



## REQUEST FOR PROPOSALS

YOU ARE HEREBY INVITED TO SUBMIT A BID TO MEET THE REQUIREMENTS OF THE DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED	
<b>BID NUMBER:</b>	<b>RFP060/2023</b>
<b>CLOSING DATE:</b>	<b>28 March 2023</b>
<b>CLOSING TIME:</b>	23H55 (Midnight)
<b>PERIOD FOR WHICH BIDS ARE REQUIRED TO REMAIN OPEN FOR ACCEPTANCE</b>	120 days
<b>DESCRIPTION OF BID:</b>	<b>APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE ELECTRICITY DISTRIBUTION COST OF SUPPLY STUDY FOR RAY NKONYENI LOCAL MUNICIPALITY</b>
<b>BID DOCUMENTS ELECTRONIC SUBMISSION:</b>	<p><b>1. ELECTRONIC SUBMISSIONS</b></p> <p><b><u>INSTRUCTIONS:</u></b></p> <ul style="list-style-type: none"> <li>➤ Bidders are required to submit written requests for clarification via e-mail to <a href="mailto:mduscm@dbsa.org">mduscm@dbsa.org</a> <b>ONLY</b>, quoting the RFP Number on the subject of the e-mail. This must be done three (3) working days before submission day.</li> <li>➤ Bidders will thereafter receive a OneDrive Link to upload their submission documents electronically.</li> <li>➤ Written requests for clarification will be considered up to and including <b>24 February 2023 16:00</b> Johannesburg time. Requests received after this date may not be attended to.</li> <li>➤ Any requests after the stipulated date and time may be disregarded.</li> </ul> <p><b>NB: Electronic submission is encouraged for all bidders interested in this tender.</b></p> <p><b>Closing date of this RFP060.2023 is 28 March 2023 at 23:55.</b></p> <p><b>No physical bids will be received or accepted at the DBSA offices</b></p>

NAME OF BIDDER:	
CONTACT PERSON:	
EMAIL ADDRESS:	
TELEPHONE NUMBER:	
FAX NUMBER:	
BIDDER'S STAMP OR SIGNATURE	



The Development Bank of Southern Africa has a Zero Tolerance on Fraud and Corruption.  
Report any incidents of Fraud and Corruption to Whistle Blowers on any of the following:

TollFree : 0800 20 49 33  
Email : [dbsa@whistleblowing.co.za](mailto:dbsa@whistleblowing.co.za)  
Free Post : Free Post KZN 665 | Musgrave | 4062  
SMS : 33490

## Table of Contents

<b>PART A</b> .....	<b>3</b>
<b>PART B</b> .....	<b>5</b>
<b>PART C</b> .....	<b>7</b>
<b>PART D</b> .....	<b>8</b>
<b>PART E</b> .....	Error! Bookmark not defined.
<b>Annexure A</b> .....	Error! Bookmark not defined.
<b>Annexure B</b> .....	<b>70</b>
<b>Annexure C</b> .....	<b>73</b>
<b>Annexure D</b> .....	<b>79</b>
<b>Annexure E</b> .....	<b>80</b>
<b>Annexure F</b> .....	<b>81</b>
<b>Annexure G</b> .....	<b>82</b>
<b>Annexure H</b> .....	<b>83</b>
<b>Annexure I</b> .....	<b>85</b>
<b>ANNEXURE J</b> .....	Error! Bookmark not defined.

**PART A  
INVITATION TO BID**

**YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF DEVELOPMENT BANK OF SOUTHERN AFRICA LIMITED (“DBSA”)**

**BID NUMBER: RFP060/2023**


**DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE ELECTRICITY DISTRIBUTION COST OF SUPPLY STUDY FOR RAY NKONYENI LOCAL MUNICIPALITY**

Closing time for the OneDrive Link requests - **16h00 on the 24<sup>th</sup> of March 2023 (Telkom Time)**


**CLOSING DATE: 28 March 2023**


**CLOSING TIME: 23H55**

Name

 Bidder Name

Name

 Folder 1\_Financial Proposal

 Folder 2\_Technical Proposal

- a) It remains the bidder's responsibility to ensure that the bid submission is uploaded using the correct bidder document and tender link.
- b) Should a bidder encounter an issue with the system, the bidder must provide sufficient evidence as proof of attempting to upload their submission before the cut-off time and the error received.
- c) Faxed, emailed bids will not be accepted, only an electronic submission received via the link will be accepted.
- d) It is therefore the responsibility of the bidder to request for a link to participate.
- e) The DBSA assumes no responsibility if a Bidder's designated email address is not correct, or if there are technical challenges, including those with the Bidders computer, network, or internet service provider (ISP).

**BID SUBMISSION LINK REQUESTS:**

**ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)**

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT, WHICH ARE SET OUT IN PART C OF THIS DOCUMENT.

THE FOLLOWING PARTICULARS MUST BE FURNISHED (FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED).

BIDDERS THAT ARE UNINCORPORATED CONSORTIA CONSISTING OF MORE THAN ONE LEGAL ENTITY MUST SELECT A LEAD ENTITY AND FURNISH THE DETAILS OF THE LEAD ENTITY, UNLESS OTHERWISE SPECIFIED.

<b>NAME OF BIDDER AND EACH ENTITY IN CONSORTIUM:</b>				
<b>POSTAL ADDRESS:</b>				
<b>STREET ADDRESS:</b>				
<b>CONTACT PERSON (FULL NAME):</b>				
<b>EMAIL ADDRESS:</b>				
<b>TELEPHONE NUMBER:</b>				
<b>FAX NUMBER:</b>				
<b>BIDDER REGISTRATION NUMBER OR REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM</b>				
<b>BIDDER VAT REGISTRATION NUMBER OR VAT REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM</b>				
<b>BBBEE STATUS LEVEL VERIFICATION CERTIFICATE /BBBEE STATUS LEVEL SWORN AFFIDAVIT SUBMITTED?</b> <b>[TICK APPLICABLE BOX]</b>	<b>YES</b>		<b>NO</b>	

1..1.1	ARE YOU THE ACCREDITED REPRESENTATIVE <b>IN SOUTH AFRICA FOR THE GOODS /SERVICES/WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]			
1..1.2	ARE YOU A FOREIGN BASED SUPPLIER FOR <b>THE GOODS /SERVICES/WORKS OFFERED?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW ]			
1..1.3	<b>SIGNATURE OF BIDDER</b>				
1..1.4	<b>DATE</b>				
1..1.5	<b>FULL NAME OF AUTHORISED REPRESENTATIVE</b>				
1..1.6	<b>CAPACITY UNDER WHICH THIS BID IS SIGNED</b> (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)				
<b>IF YES, WHO ISSUED THE CERTIFICATE?</b>					
<b>REGISTERED WITH THE NATIONAL TREASURY CSD</b> <b>[TICK APPLICABLE BOX]</b>		<b>YES</b>		<b>NO</b>	
<b>CSD REGISTRATION NUMBER</b>					
<b>TAX COMPLIANCE STATUS PIN (TCS) NUMBER ISSUED BY SARS</b>					

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE SUBMITTED ELECTRONICALLY BY THE STIPULATED TIME TO THE LINK PROVIDED. 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)
1.3. SOUTH AFRICAN BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS

REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED BY BIDDING INSTITUTION.

