September 2022	30 September 2022
2022 Final reports from service provider	14 October 2022	31 October 2022
2023 Tariffs Receivable Model audit	1 May 2023	31 May 2023

4.4. EXCLUSIONS

The successful bidder shall not be required to perform the following:

4.4.1. (I) Project Finance Tariff Models:

- Assess the reasonableness of the stated assumptions;
- Assess tax implications;
- Assess accounting implications unless stated as a requirement in a loan agreement/programme memorandum or if financial ratios are required by the credit rating agency or National Treasury;
- Assess the completeness of the assumptions unless expressly part of the audit; and
- Carry out any sensitivity analysis except in the course of checking model integrity.

4.4.2. (II) Finance Tariff Receivable Models:

- Assess the reasonableness of the stated assumptions;
- Assess the reasonableness of any tax computations and compliance with the tax and related regulations;
- Assess the completeness of the assumptions unless expressly part of the audit; and
- Carry out any sensitivity analysis except in the course of checking model integrity.

4.5. COMPANY EXPERIENCE REQUIRED

The bidder must have experience in:

- Auditing infrastructure project financial models with a minimum capital expenditure of at least R300 million; and
- Auditing infrastructure project financial models of which at least 30% is funded through debt.

The bidder must be registered with the Independent Regulatory Board of Auditors (IRBA).

4.6. PERSONNEL EXPERIENCE REQUIRED

The expertise and years of experience required:

- Project Leader:
 - Minimum of a post-graduate degree (NQF Level 8) in Commerce, Finance, or other relevant numerate degree;

- Experience in any audit assignment;
- Experience in financial model audits.
- Model auditor team member 1:
 - Post-graduate degree (NQF Level 8) in Commerce, Finance, or other relevant numerate degree;
 - Experience in any audit assignment;
 - Experience in financial model audits.
- Model auditor team member 2:
 - Graduate degree (NQF Level 7) in Commerce, Finance, or other relevant numerate degree;
 - Experience in any audit assignment;
 - Experience in financial model audits.
- Model auditor team members 3:
 - CA(SA);
 - Experience in any audit assignment;
 - Experience in financial model audits.
- Model auditor team members 4:
 - Graduate degree (NQF Level 7) in Commerce, Finance, or other relevant numerate degree;
 - Experience in any audit assignment;
 - Experience in financial model audits.

5. STAGE 1: RETURNABLES

ALL RETURNABLES ARE REQUIRED FOR PURPOSES OF EVALUATION IRRESPECTIVE OF WHETHER THEY ARE DESIGNATED MANDATORY OR NOT.

TABLE 4: RETURNABLE DOCUMENTS

No.	Document Type	Description	Status
1.	Compliance	Proof of registration of bidder with the Independent Regulatory Board of Auditors (IRBA)	Mandatory

No.	Document Type	Description	Status
2.	Functionality Evaluation	Annexure A: Company track record Complete FORM 1	Non-Mandatory
3.	Functionality Evaluation	Annexure B: Project Team Experience 1. Project Leader - Complete FORM 2 2. Financial Model Auditor 1 - Complete FORM 3 3. Financial Model Auditor 2 - Complete FORM 4 4. Financial Model Auditor 3 - Complete FORM 5 5. Financial Model Auditor 4 - Complete FORM 6 With copies of highest relevant qualification	Non-Mandatory
4.	Administrative	Standard National Treasury Bidding Documents (SBD) • SBD 1 • SBD 4 • SBD 6.1 • SBD 8 • SBD 9	Non-Mandatory
5.	Administrative	Tax Compliance Status Pin	Non-Mandatory
6.	Administrative	Proof of registration on the National Treasury Central Supplier Database (CSD)	Non-Mandatory
7.	Evaluation	A valid BBBEE Certificate (Original or certified form) issued by SANAS accredited agency. In the instance of an EME or QSE in which case they must submit a validly commissioned affidavit. QSEs that do not meet level 1 or 51% black ownership thresholds are obliged to show compliance with all five of the categories on the BEE scorecard therefore, a B-BBEE certificates must be obtained from verification agencies accredited by SANAS	Non-Mandatory
8.	Evaluation	Bidders are required to provide a total fixed price over the contract period, broken down per annum and per project, for undertaking the scope of services as per the template contained in Annexure H	Mandatory

- **Any bidder who fails to submit mandatory document shall be disqualified.**

- Any bidder who fails to submit a non-mandatory document will receive a score of zero (0) points where that document is required for the evaluation of a specific functionality criteria.

6. STAGE 2: FUNCTIONALITY

TCTA will evaluate the submissions for functional capacity.

Functional Evaluation shall carry a maximum one hundred and thirty (130) points, and Bidders are required to achieve a minimum score of eighty-five (85) points. A bidder that fails to meet the minimum score of eighty-five (85) points in total and sixteen (16) points for company track record (section 1.1) shall be excluded from further consideration. Bidders meeting the minimum threshold will proceed to Stage 3 of the evaluation process being Price and Preference evaluation in terms of 80/20 preference point system.

TCTA will evaluate the submissions in terms of the functional criteria set out below.

TABLE 5: TECHNICAL EVALUATION CRITERIA

TECHNICAL SUBMISSION				
Section 1	COMPANY TRACK RECORD (40 POINTS)			Maximum
	1.1	A. 4 points per infrastructure project financial model audited with a minimum capital expenditure of R300 million, and at least 30% funded through debt - to a maximum of 40 points. <u>Contactable references</u> must be included for all audits. A minimum score of 16 is required under Company Track Record. If at least 16 points are not awarded, then bidder will be excluded from further consideration.	40	40
Section 2	PROJECT TEAM EXPERIENCE: Proposed individuals cannot be allocated multiple roles, i.e., one Individual must be proposed for a single role.			
	PROJECT LEADER			
	2.1 CV of Project Leader (30 POINTS)			
	2.1.1	Academic Qualifications Minimum of a post-graduate degree (NQF Level 8) in Commerce, Finance, or other relevant numerate degree. If minimum requirement is not met, then zero points will be awarded for section 2.1.2.		30
	2.1.2	Relevant experience		

TECHNICAL SUBMISSION				
		A. 2 points for each audit assignment (any audit), irrespective of the role or type of audit up to a maximum of 10 points. B. 4 points for every project or assignment in financial model audit up to a maximum of 20 points. THE SAME AUDIT ASSIGNMENTS CAN BE PROVIDED IN FORM 2 A. AND B. ABOVE IF RELEVANT TO THE REQUIREMENTS OF BOTH.	10 20	
FINANCIAL MODEL AUDITOR 1				
2.2 CV of Financial Model Auditor				
	2.2.1	Academic Qualifications Minimum of a graduate degree (NQF Level 7) in Commerce, Finance, or other relevant numerate degree. If minimum requirement is not met, then zero points will be awarded for section 2.2.2.		15
	2.2.2	Relevant experience A. 1 point for each audit assignment (any audit), irrespective of the role or type of audit up to a maximum of 5 points. B. 2 points for every project or assignment in financial model audit up to a maximum of 10 points. THE SAME AUDIT ASSIGNMENTS CAN BE PROVIDED IN FORM 3 A. AND B. ABOVE IF RELEVANT TO THE REQUIREMENTS OF BOTH.	5 10	
FINANCIAL MODEL AUDITOR 2				
2.3 CV of Financial Model Auditor				
	2.3.1	Academic qualifications Minimum of a graduate degree (NQF Level 7) in Commerce, Finance, or other relevant numerate degree. If minimum requirement is not met, then zero points will be awarded for section 2.3.2.		15
	2.3.2	Relevant experience	5	

TECHNICAL SUBMISSION				
		A. 1 point for each audit assignment (any audit), irrespective of the role or type of audit up to a maximum of 5 points. B. 2 points for every project or assignment in financial model audit up to a maximum of 10 points. THE SAME AUDIT ASSIGNMENTS CAN BE PROVIDED IN FORM 4 A. AND B. ABOVE IF RELEVANT TO THE REQUIREMENTS OF BOTH.	10	
FINANCIAL MODEL AUDITOR 3				
2.4 CV of Financial Model Auditor				
	2.4.1	Academic qualifications Minimum of a Chartered Accountant (CA(SA)). If minimum requirement is not met, then zero points will be awarded for section 2.4.2.		15
	2.4.2	Relevant experience A. 1 point for each audit assignment (any audit), irrespective of the role or type of audit up to a maximum of 5 points. B. 2 points for every project or assignment in financial model audit up to a maximum of 10 points. THE SAME AUDIT ASSIGNMENTS CAN BE PROVIDED IN FORM 5 A. AND B. ABOVE IF RELEVANT TO THE REQUIREMENTS OF BOTH.	5 10	
FINANCIAL MODEL AUDITOR 4				
2.5 CV of Financial Model Auditor				
	2.5.1	Academic qualifications Minimum of a graduate degree (NQF Level 7) in Commerce, Finance, or other relevant numerate degree. If minimum requirement is not met, then zero points will be awarded for section 2.5.2.		15
	2.5.2	Relevant experience A. 1 point for each audit assignment (any audit), irrespective of the role or type of audit up to a maximum of 5 points.	5	

TECHNICAL SUBMISSION				
		B. 2 points for every project or assignment in financial model audit up to a maximum of 10 points.	10	
		THE SAME AUDIT ASSIGNMENTS CAN BE PROVIDED IN FORM 6 A. AND B. ABOVE IF RELEVANT TO THE REQUIREMENTS OF BOTH.		
TOTAL POINTS FOR TECHNICAL EVALUATION				130

7. STAGE 3: PRICE AND B-BBEE

Bidders are required to provide costing as outlined in **Annexure H**.

Costing must be provided as requested below expressed in South African Rand currency. The cost must be for one year for the audit of models in 2022. Escalation for future years will be applied annually at the average annual increase in CPI as published by Stats SA.

For evaluation purposes, VAT should be projected at the current rate of 15% (fifteen percent) on the contract value.

Although pricing is required for Project Finance Tariff Models and Finance Tariff Receivable Models of each project, TCTA reserves the right to award the tender for Project Finance Tariff Models only depending on prevailing circumstances and reserves the right to award the tender in part or whole.

For ease of scoring, it is advisable for bidders to use the template as provided. However, should a different lay-out be used, bidders must ensure that all the information contained in the template (Annexure H) is retained.

TCTA will evaluate all Bid Submissions in terms of the Preferential Procurement Policy Framework Act, No.5 of 2000 (PPPFA).

7.1. B-BBEE

7.1.1. A bidder who fails to submit proof of B-BBEE status level of contributor or a non-compliant bidder will not be disqualified at this stage but:

7.1.1.1. May only score points out of 80 depending on which preference point system is applicable; and

7.1.1.2. Scores 0 out of 20 depending on which preference point system is applicable.

7.1.2. A joint venture or consortium must submit a consolidated B-BBEE scorecard in order to earn B-BBEE points.

- 7.1.3. All B-BBEE certificates must be obtained from verification agencies accredited by SANAS unless the bidder is an EME or QSE in which case they must submit a validly commissioned affidavit.

7.2. PRICE

- 7.2.1. If the price offered by the highest scoring bidder is not market related, TCTA reserves the right not to award to that bidder in terms of the PPPFA.
- 7.2.2. Price must be reflected Excluding and Including VAT.
- 7.2.3. All prices must include disbursements.
- 7.2.4. Prices must be firm and unconditional. Bids with conditional prices will be rejected at the bid opening as not meeting the conditions of bid.