- 1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MUST BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.

## **2. TAX COMPLIANCE REQUIREMENTS**

- 2.1 ALL BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS IN THEIR COUNTRY OF RESIDENCE.
- 2.2 SOUTH AFRICAN BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 SOUTH AFRICAN BIDDERS CAN APPLY FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 SA BIDDERS' MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER (TAX COMPLIANCE) IN ACCORDANCE WITH APPLICABLE LEGISLATION IN THEIR COUNTRY OF RESIDENCE.
- 2.6 WHERE SA BIDDERS HAVE NO TCS AVAILABLE BUT ARE REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

## **3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

- 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?  
☐ YES ☐ NO
- 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA? ☐  
YES ☐ NO
- 3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?  
☐ YES ☐ NO
- 3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?  
☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

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

## PART C

### CHECKLIST OF COMPULSORY RETURNABLE SCHEDULES AND DOCUMENTS

Please adhere to the following instructions :

- Tick in the relevant block below;
- Ensure that the following documents are completed and signed where applicable; and
- Use the prescribed sequence in attaching the annexes that complete the Bid Document

**NB:** Should all these documents not be included, the Bidder may be disqualified on the basis of non-compliance

**YES      NO**

☐☐

One original Bid document in separate folders; Folder 1 - for Pre-Qualifying Criteria and Functional Evaluation and Folder 2 - Price / Financial Proposal –  
**Electronic submission**

☐☐

**Part A:** Invitation to Bid

☐☐

**Part B:** Terms and Conditions of Bidding

☐☐

**Part C:** Checklist of Compulsory Returnable Schedules and Documents

☐☐

**Part D:** Conditions of Tendering and Undertakings by Bidders

☐☐

**Part E:** Specifications/Terms of Reference and Project Brief

☐☐

**Annexure A:** Price Proposal Requirement

☐☐

**Annexure B:** SBD4 Declaration of Interest

☐☐

**Annexure C:** SBD6.1 and B-BBEE status level certificate

☐☐

**Annexure F:** Certified copies of your CIPC company registration documents listing all members with percentages, in case of a lose corporation

☐☐

**Annexure G:** Certified copies of latest share certificates, in case of a company.

☐☐

**Annexure H: (if applicable):** A breakdown of how fees and work will be spread between members of the bidding consortium.

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Annexure I:</b> Supporting documents to responses to Pre-Qualifying Criteria and Functional Evaluation Criteria. |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Annexure J:</b> General Condition of Contract  |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Annexure K:</b> CSD Tax Compliance Status and Registration Requirements Report                                   |
| <input type="checkbox"/> | <input type="checkbox"/> | <b>Annexure J:</b> KfW Declaration of Undertaking   |

## PART D

### CONDITIONS OF TENDERING AND UNDERTAKINGS BY BIDDER

#### 1. DEFINITIONS

In this Request for Proposals, unless a contrary intention is apparent:

- 1.1 **B-BBEE** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act, 2003;
- 1.2 **B-BBEE Act** means the Broad-Based Black Economic Empowerment Act, 2003;
- 1.3 **B-BBEE status level of contributor** means the B-BBEE status received by a measured entity based on its overall performance used to claim points in terms of regulation 6 and 7 of the Preferential Procurement Regulations, 2022.
- 1.4 **Business Day** means a day which is not a Saturday, Sunday or public holiday in South Africa.
- 1.5 **Bid** means a written offer in the prescribed or stipulated form lodged by a Bidder in response to an invitation in this Request for Proposal, containing an offer to provide goods, works or services in accordance with the Specification as provided in this RFP.
- 1.6 **Bidder** means a person or legal entity, or an unincorporated group of persons or legal entities that submit a Bid.
- 1.7 **Companies Act** means the Companies Act, 2008.
- 1.8 **Compulsory Documents** means the list of compulsory schedules and documents set out in Part B.
- 1.9 **Closing Time** means the time, specified as such under the clause **Error! Reference source not found.** (Bid Timetable) in Part C, by which Tenders must be received.
- 1.10 **DBSA** means the Development Bank of Southern Africa Limited.
- 1.11 **DFI** means Development Finance Institution.



- 1.12 **Evaluation Criteria** means the criteria set out under the clause 26 (Evaluation Process) of this Part C, which includes the Qualifying Criteria, Functional Criteria and Price and Preferential Points Assessment (where applicable).
- 1.13 **Functional Criteria** means the criteria set out in clause 27 of this Part C.
- 1.14 **Intellectual Property Rights** includes copyright and neighbouring rights, and all proprietary rights in relation to inventions (including patents) registered and unregistered trademarks (including service marks), registered designs, confidential information (including trade secrets and know how) and circuit layouts, and all other proprietary rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.
- 1.15 **PFMA** means the Public Finance Management Act, 1999.
- 1.16 **PPPFA** means the Preferential Procurement Policy Framework Act, 2000.
- 1.17 **PPPFA Regulations** means the Preferential Procurement Regulations, 2022 published in terms of the PPPFA.
- 1.18 **Pre-Qualifying Criteria** means the criteria set out in clause **Error! Reference source not found.** of this Part C.
- 1.19 **Price and Preferential Points Assessment** means the process described in clause **Error! Reference source not found.** of this Part C, as prescribed by the PPPFA.
- 1.20 **Proposed Contract** means the agreement including any other terms and conditions contained in or referred to in this RFP that may be executed between the DBSA and the successful Bidder.
- 1.21 **Request for Proposal** or **RFP** means this document (comprising each of the parts identified under Part A, Part B, Part C and Part D) including all annexures and any other documents so designated by the DBSA.
- 1.22 **SARS** means the South African Revenue Service.
- 1.23 **Services** means the services required by the DBSA, as specified in this RFP Part D.
- 1.24 **SLA** means Service Level Agreement.
- 1.25 **SOE** means State Owned Enterprise, as defined by the Companies' Act.
- 1.26 **Specification** means the conditions of tender set and any specification or description of the DBSA's requirements contained in this RFP.
- 1.27 **State** means the Republic of South Africa.
- 1.28 **Statement of Compliance** means the statement forming part of a Tender indicating the Bidders compliance with the Specification.
- 1.29 **Tendering Process** means the process commenced by the issuing of this Request for Proposals and concluding upon formal announcement by the DBSA of the selection of a successful Bidder(s) or upon the earlier termination of the process.

- 1.30 **Website** means a website administered by DBSA under its name with web address [www.dbsa.org](http://www.dbsa.org)

## **2. INTERPRETATIONS**

In this RFP, unless expressly provided otherwise a reference to:

- 2.1 “includes” or “including” means includes or including without limitation; and  
2.2 “R” or “Rand” is a reference to the lawful currency of the Republic of South Africa.