7.3. PREFERENTIAL POINTS CALCULATION

The weighting of the evaluation criteria is as follows:

Price	= 80 Points
B-BBEE	= 20 Points
Total	= 100 Points

8. STAGE 4: SUPPLIER VETTING

TCTA reserves the right to disqualify a successful bidder who/whose:

- 8.1 Submits fraudulent information or information that they do not have to authority to submit;
- 8.2 Is listed on National Treasury's list of Blacklisted Suppliers or Defaulters or similar;
- 8.3 Poses a risk in terms of any vetting process conducted either by TCTA internally or the National Intelligence Agency;
- 8.4 Has a director and/or shareholder who is employed by any organ of state. This does not apply to any organ of state acting as a bidder; and
- 8.5 Tax affairs are not in order at the time of award after being requested to resolve the non-compliance status with SARS within the prescribed period.

9. CONDITIONS OF BID

Any bid submission that does not meet the conditions of bid may be rejected and not evaluated at all. Such a bid submission will not be acceptable.

9.1. COSTS OF BIDDING

- 9.1.1. Bidders shall bear their own costs, disbursements and expenses associated with the preparation and submission of the Bid Submissions, including submission of any additional information requested by TCTA or attending the compulsory briefing session.
- 9.1.2. TCTA shall not under any circumstances be liable nor assume liability to any Bidder for costs, disbursements and/or expenses incurred by Bidders regardless of the outcome of the Bid process or by virtue of cancellation and/or postponement of the Bid process. Where applicable a non-refundable fee for documents may be charged.

9.2. CLARIFICATIONS

- 9.2.1. All questions or queries regarding the Request for Bid must be directed to the person stated on the front page of this document, stating the relevant Bid number in the subject field, at least five business days before the stipulated closing date and time of the Request for Bid. No e-mails, faxes and/or telephone calls should be directed to any other employees of TCTA.
- 9.2.2. TCTA shall not be liable nor assume liability for any failure to respond to any questions and/or queries raised by potential Bidders.

- 9.2.3. Should a Bidder fail to complete the annexures TCTA may call upon the Bidder to complete and submit such annexures except where such annexures are indicated as mandatory or are required for purposes of functional and preferential points evaluation. TCTA reserves the right to request clarity and to clarify and ambiguities in the documents that have already been submitted. If a Bidder fails to submit any of the requested documents and / or annexures duly completed within 5 (five) working days of being called upon to do so, then the TCTA may disqualify the Bidder.

9.3. AMENDMENTS

- 9.3.1. TCTA reserves the right, in its sole and absolute discretion, to amend any terms and conditions of the Request for Bid and/or to stipulate additional requirements, provided that such amended terms and conditions and/or additional requirements are placed on TCTA's website at least 3 (three) business days prior to the stipulated closing date and time.
- 9.3.2. Any amended terms and conditions and/or stipulation of additional requirements by TCTA shall be deemed to form part of this Request for Bid.
- 9.3.3. TCTA shall not be liable, nor assume liability of any nature whatsoever, for the failure of a Bidder to receive information if sent to the e-mail, fax or postal address supplied.
- 9.3.4. TCTA reserves the right to stipulate additional Bid requirements as it deems appropriate in its sole and absolute discretion.
- 9.3.5. TCTA shall not be liable nor assume liability to any potential Bidder/s for any failure by such Bidder/s to receive any request for additional information.
- 9.3.6. In the event that TCTA amends its Bid requirements or requests additional information, any Bidder shall be entitled to withdraw its Bid Submission submitted by it prior to the stipulated closing date and time and re-submit a replacement Bid Submission by not later than the stipulated closing date and time.

9.4. MODIFICATION, ALTERATION OR SUBSTITUTION AND/OR WITHDRAWAL OF A BID SUBMISSION

- 9.4.1. Any Bidder shall be entitled to withdraw or modify its Bid Submission at any time prior to the stipulated closing date and time.
- 9.4.2. Any amendment or alteration to the Bid documents must be received before the closing date and time of the Bid as stipulated in the Special conditions of Bid. The words "Amendment to Bid" and the description of the Bid must be clearly reflected on the envelope containing the documents or courier packaging.

- 9.4.3. No modification, alteration or substitution of Bid Submissions will be permitted after the stipulated closing date and time.
- 9.4.4. TCTA reserves the right to request Bids for clarification needed to evaluate their Bids, however, such request for clarification shall not allow or entitle Bidders to change the substance or price of their Bids after Bid opening. Any request for clarification and the Bidder's responses will be made in writing.

9.5. VALIDITY PERIOD

- 9.5.1. All Bid Submissions must remain valid from the stipulated closing date and time of the Request for Bid for the period stated in this Bid. Each Bid Submission will constitute an irrevocable offer which remains open for acceptance by TCTA during the validity period.
- 9.5.2. If TCTA issues a request to extend the validity period, failure to respond to such a request shall be deemed to be an approval to extend the bid validity period on the same terms and conditions as per your original bid submission.
- 9.5.3. If a bidder rejects the extension of validity period with no further comments. The bidder's rejection shall be accepted as a withdrawal from the bid process.
- 9.5.4. If a bidder rejects the extension of the validity period and requests an adjustment to their bid price. Such adjustment must be in line with the Consumer Price Index applicable at the time of request for extension and/or a recognised industry pricing guide. Adjustments outside of these parameters or for any other reason will not be acceptable and the bidders original bid price shall be deemed to be applicable for the extended validity period.

9.6. CONFIDENTIALITY

- 9.6.1. All Bid Submissions received by TCTA will remain in TCTA's possession. Save as may be required by law or by any court of competent jurisdiction or similar body having appropriate jurisdiction, no information contained in or relating to any Bid Submissions will be disclosed to any other parties.
- 9.6.2. The Bidder hereby consents to the use and distribution of their personal information in terms of the above.

9.7. RIGHT NOT TO AWARD

TCTA reserves the right, at its sole discretion, not to award to any of the Bidders or to cancel a Bid in line with regulation 13 of the Preferential Procurement Regulations, 2017:

- 9.7.1. Due to changed circumstances; there is no longer a need for the goods, or the services specified in the invitation;
- 9.7.2. Funds are no longer available to cover the total envisaged expenditure;
- 9.7.3. No acceptable Bid is received; or
- 9.7.4. There are material irregularities in the Bid process

9.8. TERMS AND CONDITIONS OF CONTRACT

- 9.8.1. Once the successful bidder is issued with a Letter of Award, a pre-liminary contract will be deemed to have been concluded between TCTA and the successful Bidder, which contract will include the following documents:
 - 9.8.1.1. The contents of this Request for Bid, including all annexures hereto and any additional requirements as may have been stipulated by TCTA;
 - 9.8.1.2. The relevant Bid Submissions;
 - 9.8.1.3. The letter of acceptance to the successful Bidder/s; and
 - 9.8.1.4. Any correspondence between TCTA and the relevant Bidder/s including all additional documents submitted by the relevant Bidder/s and accepted by TCTA for clarification purposes; and
 - 9.8.1.5. The terms and conditions of any agreement/s proposed to be entered into by TCTA with the successful Bidder/s.
- 9.8.2. The Bidder will be deemed to have accepted the terms and conditions of an agreement and/or terms of reference attached to and issued with this Request for Bid. The terms and conditions of the attached agreement are non-negotiable
- 9.8.3. In the event that TCTA and the relevant Bidder are unable to reach consensus on the terms and/or conditions of the final written agreement, then TCTA reserves the right to cancel the award of the Bid, without liability of any nature, and to conclude an agreement with any other Bidder as may be necessary to meet TCTA's requirements.
- 9.8.4. Variations and Contract Price Adjustments
 - 9.8.4.1. No variations to the contract price or contract price adjustments will be accepted within 6 months from the date of award, unless otherwise stipulated in the Letter of Award.
 - 9.8.4.2. Notwithstanding the above, the increases to the contract value in terms of contract price adjustments (CPA), if expressly included as a condition in the Contract, shall be dealt with as follows:

9.8.4.3. If the original award/contract made provision for the increase:

9.8.4.3.1. The Contract Manager must prepare a notice of increase based on CPA to the service provider,

9.8.4.3.2. Once the Contract Manager and the Procurement Specialist have signed the letter, the Procurement Specialist must issue the notice to the supplier;

9.8.4.3.3. Such a letter must be sent at least 2 weeks prior to the effective date of the increase;

9.8.4.4. If the original award/legal agreement did not make provision for the increase:

9.8.4.4.1. The supplier must request the CPA increase in writing quoting the relevant contract name and PO Number and send the request to the Contract Manager;

9.8.4.4.2. The Contract Manager must prepare a requisition for the variation to the relevant Procurement Specialist;

9.8.4.4.3. The Procurement Specialist must together with the Contract Manager prepare a submission for variation of the contract;

9.8.4.4.4. The relevant authority must approve the submission and once done; the Procurement Specialist must request an addendum to the contract from the Legal Department;

9.8.4.4.5. Once an addendum has been prepared, the Contract Manager must ensure that both parties sign the addendum;

9.8.4.4.6. The original addendum must be provided to the Procurement Specialist for safekeeping and a copy can be emailed to the supplier notifying them of the increase.

9.8.4.4.7. The Procurement Specialist must notify the Procurement Administrator to adjust the contract register accordingly within 48 hours of receiving the signed addendum.

9.8.5. Performance Management

9.8.5.1. This contract shall be subject to performance management in line with TCTA's Contract Management Policy and Procedure as amended from time to time. Failure to provide satisfactory goods or services may result in the bidder's blacklisting within TCTA or other organs of state.

9.8.5.2. If the final signed contract between the parties does not stipulate the number of times performance management meetings shall be held, they must be held as outlined below.

Project Finance Tariff Models	Once after the initial findings and recommendations have been produced
Finance Tariff Receivables Models	Once after the initial findings and recommendations have been produced

9.8.6. Communication

The successful bidder must forward all communication in respect to this contract to the Contract Manager stipulated in the Letter to Award.

9.9. SUBCONTRACTING AFTER AWARD

The successful bidder:

- 9.9.1. May only subcontract this scope of work no less than 6 (six) months after award;
- 9.9.2. May only subcontract with the prior written approval from the Contract Manager appointed by TCTA.
- 9.9.3. May only sub-contract more than 25% of the contract to a third party that has a B-BBEE status level that is more or equal to that of the successful bidder unless the third party is an EME capable of executing the contract.

9.10. CESSION OF RIGHTS

- 9.10.1. The successful bidder may cede their rights to a third-party provided that:
 - 9.10.1.1. The cession does not take place less than 6 (six) months from the date of award;
 - 9.10.1.2. The third-party is registered on the CSD and its Tax affairs are compliant;
 - 9.10.1.3. The third-party has a BBEE status level of contributor equal to or higher than that of the successful bidder;
 - 9.10.1.4. The parties prepare a draft a cession agreement that meets all the legal requirements on a template of their own choosing and at their own legal costs; and
 - 9.10.1.5. The cession agreement is submitted for vetting by TCTA prior to signature.
- 9.10.2. TCTA may reject the cession should it not meet the requirements set out above and provide reasons to the supplier.