## **3. TENDER TECHNICAL AND GENERAL QUERIES**

Queries pertaining to this tender must be directed to:-

DBSA Supply Chain Management Unit

Email: [mduscm@dbsa.org](mailto:mduscm@dbsa.org)

No questions will be answered telephonically.

## **4. SUBMISSION OF TENDERS**

**LINK REQUESTS:** Bidders are asked to nominate one dedicated contact person (name, email address and phone number). The nomination shall be sent to the Tender Officer via email [mduscm@dbsa.org](mailto:mduscm@dbsa.org) by latest on 24 March 2023 at 16:00 prior to expiry of the deadline for submission. Any requests after the stipulated date and time may be disregarded.

CLOSING DATE: **28 March 2023**

CLOSING TIME: 23H55

## **5. RULES GOVERNING THIS RFP AND THE TENDERING PROCESS**

- 5.1 Participation in the tender process is subject to compliance with the rules contained in this RFP Part C.
- 5.2 All persons (whether a participant in this tender process or not) having obtained or received this RFP may only use it, and the information contained herein, in compliance with the rules contained in this RFP.
- 5.3 All Bidders are deemed to accept the rules contained in this RFP Part C.
- 5.4 The rules contained in this RFP Part C apply to:

- 5.4.1 The RFP and any other information given, received or made available in connection with this RFP, and any revisions or annexure;
- 5.4.2 the Tendering Process; and
- 5.4.3 any communications (including any briefings, presentations, meetings and negotiations) relating to the RFP or the Tendering Process.

## **6. STATUS OF REQUEST FOR PROPOSAL**

- 6.1 This RFP is an invitation for person(s) to submit a proposal(s) for the provision of the services as set out in the Specification contained in this RFP. Accordingly, this RFP must not be construed, interpreted, or relied upon, whether expressly or implicitly, as an offer capable of acceptance by any person(s), or as creating any form of contractual, promissory or other rights. No binding contract or other understanding for the supply of services will exist between the DBSA and any Bidder unless and until the DBSA has executed a formal written contract with the successful Bidder.

## **7. ACCURACY OF REQUEST FOR PROPOSAL**

- 7.1 Whilst all due care has been taken in connection with the preparation of this RFP, the DBSA makes no representations or warranties that the content in this RFP or any information communicated to or provided to Bidders during the Tendering Process is, or will be, accurate, current or complete. The DBSA, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current or complete.
- 7.2 If a Bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this RFP or any other information provided by the DBSA (other than minor clerical matters), the Bidder must promptly notify the DBSA in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the DBSA an opportunity to consider what corrective action is necessary (if any).
- 7.3 Any actual discrepancy, ambiguity, error or inconsistency in this RFP or any other information provided by the DBSA will, if possible, be corrected and provided to all Bidders without attribution to the Bidder who provided the written notice.

## **8. ADDITIONS AND AMENDMENTS TO THE RFP**

- 8.1 The DBSA reserves the right to change any information in, or to issue any addendum to this RFP before the Closing Time. The DBSA and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.
- 8.2 If the DBSA exercises its right to change information in terms of clause 8.1, it may seek amended Tenders from all Bidders.

## **9. REPRESENTATIONS**

No representations made by or on behalf of the DBSA in relation to this RFP will be binding on the DBSA unless that representation is expressly incorporated into the contract ultimately entered between the DBSA and the successful Bidder.

## **10. CONFIDENTIALITY**

- 10.1 All persons (including all Bidders) obtaining or receiving this RFP and any other information in connection with this RFP or the Tendering Process must keep the contents of the RFP and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this RFP.

## **11. REQUESTS FOR CLARIFICATION OR FURTHER INFORMATION**

- 11.1 All communications relating to this RFP and the Tendering Process must be directed to the Tender Officer.
- 11.2 All questions or requests for further information or clarification of this RFP or any other document issued in connection with the Tendering Process must be submitted to the Tender Officer in writing, and most preferably by e-mail to [mduscm@dbsa.org](mailto:mduscm@dbsa.org)
- 11.3 Any communication by a Bidder to the DBSA will be effective upon receipt by the Tender Officer (provided such communication is in the required format).
- 11.4 The DBSA has restricted the period during which it will accept questions or requests for further information or clarification and reserves the right not to respond to any enquiry or request, irrespective of when such enquiry or request is received.
- 11.5 Except where the DBSA is of the opinion that issues raised apply only to an individual Bidder, questions submitted and answers provided will be made available to all Bidders by e-mail, as well as on the DBSA's website without identifying the person or organisation which submitted the question.
- 11.6 In all other instances, the DBSA may directly provide any written notification or response to a Bidder by email to the address of the Bidder (as notified by the Bidder to the Tender Manager).

- 11.7 A Bidder may, by notifying the Tender Officer in writing, withdraw a question submitted in accordance with clause 12, in circumstances where the Bidder does not wish the DBSA to publish its response to the question to all Bidders.

## **12. UNAUTHORISED COMMUNICATIONS**

- 12.1 Communications (including promotional or advertising activities) with staff of the DBSA or their advisors assisting with the Tendering Process are not permitted during the Tendering Process, or otherwise with the prior consent of the Tender Officer. Nothing in this clause 12 is intended to prevent communications with staff of, or advisors to, the DBSA to the extent that such communications do not relate to this RFP or the Tendering Process.
- 12.2 Bidders must not otherwise engage in any activities that may be perceived as, or that may have the effect of, influencing the outcomes of the Tendering Process in any way.

## **13. IMPROPER ASSISTANCE, FRAUD AND CORRUPTION**

- 13.1 Bidders may not seek or obtain the assistance of employees of the DBSA in the preparation of their tender responses.
- 13.2 The DBSA may in its absolute discretion, immediately disqualify a Bidder that it believes has sought or obtained such improper assistance.
- 13.3 Bidders are to be familiar with the implications of contravening the Prevention and Combating of Corrupt Activities Act, 2004 and any other relevant legislation.

## **14. ANTI-COMPETITIVE CONDUCT**

- 14.1 Bidders and their respective officers, employees, agents and advisors must not engage in any collusion, anti-competitive conduct or any other similar conduct in respect of this Tendering Process with any other Bidder or any other person(s) in relation to:
- 14.1.1 the preparation or lodgement of their Bid
  - 14.1.2 the evaluation and clarification of their Bid; and
  - 14.1.3 the conduct of negotiations with the DBSA.
- 14.2 For the purposes of this clause 14, collusion, anti-competitive conduct or any other similar conduct may include disclosure, exchange and clarification of information whether or not such information is confidential to the DBSA or any other Bidder or any other person or organisation.

- 14.3 In addition to any other remedies available to it under law or contract, the DBSA may, in its absolute discretion, immediately disqualify a Bidder that it believes has engaged in any collusive, anti-competitive conduct or any other similar conduct during or before the Tendering Process.

## **15. COMPLAINTS ABOUT THE TENDERING PROCESS**

- 15.1 Any complaint about the RFP or the Tendering Process must be submitted to the Supply Chain Management Unit in writing, by email, immediately upon the cause of the complaint arising or becoming known to the Bidder, ([tenders@dbsa.org](mailto:tenders@dbsa.org))
- 15.2 The written complaint must set out:
- 15.2.1 the basis for the complaint, specifying the issues involved;
  - 15.2.2 how the subject of the complaint affects the organisation or person making the complaint;
  - 15.2.3 any relevant background information; and
  - 15.2.4 the outcome desired by the person or organisation making the complaint.
- 15.3 If the matter relates to the conduct of an employee of the DBSA, the complaint should be addressed in writing marked for the attention of the Chief Executive Officer of the DBSA, and delivered to the physical address of the DBSA, as notified.

## **16. CONFLICT OF INTEREST**

- 16.1 A Bidder must not, and must ensure that its officers, employees, agents and advisors do not place themselves in a position that may give rise to actual, potential or perceived conflict of interest between the interests of the DBSA and the Bidder's interests during the Tender Process.
- 16.2 The Bidder is required to provide details of any interests, relationships or clients which may or do give rise to a conflict of interest in relation to the supply of the services under any contract that may result from this RFP. If the Bidder submits its Bid and a subsequent conflict of interest arises, or is likely to arise, which was not disclosed in the Bid, the Bidder must notify the DBSA immediately in writing of that conflict.
- 16.3 The DBSA may immediately disqualify a Bidder from the Tendering Process if the Bidder fails to notify the DBSA of the conflict as required.

## **17. LATE BIDS**

- 17.1 Bids must be delivered by the Closing Time. The Closing Time may be extended by the DBSA in its absolute discretion by providing written notice to Bidders.

- 17.2 Bids delivered after the Closing Time or lodged at a location or in a manner that is contrary to that specified in this RFP will be disqualified from the Tendering Process and will be ineligible for consideration. However, a late Bid may be accepted where the Bidder can clearly demonstrate (to the satisfaction of the DBSA, in its sole discretion) that late lodgement of the Bid was caused by the DBSA; that access was denied or hindered in relation to the physical tender box; or that a major/critical incident hindered the delivery of the Bid and, in all cases, that the integrity of the Tendering Process will not be compromised by accepting a Bid after the Closing Time.
- 17.3 The determination of the DBSA as to the actual time that a Bid is lodged is final. Subject to clause 17.2, all Bids lodged after the Closing Time will be recorded by the DBSA and will only be opened for the purposes of identifying a business name and address of the Bidder. The DBSA will inform a Bidder whose Bid was lodged after the Closing Time of its ineligibility for consideration. The general operating practice is for the late Bid to be returned within 5 (five) working days of receipt or within 5 (five) working days after determination not to accept a late Bid.

## **18. BIDDER'S RESPONSIBILITIES**

- 18.1 Bidders are responsible for:
- 18.1.1 examining this RFP and any documents referenced or attached to this RFP and any other information made or to be made available by the DBSA to Bidders in connection with this RFP;
  - 18.1.2 fully informing themselves in relation to all matters arising from this RFP, including all matters regarding the DBSA's requirements for the provision of the Services;
  - 18.1.3 ensuring that their Bids are accurate and complete;
  - 18.1.4 making their own enquiries and assessing all risks regarding this RFP, and fully considering and incorporating the impact of any known and unknown risks into their Bid;
  - 18.1.5 ensuring that they comply with all applicable laws in regard to the Tendering Process particularly as specified by National Treasury Regulations, Guidelines, Instruction Notes and Practice Notes and other relevant legislation as published from time to time in the Government Gazette; and
  - 18.1.6 submitting all Compulsory Documents.
- 18.2 South African bidders with annual total revenue of ZAR10 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the B-BBEE Act must submit a certificate issued by a

registered, independent auditor (who or which is not the Bidder or a part of the Bidder) or an accredited verification agency.

- 18.3 South African bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy, or a sworn affidavit thereof, substantiating their B-BBEE status. The submission of such certificates must comply with the requirements of instructions and guidelines issued by National Treasury and be in accordance with the applicable notices published by the Department of Trade and Industry in the Government Gazette.
- 18.4 The DBSA 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 DBSA.
- 18.5 Failure to provide the required information may result in disqualification of the Bidder.

## **19. PREPARATION OF BIDS**

- 19.1 Bidders must ensure that:
  - 19.1.1 their Bid is submitted in the required format as stipulated in this RFP; and
  - 19.1.2 all the required information fields in the Bid are completed in full and contain the information requested by the DBSA.
- 19.2 The DBSA may in its absolute discretion reject a Bid that does not include the information requested or is not in the format required.
- 19.3 Unnecessarily elaborate responses or other representations beyond that which is sufficient to present a complete and effective tender proposal are not desired or required. Elaborate and expensive visual and other presentation aids are not necessary.
- 19.4 Where the Bidder is unwilling to accept a specified condition, the non-acceptance must be clearly and expressly stated. Prominence must be given to the statement detailing the non-acceptance. It is not sufficient that the statement appears only as part of an attachment to the Bid or be included in a general statement of the Bidders usual operating conditions.
- 19.5 An incomplete Bid may be disqualified or assessed solely on the information completed or received with the Bid.

## **20. ILLEGIBLE CONTENT, ALTERATION AND ERASURES**

- 20.1 Incomplete Bids may be disqualified or evaluated solely on information contained in the Bid.
- 20.2 The DBSA may disregard any content in a Tender that is illegible and will be under no obligation whatsoever to seek clarification from the Bidder.



- 20.3 The DBSA may permit a Bidder to correct an unintentional error in its Bid where that error becomes known or apparent after the Closing Time, but in no event will any correction be permitted if the DBSA reasonably considers that the correction would materially alter the substance of the Bid or effect the fairness of the Tendering Process.

## **21. OBLIGATION TO NOTIFY ERRORS**

If, after a Bidder's Response has been submitted, the Bidder becomes aware of an error in the Bidders Response (including an error in pricing but excluding clerical errors which would have no bearing on the evaluation of the Bid), the Bidder must promptly notify the DBSA of such error.

## **22. RESPONSIBILITY FOR BIDDING COSTS**

- 22.1 The Bidders participation or involvement in any stage of the Tendering Process is at the Bidders sole risk, cost and expense. The DBSA will not be held responsible for, or pay for, any expense or loss that may be incurred by Bidders in relation to the preparation or lodgement of their Bid.
- 22.2 The DBSA is not liable to the Bidder for any costs on the basis of any contractual, promissory or restitutionary grounds whatsoever as a consequence of any matter relating to the Bidders participation in the Tendering Process, including without limitation, instances where:
- 22.2.1 the Bidder is not engaged to perform under any contract; or
  - 22.2.2 the DBSA exercises any right under this RFP or at law.