9.11. NOTIFICATION OF UNSUCCESSFUL BIDDERS

If no correspondence or communication is received from TCTA within the validity period, the relevant Bid Submissions submitted will be deemed to be unsuccessful.

9.12. SUPPLIER CODE OF CONDUCT

9.12.1. All suppliers and their representatives shall conduct their business activities in full compliance with the applicable laws and regulations of the Republic of South Africa while conducting business with and/or on behalf of the TCTA. In addition to any specific obligations under the supplier's agreement with TCTA, all suppliers shall, without limitation:

- 9.12.1.1. Comply with the anti-corruption laws of the Republic of South Africa and any other country in which it does business, including the Prevention and Combating of Corrupt Activities Act.
- 9.12.1.2. Conduct business in full compliance with antitrust and fair competition laws within the Republic of South Africa.
- 9.12.1.3. Comply with all applicable environmental laws and regulations regarding hazardous materials, air emissions, waste and wastewater discharges, including the manufacture, transportation, storage, disposal and release to the environment of such materials.
- 9.12.1.4. Be honest, direct and truthful in discussions with regulatory agency representatives and government officials.

9.12.2. Suppliers and their representatives shall conduct their business interactions and activities with integrity and in accordance with their obligations under their specific agreements. In addition to those obligations, all our suppliers shall, without limitation:

- 9.12.2.1. Honestly and accurately record and report all business information and comply with all applicable laws regarding their completion and accuracy.
- 9.12.2.2. Create, retain and dispose of business records in full compliance with all applicable legal and regulatory requirements.
- 9.12.2.3. Protect and responsibly use both the physical and intellectual assets of TCTA, including its property, data and equipment when authorized to use such assets.
- 9.12.2.4. Use TCTA provided information technology and systems (including email) only for authorized business-related purposes. TCTA strictly prohibits suppliers and their representatives from using Company-provided technology and systems to create, access, store, print, solicit or send any material that is intimidating, harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate and/or send any false, derogatory or malicious communications using provided information assets and systems.
- 9.12.2.5. Comply with the intellectual property ownership rights of TCTA and others including but not limited to copyrights, patents, trademarks and trade secrets. Use software, hardware and content only in accordance with their associated license or terms of use.

9.12.2.6. Speak to the press on TCTA's behalf only if supplier and/or representative is expressly authorized in writing to do so by TCTA.

9.12.3. TCTA expects its suppliers to share its commitment to human rights and equal opportunity in the workplace. TCTA suppliers shall conduct their employment practices in full compliance with all applicable laws and regulations, and shall, without limitation:

9.12.3.1. Cooperate with TCTA's commitment to a workforce free of harassment and unlawful discrimination. We believe that supplier companies should not engage in discrimination in hiring, compensation, access to training, promotion, termination or retirement based on religion, age, disability, gender, marital status, sexual orientation, union membership, political affiliation or any other category protected by applicable law.

9.12.3.2. Comply in all respects with the Employment equity act, in line with TCTA's commitment to redress the racial makeup of the South African economy,

9.12.3.3. Provide a safe and healthy work environment and fully comply with all applicable safety and health laws, regulations and practices. Adequate steps shall be taken to minimize the causes of hazards inherent in the working environment. While on TCTA property, suppliers shall comply with all rules and regulations concerning the operation of the property and the interaction with other individuals with access to the property, whether TCTA, its clients, or other suppliers, employees or guests.

9.12.3.4. Prohibit the use, possession, distribution and sale of illegal drugs while on TCTA owned, leased or managed property.

9.12.3.5. Use only voluntary labour. The use of forced labour whether in the form of indentured labour, bonded labour, or prison labour by a Company supplier or its subcontractors is prohibited.

9.12.3.6. Workers should not be required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice without penalty.

9.12.3.7. Comply with all local minimum working age laws and requirements and not utilize child Employees shall not be under the legal minimum working age of the respective region or shall not be less than 16 years of age (whichever is higher). We only support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people and will not do business with those who abuse such systems.

9.12.3.8. Not engage in physical discipline or abuse. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is prohibited.

9.12.3.9. Pay living wages under humane conditions. All workers shall be provided with clear, written information about their employment conditions with respect to wages before they enter employment and as needed throughout their term of employment. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards.

9.12.3.10. Not require workers to work more than the maximum hours of daily labour set by the Department of Labour; ensure that overtime is paid in accordance with applicable laws and

9.12.3.11. Keep employee records in accordance with acts and prescripts issued by the Department of Labour.

9.12.4. TCTA expects its suppliers to share the same social responsibility of growing business in a sustainable fashion. At TCTA, we believe that environmental stewardship and local business development are of utmost importance, and we constantly seek new ways to fulfil our responsibilities to the environment.

9.12.5. Adopt an environmentally friendly policy and share our commitment to sustainability. Comply with all applicable environmental laws and regulations.

9.12.6. TCTA expects its suppliers to share its commitment to Broad Based Black Economic Empowerment and supplier diversity. TCTA suppliers shall implement supplier diversity programs that meet the requirements of the Broad Based Black Economic Empowerment Codes of Good Conduct. At all times the supplier undertakes to ensure that they are in possession of a valid BBEE certificate.

9.12.7. TCTA will not tolerate any retribution or retaliation taken against any individual who has in good faith sought out advice or has reported questionable behaviour or a possible violation.