## **23. DISCLOSURE OF BID CONTENTS AND BID INFORMATION**

- 23.1 All Bids received by the DBSA will be treated as confidential. The DBSA will not disclose contents of any Bid and Bid information, except:
- 23.1.1 as required by law;
  - 23.1.2 for the purpose of investigations by other government authorities having relevant jurisdiction;
  - 23.1.3 to external consultants and advisors of the DBSA engaged to assist with the Tendering Process; or for the general information of Bidders required to be disclosed as per National Treasury Regulations, Guidelines, Instruction Notes or Practice Notes.

## **24. USE OF BIDS**

- 24.1 Upon submission in accordance with the requirements relating to the submission of Bids, all Bids submitted become the property of the DBSA. Bidders will retain all ownership rights in any intellectual property contained in the Bids.

24.2 Each Bidder, by submission of their Bid, is deemed to have licensed the DBSA to reproduce the whole, or any portion, of their Bid for the sole purposes of enabling the DBSA to evaluate the Bid.

## **25. BID ACCEPTANCE**

All Bids received must remain open for acceptance for a minimum period of 90 (Ninety) days from the Closing Time. This period may be extended by written mutual agreement between the DBSA and the Bidder.

## **26. EVALUATION PROCESS**

26.1 The Bids will be evaluated and adjudicated as follows:

### **26.1.1 First Stage – Test for administrative Responsiveness**

The test for administrative responsiveness will include the following:

#### **Stage 1: Responsiveness**

The Tenderer should be able to provide all the relevant information required in the Supplier Information Form (SIF) which will include but not limited to;

**A. Tenderers who do not adhere to those criteria listed a PRE-QUALIFIER, will be disqualified immediately.**

<b>Responsiveness Criteria</b>		<b>Prequalifying Criteria</b>	<b>Applicable to this Tender (Y/N)</b>
<b>1</b>	Adherence to submitting Tender as a two-folder tender. Folder 1: Functionality and returnable submission separate from Folder 2: Pricing proposal submission	<b>Pre-Qualifier</b>	Y
<b>2</b>	Proof of Registration with a recognized professional body/ institution, relevant to tender requirement (To be determined in line with Tender Requirement).	<b>Pre-Qualifier</b>	Y

**B. Tenderers who do not adhere to the indicated response time for clarifications requested by the Employer will be deemed to be non-responsive and their submissions will not be evaluated further.**

Responsiveness Criteria		Clarification Time	Applicable to this Tender (Y/N)
1	Standard conditions of tender as required.	48 hours	Y
2	Returnable documents completed and signed.	48 hours	Y
3	Submission of Proof of Registration with National Treasury Central Supplier Database (CSD) Summary Report or A Valid and Active Tax Compliance Status Pin issued by SARS for Tax Compliance Status Verification: N.B - Bidder must be fully registered & tax compliant to do business with the DBSA.	48 hours	Y
4	A valid and active Tax Compliance Status Pin issued by SARS	48 hours	Y
5	Valid original/ certified letter of good standing (COIDA).	48 hours	N
6	3 Years Audited Financial Statements, or Financial Statements signed off by an Accountant.	48 hours	N
7	Proof of liability cover – R3 million	48 hours	N

**C.** Only bids that satisfy the following eligibility criteria will be evaluated further (Price and Preference). Those who do not comply will be deemed non-responsive and be disqualified.

## 1. TENDERERS PROPOSED KEY RESOURCES/EXPERTS

Curriculum Vitae, proof of qualifications and professional body registration of all team members must be attached. In the case of project manager, the project reference letters must also be attached. Professional Bodies and Qualifications obtained outside South Africa must be SAQA accredited

A Resource Schedule (detailing the applicable resource's name, experience and minimum qualifications) as depicted in the table below should be included in the Tender Response:

**Table 1.1: Experience of the tenderers proposed key experts**

NO.	KEY RESOURCE	MINIMUM QUALIFICATION FOR EACH KEY RESOURCE	SUPPORTING DOCUMENTS	BIDDER TO INDICATE COMPLIANCE (Y/N)
1.	Project/ Team Leader: Electrical Engineering / Financial expert/Cost and management accountant/Budget and expenditure management	Registration Body:  Registered Professional Engineer or a Professional Engineering Technologist in terms of the Engineering Professions Act, 2000 (ECSA).  Qualifications:  BSc degree in Electrical Engineering or B Tech in Electrical Engineering.  Experience:  Must have at least 5 years post registration experience and must have minimum three (3) electrical infrastructure COS studies and tariffs	A minimum of three (3) reference letters from the employer or client company confirming the individual's role as the project leader in each relevant project must be attached. The following documents must be attached: <ul style="list-style-type: none"><li>• Curriculum Vitae</li><li>• Proof of qualifications of the proposed candidate.</li><li>• Reference letters for each relevant project (related to the scope in the tender document) the person worked on.</li><li>• Proof of professional registration.</li></ul>	

		<p>design projects completed in the municipal or private sector environment.</p> <p>OR</p> <p>Professional Body:</p> <p>Professional membership with the South African Institute of Chartered Accountants (SAICA), ACCA, CIGFARO, Chartered Institute of Management and Accountants (CIMA) or similar bodies in the financial environment.</p> <p>Qualifications:</p> <p>An appropriate National Diploma / BCom Degree: Accounting / Auditing/Cost and Management Accounting/Budget and expenditure / Financial Management.</p> <p>Experience:</p> <p>Must have at least 5 years post registration experience and must have minimum 3 projects in COS studies and tariff design.</p> <p>Tenderer to provide reference letters from the employer or client company confirming the individual's role as the Project/Team Leader in the execution of electrical infrastructure COS studies and tariff rates design projects.</p>		
--	--	---	--	--

2.	Financial expert/Cost and management accountant/Budget and expenditure management	<p>Professional Body:</p> <p>Professional membership with the South African Institute of Chartered Accountants (SAICA), ACCA, CIGFARO, CIMA or similar bodies in the financial environment.</p> <p>Qualifications:</p> <p>An appropriate National Diploma / BCom degree: in Accounting/ Auditing /Cost and management accounting/ Budget and expenditure /Financial Management.</p> <p>Experience:</p> <p>Must have minimum 5 years' experience in conducting COS studies in infrastructure projects in the municipal or private sector environment on CV.</p>	Attach a CV, proof of qualifications and professional registration of the proposed candidate.	
3.	Electrical Engineer	<p>Registration Body:</p> <p>Registration as a Professional Engineer or as a Professional Engineering Technologist in terms of the Engineering Professions Act, 2000 (ECSA).</p> <p>Experience:</p>	Attach a CV, proof of qualifications and professional registration of the proposed candidate.	

		Must have minimum 5 years' experience in conducting electrical COS studies and tariff's design projects in the municipal sector or private sector.		
--	--	--	--	--

**Note well:** All qualifications obtained outside of South Africa must be SAQA accredited.

**D. TENDERER’S CONFLICT OF INTEREST**

Tenderers whose entities and/or employees are currently employed by or providing services to the DBSA directly or indirectly, and such relationship will pose a potential conflict of interest on this project, will be deemed non-responsive and not be evaluated further.

<p>1a. Is the Tenderer, its entities and/or employees currently employed and or contracted by or providing services to the DBSA directly or indirectly:</p> <p>Yes or No: _____</p>
<p>1b. If yes, please provide details:</p> <p>.....</p> <p>.....</p> <p>.....</p>
<p>2a. If yes, does the relationship(s) pose a potential conflict of interest on this project:</p> <p>Yes or No: _____</p>
<p>2b. If no, please provide details:</p> <p>.....</p> <p>.....</p> <p>.....</p>



## 2. EXPERIENCE / TRACK RECORD OF THE TENDERING ENTITY IN EXECUTING WORK OF SIMILAR NATURE.

The experience of the Tenderer (or that of the constituent member in a joint venture, consortium or association) in the execution of COS studies and tariffs design projects within in the municipal or private sector environment over the past 10 years will be **evaluated**. Tenderers should very briefly describe their experience in this regard and attach same to this schedule. The description should be put in the Tables provided below and attached to this schedule.

DESCRIPTION	FOCUS AREAS	SUPPORTING DOCUMENTATION
Experience of the tenderer (lead tenderer and entities in JV, consortium, association, etc).	<p>Tenderer has completed work in:</p> <p>a) The development and implementation of the Cost of Supply studies and tariffs design for electrical trading services, including support to submit the CoS to NERSA for approval.</p>	<p>Proof of each completed relevant CoS study and tariffs design projects within the municipal or similar environment in South Africa.</p> <p>The letters must provide a brief scope of each project relevant to the scope of this tender. All letters must be on the client's letterhead and signed.</p> <p>A <b>minimum</b> of three (3) recommendation letters from the Employer where the projects were completed must be provided.</p>

## 2.1 Summarized Details of Experience / Track Record of the Tendering Entity in Executing Work of Similar Nature

Table 2.1: Summarized Details of Experience / Track Record of the Tendering Entity in Executing Work of Similar Nature

EXPERIENCE / TRACK RECORD OF THE TENDERER OVER THE PAST 10 YEARS IN CONDUCTING THE COST OF SUPPLY STUDIES AND TARIFFS DESIGN FOR THE MUNICIPALITY (IES) OR SIMILAR ENVIRONMENT IN SOUTH AFRICA.				
Employer, contact person and telephone number and email address	Description of Professional Services Provided in Development and Implementation of COS studies and tariffs design in the electricity sector	Value of Service provided (inclusive of VAT (Rand)	Date Service Commenced	Date Service Ended

EXPERIENCE / TRACK RECORD OF THE TENDERER OVER THE PAST 10 YEARS IN CONDUCTING THE COST OF SUPPLY STUDIES AND TARIFFS DESIGN FOR THE MUNICIPALITY (IES) OR SIMILAR ENVIRONMENT IN SOUTH AFRICA.				
Employer, contact person and telephone number and email address	Description of Professional Services Provided in Development and Implementation of COS studies and tariffs design in the electricity sector	Value of Service provided (inclusive of VAT (Rand)	Date Service Commenced	Date Service Ended

<b>EXPERIENCE / TRACK RECORD OF THE TENDERER OVER THE PAST 10 YEARS IN CONDUCTING THE COST OF SUPPLY STUDIES AND TARIFFS DESIGN FOR THE MUNICIPALITY (IES) OR SIMILAR ENVIRONMENT IN SOUTH AFRICA.</b>				
--	--	--	--	--

Employer, contact person and telephone number and email address	Description of Professional Services Provided in Development and Implementation of COS studies and tariffs design in the electricity sector	Value of Service provided (inclusive of VAT (Rand)	Date Service Commenced	Date Service Ended

I, the undersigned, who warrants that he / she is duly authorized to do so on behalf of the enterprise, confirms that the contents of this schedule are within my personal knowledge and are to the best of my belief both true and correct.

<b>Signature:</b>	
<b>Date:</b>	
<b>Name:</b>	
<b>Position:</b>	
<b>Respondent:</b>	

Only those Bidders which comply with the eligibility criteria will proceed to the second Stage.

#### 26.1.2 **Second Stage – price**

26.1.2.1 Those Bidders which have passed the First Stage (Responsiveness Test) will be eligible to be evaluated on the second Stage, based on price, in accordance with the PPPFA regulations.

26.1.2.2 The recommended preferred Bidder will be the Bidder with the lowest overall price in the Third Stage of the Bid evaluation, unless the DBSA exercises its right to cancel the RFP, in line with the PPPFA Regulations.

26.2 **NB: Bidders are required to submit, as Annexure J to their Bids, any documentation which supports the responses provided in respect of the Eligibility Criteria below.**

### 27. **Due Diligence**

DBSA shall perform a due diligence exercise on the preferred bidder to determine its risk profile. The due diligence exercise may take the following factors into account inter alia.

#### a. **Judgements and criminal convictions**

DBSA may consider previous civil judgements against the preferred bidder as

part of its risk assessment. DBSA may also consider whether the preferred bidder or any of its directors have been convicted of a serious offence.

#### b. **Pending litigation/liquidation/business rescue (distinct from Working Capital)**

DBSA may consider any pending litigation in a court of law or administrative tribunal as part of its risk assessment.

#### c. **Performance**

DBSA will not consider the Service provider having a history of poor performance on any task orders/purchase orders or contracts, including

poor performance in respect of compliance with policies or procedures regarding

safety, health, quality control or environment, or having committed a serious and

gross breach of contract.

#### d. **Reputational harm**

If DBSA is likely to suffer substantial reputational harm because of doing business with the preferred service provider, it may take this into account as

part of its risk assessment.

#### e. **Restricted/Blacklisted**

Is not under restrictions, or has principals who are under restrictions, preventing

participating in the employer's procurement.

#### f. **Vetting**

The DBSA reserves the right to conduct vetting on the tenderer or any of its directors.

- g. PEP Checks for both Companies and Individual directors, as well as Procure Check and or any other systems that the DBSA may choose to utilize (which may be conducted by an authorized third party) that would be done to assess all risks, including but not limited to
  - a. Financial stability of the bidder based on key ratio analysis ;
  - b. Efficiency ;
  - c. Profitability ;
  - d. Financial Risk;
  - e. Liquidity ;
  - f. Acid Test ;
  - g. Solvency; and
  - h. Commercial relationship with a politically exposed and brand risk
- i. The DBSA reserves the right to award the scope in full or part thereof, subject to budget availability.
- ii. The DBSA reserves the right to negotiate to ensure the value for money principle is not compromised.