9.13. PROHIBITION OF BRIBERY, FRAUDULENT AND CORRUPT PRACTICES

9.13.1. No Bidders shall directly or indirectly commit, or attempt to commit, for the benefit of the Bidder or any other person, any of the following:

9.13.2. Influencing, or attempting to influence, any TCTA's employees or agents in respect of the award of a Bid or the outcome of the Bid process in relation to any contract for the provision of goods or services; and/or

- 9.13.3. Offering, or giving gratification to, and/or inducing, or attempting to induce, as defined in the Prevention and Combating of Corrupt Activities Act No. 12 of 2004, as amended from time to time, any of TCTA's employees or agents, in favour of or for the benefit of the Bidder and/or any other party; and/or
- 9.13.4. Bribing, or attempting to bribe, any TCTA's employees or agents in order to influence the outcome of a Bid process in favour of or for the benefit of the Bidder and/or any other party.
- 9.13.5. TCTA shall be entitled to disqualify any Bidder/s if it has reason to believe that any conduct relating to that set out in Condition 16.1 above has occurred.

9.14. FRONTING

- 9.14.1. The TCTA supports the spirit of Broad-Based Economic Empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background TCTA condemns any form of fronting.
- 9.14.2. TCTA, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation process, conduct or initiate the necessary probity investigation to determine the accuracy of the representation made in the bid document. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry / investigation, the onus will be on the Bidder to prove that fronting does not exist.
- 9.14.3. Failure to do so within a period of 14 days from the date of notification may invalidate the Bid/contract and may also result in the restriction of the Bidder, by National Treasury, to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the National Treasury may have against the bidder concerned.

9.15. JOINT VENTURE OR CONSORTIUM

- 9.15.1. TCTA encourages the formation of a joint venture or consortium as a condition for the award of a contract, in order to promote the participation of Black Owned Enterprises. In this case, the TCTA has both a moral obligation and a vested interest in ensuring that both the Black Owned Enterprises and its established joint venture or consortium partner are treated reasonably and equitably in terms of a sound, written agreement.
- 9.15.2. The members of a joint venture or consortium formed in response to transformation policies should share in at least the following aspects of the joint venture or consortium's activities in a meaningful and equitable manner:
- 9.15.2.1. Control

9.15.2.2. Management

9.15.2.3. Operations

9.15.3. The joint venture or consortium agreement:

- 9.15.3.1. Must clearly and comprehensively set out the contributions to be made by each member towards the activities of the joint venture or consortium in securing and executing the contract and should allocate monetary values to such contributions.
- 9.15.3.2. Must record the percentage participation by each member.
- 9.15.3.3. Must provide for meaningful input by all members to the policy making and management activities of the joint venture or consortium;
- 9.15.3.4. Must provide for the establishment of a management body for the joint venture or consortium;
- 9.15.3.5. Must provide measures to limit, as far as possible, losses to the joint venture or consortium by the default of a member;
- 9.15.3.6. Must promote consensus between the members whilst ensuring that the activities of the joint venture or consortium will not be unduly hindered by failure to achieve it;
- 9.15.3.7. Must provide for rapid, affordable and easy interim dispute resolution and for effective final dispute resolution, if required; and
- 9.15.3.8. Must be sufficiently flexible to allow for joint venture or consortiums which differ in nature, objectives, inputs by members, management systems, etc;
- 9.15.3.9. Must submit on annual basis consolidated BBBEE scorecard for the Joint Venture failure which TCTA will implement contractual remedies.

9.15.4. Right to review the joint venture or consortium agreement

TCTA reserves the right to review the joint venture or consortium agreement between the parties to ensure that the minimum conditions set out above are adhered to and that the Black Owned Enterprise partner is not disadvantaged by conditions of the resultant agreement.

9.15.5. Amendment of the joint venture or consortium agreement

The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the Employer.

9.16. PAYMENT PROCESS

- 9.16.1. Monthly invoicing and payment of fees and disbursements will take place based on the actual services rendered, and payment of invoices shall be affected within 30 days from date of receipt.

- 9.16.2. Invoices must be submitted with supporting documents, where requested. No invoice shall be accepted for goods/services that are not received unless otherwise stipulated in the contract between the parties.
- 9.16.3. No payment shall be made unless the following information has been presented to TCTA to its satisfaction:
- 9.16.3.1. VAT registration certificate, if the successful Bidder is a VAT vendor;
 - 9.16.3.2. Without deduction of PAYE and/or SITE, if the successful Bidder is not registered for VAT; or
 - 9.16.3.3. Statement setting out details of services rendered, accompanying invoice.
 - 9.16.3.4. Statement of account detailing cumulative costs claimed from contract inception against the contract amount.
- 9.16.4. All invoices shall contain a Purchase Order number, TCTA and successful Bidder's VAT number, if registered for VAT, successful Bidder's name, date of invoice, amount due, services rendered, due date, and any other relevant details. TCTA's VAT number is 4360104923.
- 9.16.5. Payment will only be made against original invoices which complies with the requirements of the VAT Act. Failure to remit fully compliant invoice will result in late payment, without forfeiture of any settlement discounts that may be due to TCTA.

ANNEXURES A & B: TEMPLATES FOR BIDDER AND PERSONNEL EXPERIENCE

NOTE to Bidders:

It is **RECOMMENDED** that all Bidders complete the ANNEXURES A and B as provided. However, should a different lay-out be used, bidders must ensure that all the information contained in the template is retained.

ANNEXURE A: COMPANY EXPERIENCE

FORM 1: COMPANY TRACK RECORD (REFER TABLE 5, 1.1)

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points. Please note that TCTA reserves the right to request contact details of duly authorised contact persons, or references to confirm work performed during the evaluation process.

Name of Bidder:

Client Name and contact details (telephone number and email address)	Brief description of infrastructure project financial model audited with a minimum capital expenditure of R300 million	Capital expenditure value	Percentage of project funded by debt

Client Name and contact details (telephone number and email address)	Brief description of infrastructure project financial model audited with a minimum capital expenditure of R300 million	Capital expenditure value	Percentage of project funded by debt

ANNEXURE B: PERSONNEL EXPERIENCE

FORM 2: PERSONNEL EXPERIENCE FOR PROJECT LEADER (REFER TABLE 5, (2.1))

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points.