**28.** Generally, suppliers have their own business standards and regulations. Although DBSA cannot control the actions of our suppliers, we will not tolerate any Illegal activities. These include, but are not limited to:

- Misrepresentation of any kind (e.g. origin of manufacture, specifications, intellectual property rights, etc);
- Collusion;
- Failure to disclose accurate information required during the sourcing activity (ownership, financial situation, BBBEE status, etc.);
- Corrupt activities listed above; and
- Harassment, intimidation or other aggressive actions towards DBSA's employees.

## **29. STATUS OF BID**

29.1 Each Bid constitutes an irrevocable offer by the Bidder to the DBSA to provide the Services required and otherwise to satisfy the requirements of the Specification as set out in this RFP.

29.2 A Bid must not be conditional on:

- 29.2.1 the Board approval of the Bidder or any related governing body of the Bidder being obtained.
- 29.2.2 the Bidder conducting due diligence or any other form of enquiry or investigation.
- 29.2.3 the Bidder (or any other party) obtaining any regulatory approval or consent.
- 29.2.4 the Bidder obtaining the consent or approval of any third party; or

29.2.5 the Bidder stating that it wishes to discuss or negotiate any commercial terms of the contract.

29.3 The DBSA may, in its absolute discretion, disregard any Bid that is, or is stated to be, subject to any one or more of the conditions detailed above (or any other relevant conditions).

29.4 The DBSA reserves the right to accept a Bid in part or in whole or to negotiate with a Bidder in accordance with the provisions of this RFP and the applicable laws and regulations.

### **30. CLARIFICATION OF BIDS**

30.1 The DBSA may seek clarification from and enter into discussions with any or all of the Bidders in relation to their Bid. The DBSA may use the information obtained when clarification is sought or discussions are held in interpreting the Bid and evaluating the cost and risk of accepting the Bid. Failure to supply clarification to the satisfaction of the DBSA may render the Bid liable to disqualification.

30.2 The DBSA is under no obligation to seek clarification of anything in a Bid and reserves the right to disregard any clarification that the DBSA considers to be unsolicited or otherwise impermissible or irrelevant in accordance with the rules set out in this RFP.

### **31. DISCUSSION WITH BIDDERS**

31.1 The DBSA may elect to engage in detailed discussions with any one or more Bidder(s), with a view to maximising the benefits of this RFP as measured against the evaluation criteria and in fully understanding a Bidder's offer.

31.2 Where applicable, the DBSA will invite Bidders to give a presentation to the DBSA in relation to their submissions.

31.3 The DBSA is under no obligation to undertake discussions with, and Bidders.

31.4 In addition to presentations and discussions, the DBSA may request some or all Bidders to:

31.4.1 conduct a site visit, if applicable;

31.4.2 provide references or additional information; and/or

31.4.3 make themselves available for panel interviews.

### **32. SUCCESSFUL BIDS**

32.1 Selection as a successful Bidder does not give rise to a contract (express or implied) between the successful Bidder and the DBSA for the supply of the Services. No legal relationship will exist between the DBSA and a successful Bidder for the supply of the Services until such time as a binding contract is executed by them.

- 32.2 The DBSA may, in its absolute discretion, decide not to enter into pre-contractual negotiations with a successful Bidder.
- 32.3 A Bidder is bound by its Bid and all other documents forming part of the Bidder's Response and, if selected as a successful Bidder, must enter into a contract on the basis of the Bid with or without further negotiation.

### **33. NO OBLIGATION TO ENTER INTO CONTRACT**

- 33.1 The DBSA is under no obligation to appoint a successful Bidder or Bidders (as the case may be), or to enter into a contract with a successful Bidder or any other person, if it is unable to identify a Bid that complies in all relevant respects with the requirements of the DBSA, or if due to changed circumstances, there is no longer a need for the Services requested, or if funds are no longer available to cover the total envisaged expenditure. For the avoidance of any doubt, in these circumstances the DBSA will be free to proceed via any alternative process.
- 33.2 The DBSA may conduct a debriefing session for all Bidders (successful and unsuccessful). Attendance at such debriefing session is optional.

### **34. BIDDER WARRANTIES**

- 34.1 By submitting a Bid, a Bidder warrants that:
- 34.1.1 it did not rely on any express or implied statement, warranty or representation, whether oral, written, or otherwise made by or on behalf of the DBSA, its officers, employees, or advisers other than any statement, warranty or representation expressly contained in the RFP;
  - 34.1.2 it did not use the improper assistance of DBSA's employees or information unlawfully obtained from them in compiling its Bid;
  - 34.1.3 it is responsible for all costs and expenses related to the preparation and lodgement of its Bid, any subsequent negotiation, and any future process connected with or relating to the Tendering Process;
  - 34.1.4 it accepts and will comply with the terms set out in this RFP; and
  - 34.1.5 it will provide additional information in a timely manner as requested by the DBSA to clarify any matters contained in the Bid.

### **35. DBSA'S RIGHTS**

- 35.1 Notwithstanding anything else in this RFP, and without limiting its rights at law or otherwise, the DBSA reserves the right, in its absolute discretion at any time, to:
- 35.1.1 cease to proceed with, or suspend the Tendering Process prior to the execution of a formal written contract;



- 35.1.2 alter the structure and/or the timing of this RFP or the Tendering Process;
- 35.1.3 vary or extend any time or date specified in this RFP
- 35.1.4 terminate the participation of any Bidder or any other person in the Tendering Process;
- 35.1.5 require additional information or clarification from any Bidder or any other person;
- 35.1.6 provide additional information or clarification;
- 35.1.7 negotiate with any one or more Bidder;
- 35.1.8 call for new Bid;
- 35.1.9 reject any Bid received after the Closing Time; or
- 35.1.10 reject any Bid that does not comply with the requirements of this RFP.

### **36. GOVERNING LAWS**

- 36.1 This RFP and the Tendering Process are governed by the laws of the Republic of South Africa.
- 36.2 Each Bidder must comply with all relevant laws in preparing and lodging its Bid and in taking part in the Tendering Process.
- 36.3 All Bids must be completed using the English language and all costing must be in South African Rand (ZAR).

## **APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE ELECTRICITY DISTRIBUTION COST OF SUPPLY STUDY FOR RAY NKONYENI LOCAL MUNICIPALITY**

### **1. INTRODUCTION**

The Development Bank of Southern Africa (DBSA) is one of Africa's leading Development Finance Institutions (FDIs) in infrastructure financing, planning, project preparation and institutional development for municipal infrastructure. Owned by the Government of South Africa, the DBSA seeks to support the shareholder's social and economic development imperatives partnering with both the public and the private sectors.

In responding to the shareholder's imperatives the DBSA is positioned to provide dedicated support to municipalities through the Local Government Support Unit (LGSU) under the Coverage Division which facilitates an integrated delivery approach that includes lending and non-lending services and solutions offered by the Project Preparation Division, Transacting Division, Infrastructure Delivery Division, Innovation Unit, Investment Support Unit and the Research Unit. In each of these areas there are dedicated skills focused on municipal built infrastructure development supported by the Local Government Support Unit in extending non-lending capacity development including revenue enhancement, project and contract management, and technical advisory support.