Name:

1 QUALIFICATIONS (TABLE 5, (2.1.1))

Submit copy of the relevant qualifications.

#	Name of the Institution	Highest Relevant Qualification (Copy of highest relevant qualifications to be submitted)	Year Obtained
1			

2 PREVIOUS EXPERIENCE

Name of client for which audit work was undertaken. Refer to Table 5, (2.1.2)	List project or assignment in audit (any <u>audit</u>) Refer to Table 5, (2.1.2 A)	List project or assignment in financial model <u>audit</u> Refer toTable 5, (2.1.2 B)

Name of client for which audit work was undertaken. Refer to Table 5, (2.1.2)	List project or assignment in audit (any <u>audit</u>) Refer to Table 5, (2.1.2 A)	List project or assignment in financial model <u>audit</u> Refer toTable 5, (2.1.2 B)

FORM 3: PERSONNEL EXPERIENCE FOR FINANCIAL MODEL AUDITOR 1 (REFER TABLE 5, (2.2))

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points.

Name:

1 QUALIFICATIONS (TABLE 5, (2.2.1))

Submit copy of the relevant qualifications.

#	Name of the Institution	Highest Relevant Qualification (Copy of highest relevant qualifications to be submitted)	Year Obtained
1			

2 PREVIOUS EXPERIENCE

Name of client for which audit work was undertaken. Refer to Table 5, (2.2.2)	List project or assignment in audit (any <u>audit</u>) Refer to Table 5, (2.2.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.2.2 B)

Name of client for which audit work was undertaken. Refer to Table 5, (2.2.2)	List project or assignment in audit (any <u>audit</u>) Refer to Table 5, (2.2.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.2.2 B)

FORM 4: PERSONNEL EXPERIENCE FOR FINANCIAL MODEL AUDITOR 2 (REFER TABLE 5, (2.3))

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points.

Name:

1 QUALIFICATIONS (TABLE 5, (2.3.1))

Submit copy of the relevant qualifications.

#	Name of the Institution	Highest Relevant Qualification (Copy of highest relevant qualifications to be submitted)	Year Obtained
1			

2 PREVIOUS EXPERIENCE

Name of client for which audit work was undertaken. Refer to Table 5, (2.3.2)	List project or assignment in audit (any audit) Refer to Table 5 (2.3.2 A)	List project or assignment in financial model audit Refer to Table 5, (2.3.2 B)

Name of client for which audit work was undertaken. Refer to Table 5, (2.3.2)	List project or assignment in audit (any audit) Refer to Table 5 (2.3.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.3.2 B)

FORM 5: PERSONNEL EXPERIENCE FOR FINANCIAL MODEL AUDITOR 3 (REFER TABLE 5, (2.4))

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points.

Name:

1 QUALIFICATIONS (TABLE 5, (2.4.1))

Submit copy of the relevant qualifications.

#	Name of the Institution	Highest Relevant Qualification (Copy of highest relevant qualifications to be submitted)	Year Obtained
1			

2 PREVIOUS EXPERIENCE

Name of client for which audit work was undertaken. Refer to Table 5, (2.4.2)	List project or assignment in audit (any audit) Refer to Table 5, (2.4.2 A)	List project or assignment in financial model audit Refer to Table 5, (2.4.2 B)

Name of client for which audit work was undertaken. Refer to Table 5, (2.4.2)	List project or assignment in audit (any audit) Refer to Table 5, (2.4.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.4.2 B)

FORM 6: PERSONNEL EXPERIENCE FOR FINANCIAL MODEL AUDITOR 4 (REFER TABLE 5, (2.5))

Please note that this FORM has to be completed. If replaced with a different lay-out, the relevant information in the table below must be provided to score points.

Name:

1 QUALIFICATIONS (TABLE 5, (2.5.1))

Submit copy of the relevant qualifications.

#	Name of the Institution	Highest Relevant Qualification (Copy of highest relevant qualifications to be submitted)	Year Obtained
1			

2 PREVIOUS EXPERIENCE

Name of client for which audit work was undertaken. Refer to Table 5, (2.5.2)	List project or assignment in audit (any audit) Refer to Table 5, (2.5.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.5.2 B)

Name of client for which audit work was undertaken. Refer to Table 5, (2.5.2)	List project or assignment in audit (any audit) Refer to Table 5, (2.5.2 A)	List project or assignment in financial model <u>audit</u> Refer to Table 5, (2.5.2 B)

ANNEXURE C: SBD 1 – REQUEST FOR BID MANDATORY**PART A: REQUEST FOR BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
BIDDING PROCEDURE ENQUIRES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
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					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No
[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]					

1. ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]	2. ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS			
Empty space for questionnaire content			

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 IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3.	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 SPECIAL CONDITIONS OF CONTRACT.
1.4.	THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
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 VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURE OR CONSORTIUMS / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g., company resolution)

DATE:

ANNEXURE D: SBD 4 - DECLARATION OF INTEREST (MANDATORY)

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state¹¹, 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 Request for 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:

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.

2.6 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 / personal numbers must be indicated in paragraph 3 below.

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

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

.....

Name of state institution at which you or the person connected to the bidder is:

.....

Position occupied in the state institution:

.....

Any other particulars:

.....

.....

.....

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

2.8.1 If yes, did you attach proof of such authority to the bid document?

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

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

.....

.....

.....

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

2.9.1 If so, furnish particulars:
.....
.....
.....

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

2.10.1 If so, furnish particulars:
.....
.....
.....

2.11 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**

2.11.1 If so, furnish particulars:
.....
.....
.....

2.12 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**

2.12.1 If so, furnish particulars:
.....
.....
.....

Full details of directors / trustees / members / shareholders.

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

3. 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

ANNEXURE E: SBD 6.1: IN TERMS OF PPR 2017 (MANDATORY)

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 80/20 preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

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

	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 bidder to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;

- 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

$$\text{80/20} \qquad \qquad \qquad \text{or} \qquad \qquad \text{90/10}$$

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \qquad \text{or} \qquad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

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

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

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

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

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

5. BID DECLARATION

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

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

- 6.1 B-BBEE Status Level of Contributor: . = (maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

- 7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES ☐ 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 least 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 or consortium / Consortium

☐ One person business/sole propriety

☐ Close corporation

☐ Company

☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer
- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.
2.

SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS:

.....

.....

ANNEXURE F: SBD 8 - DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MANDATORY)

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- i. This Standard Bidding Document must form part of all bids invited.
- ii. It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- iii. The bid of any bidder may be disregarded if that bidder, or any of its directors have-
 - a. abused the institution's supply chain management system;
 - b. committed fraud or any other improper conduct in relation to such system; or
 - c. failed to perform on any previous contract.
- iv. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector? (Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied). The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.	☐	☐
4.1.1	If so, furnish particulars:		

Item	Question	Yes	No
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	☐	☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	☐	☐
4.3.1	If so, furnish particulars:		
4.4	Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	☐	☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

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

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE
AND CORRECT.**

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

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

ANNEXURE G: SBD 9 - CERTIFICATE OF INDEPENDENT BID DETERMINATION (MANDATORY)

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.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

(Name of Institution)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium 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 or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

ANNEXURE H: FINANCIAL PROPOSAL TEMPLATE

- **Costing**

Costing must be provided as requested below expressed in South African Rand currency. The costing must be for each year for the audit of models from 2022 to 2026 and a total for the five years. The cost in later years must reflect any savings bidders expect to be able to make due to knowledge gained from previous years. The cost must include the projects currently in the structuring phase which will need to be audited in future years. The cost must also include one additional project model of a similar size and complexity to the others which will need to be audited in future years. Bidders are to use the same price for this model as they have used for the uMWP model. For bidding purposes, Bidders are to assume escalation for future years at 5% per annum. Escalations for invoicing purposes will be applied annually at the average annual historical increase in CPI as published by Stats SA.

- **Provision for VAT**

For evaluation purposes, the current VAT rate of 15% (fifteen percent) should be included in the total costing below. The actual VAT as published and Gazetted by National Treasury shall apply to invoices when submitted.

Costing:

ITEMS							
1.	Cost of TCTA's financial models to be audited	Amount (R) excluding VAT and escalation					
		2022	2023	2024	2025	2026	Total
1.1	BWP						
1.1.1	Project Finance Tariff Model	R	R	R	R	R	R
1.1.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.1.3	Sub-total BWP	R	R	R	R	R	R
1.2	KWSAP						
1.2.1	Project Finance Tariff Model	R	R	R	R	R	R
1.2.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.2.3	Sub-total KWSAP	R	R	R	R	R	R
1.3	VRS						
1.3.1	Project Finance Tariff Model	R	R	R	R	R	R
1.3.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.3.3	Sub-total VRS	R	R	R	R	R	R
1.4	MCWAP						
1.4.1	Project Finance Tariff Model	R	R	R	R	R	R
1.4.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.4.3	Sub-total MCWAP	R	R	R	R	R	R
1.5	MMTS-2						
1.5.1	Project Finance Tariff Model	R	R	R	R	R	R
1.5.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.5.3	Sub-total MMTS-2	R	R	R	R	R	R
1.6	VRESAP						
1.6.1	Project Finance Tariff Model	R	R	R	R	R	R
1.6.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.6.3	Sub-total VRESAP	R	R	R	R	R	R

ITEMS							
		2022	2023	2024	2025	2026	Total 2022 to 2026
1.7	uMWP						
1.7.1	Project Finance Tariff Model	R	R	R	R	R	R
1.7.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.7.3	Sub-total uMWP	R	R	R	R	R	R
1.8	BRVAS						
1.8.1	Project Finance Tariff Model	R	R	R	R	R	R
1.8.2	Finance Tariff Receivable Model	R	R	R	R	R	R
1.8.3	Sub-total BRVAS	R	R	R	R	R	R
1.9	Future project						
1.9.1	Project Finance Tariff Model (assume the same as 1.7.1)	R	R	R	R	R	R
1.9.2	Finance Tariff Receivable Model (assume the same as 1.7.2)	R	R	R	R	R	R
1.9.3	Sub-total Future Project	R	R	R	R	R	R
1.10	Sub-total excluding VAT and excluding escalation (sum of lines 1.1.3, 1.2.3, 1.3.3, 1.4.3, 1.5.3, 1.6.3, 1.7.3, 1.8.3, 1.9.3)	R	R	R	R	R	R
2.	VAT projected at 15% on line 1.10	R	R	R	R	R	R
2.1	Total including VAT excluding escalation (sum of lines 1.10 and 2)	R	R	R	R	R	R
3.	Escalation (line 2.1 multiplied by 0 in 2022, 5% in 2023, 10.25% in 2024, 15.76% in 2025 and 21.55% in 2026)	R 0	R	R	R	R	R
5.	Total including VAT and escalation (sum of lines 2.1 and 3)	R	R	R	R	R	R

Although pricing is required for **Project Finance Tariff Models** and **Finance Tariff Receivable Models** of each project, TCTA reserves the right to award the tender for **Project Finance Tariff Models** only depending on prevailing circumstances and reserves the right to award the tender in part or whole.