The goal of the DBSA is to approach the project in an integrated and multidisciplinary nature. In line with this goal, the DBSA requires the services of a multidisciplinary team of professionals who are knowledgeable with relevant experience and appropriate skills, including the electrical engineering, asset management, finance, cost and management accounting/budgeting and expenditure etc., to support Ray Nkonyeni Local Municipality with the development and implementation of a COS study that will assist the municipality to implement NERSA approved cost reflective tariffs. The COS report will determine the current cost to supply electricity and the anticipated cost of service for the next financial years in order for the municipality to move towards cost reflective tariffs within a subsidised model so as to be in a better financial position to render electricity services as required by a municipality.

RNLM is situated in the town of Port Shepstone and is strategically located along the N2 National Road. Its strategic location provides accessibility, economic and logistic linkages with both eThekweni Metropolitan area and beyond, as well as the Eastern Cape Province. Port Shepstone is an economic hub and an administrative capital for both the municipality and the entire region within the Ugu District Municipality. In line with its regional economic status, the economic activity and development is concentrated in the Port Shepstone area, which is the administrative capital of the municipality.

As an authorized electricity licensed distributor, revenue from electricity trading service contributes significantly to the revenue base of municipality. However, there are

concerns that the municipality is no longer covering costs from tariffs. This is due to the increase in the cost of supply of these services over the years as well as municipalities not knowing the actual cost of supply to base tariffs. Technology disruption in the form of embedded generation is also making it critical that municipal distributors of electricity are able to allocate costs accurately between the grid, demand and energy costs.

In terms of the provisions of the Electricity Pricing Policy (EPP), (GG 31741 of 19 December 1998) all licenced electricity distributors are required to in five-year intervals submit a Cost of Supply (CoS) Study to NERSA. The Electricity Pricing Policy (EPP) policy position 23 states that:

*“Electricity distributors shall undertake COS studies at least every five years, but at least when significant licensee structure changes occur, such as in customer base, relationships between cost components and sales volumes. This must be done according to the approved National Energy Regulator of South Africa (NERSA) standard to reflect changing costs and customer behaviour”.*

In line with the EPP, NERSA has requested Ray Nkonyeni Municipality to submit COS studies for consideration. The COS will be valid for a period of 5 years or when significant licensee structure changes take place.

A COS study is one of the most important considerations in establishing and designing electricity tariffs that are implemented to provide the service required by customers and to recover costs incurred by the licensees. The objective of a COS study is to apportion all costs required to service customers among each customer class in a fair and equitable manner.

Ray Nkonyeni Local Municipality identified a need for cost of supply study for purposes of applying for new prepaid, small-scale embedded generation (SSEG) and wheeling tariffs. In addition, challenges were identified with the existing tariffs structure: cross-subsidies between tariffs, domestic and industrial tariffs to be in-line with NERSA benchmarks and time-of-use (TOU) tariffs lower than Eskom megaflex tariff.

It is against this backdrop that the DBSA has partnered with Ray Nkonyeni Local Municipality with the intent to assist with the undertaking of the Cost of Supply Study. The successful Service Provider is required to execute the minimum scope of work and achieve the deliverables as detailed in the subsequent sections below.

## **2. SCOPE OF WORK**

**2.1 RAY NKONYENI LOCAL MUNICIPALITY BACKGROUND**

**2.2 PROJECT OBJECTIVES**

**2.3 DETAILED SCOPE OF WORK AND EXPECTED DELIVERABLES**

**2.4 IMPLEMENTATION TIME FRAME**

**2.5 RISKS AND RISK MITIGATION**

**2.6 REPORTING**

**2.7 ACCOUNTABILITY**

**2.8 LOCATION OF SERVICES**

**2.9 CONTACT PERSON**

**2.10 TERMS OF REFERENCE FOR THE ESTABLISHMENT OF THE PROJECT**

**STEERING COMMITTEES**

**2.11 PROJECT PROPOSAL**

**ANNEXURES: A TO L**

## **2. SCOPE OF WORK**

The service provider will be required to assist the municipality with the development of a COS study and transfer knowledge and all the data to the municipality. The COS study must be NRS 058 compliant and should follow the NERSA Cost of Supply Framework.

Information obtained through this project will be used to update the municipal asset register and the Asset register should be compliant with National Treasury's Municipal Standard Chart of Accounts (mSCOA).

### **2.1 RAY NKONYENI LOCAL MUNICIPALITY BACKGROUND**

RNLM is a category B municipality and falls under the Ugu District Municipality (UDM) in KwaZulu-Natal (KZN) Province. The municipality was established through the amalgamation of Ezingoleni and Hibiscus Local Municipalities after the 2016 local government elections. Ugu is a Water Service Authority (WSA) and Provider for all the local municipalities within its area of jurisdiction, including RNLM. On the other hand, RNLM is a licensed Electricity distributor, supplying electricity to Newton, Mbango, and Mbango Valley, Oslo Beach, Albertville, and Marburg industrial. The rural areas within the jurisdiction area of the municipality are supplied by Eskom. The COS will be conducted for the areas that fall under the municipality's areas of supply.

### **2.2 PROJECT OBJECTIVES**

The project objectives are to develop the COS study and tariffs design, submission of the COS studies to NERSA for verification and approval in support of Ray Nkonyeni Local Municipality, specifically to:

- i. Conduct a detailed Cost of Supply studies, which in turn will support the municipality's application to NERSA for new prepaid and small-scale embedded generation tariffs as well as above guidelines electricity tariffs as determined from the tariffs re-design.
- ii. Support the municipality to increase their own revenue generation through the application of cost reflective tariffs, that are based on the COS studies.
- iii. Develop the revenue improvement model using the different tariff codes approved by NERSA.

**The expected outputs include the following:**

- i. Updated electricity asset register and remainder Life Span performance;
- ii. COS study spreadsheet;
- iii. COS study report explaining all assumptions for submission to NERSA;
- iv. 2023/2024 tariff application based on the COS study;
- v. Support the submission of the COS to NERSA for verification and approval;
- vi. Training of municipal officials, after NERSA's approval of the COS study thereby transferring all COS knowledge to the municipal staff in the electricity and finance departments.

**These will be achieved by undertaking the following steps:**

**i. Project Development:**

Attendance of inception meeting post conclusion of the SLA between the DBSA and the appointed Professional Service Provider(PSP), by all parties, including the appointed PSP, DBSA and the Municipality. The PSP will submit their information request to the municipality and begin to develop the Project Implementation Plan. The terms of reference establishing the Project Steering Committees will be reviewed.

**ii. Stakeholder engagement report:**

The PSP to engage with the relevant stakeholders such as the Municipal staff members including the electricity technical department, the customer care, asset care management and other Directorates / Departments in the municipality, Department of Mineral Resources and Energy (DMRE), National Energy Regulator of South Africa (NERSA), ESKOM, COGTA etc. and obtain relevant information and documents regarding the electricity trading services supply and demand value chain in the municipality.

**iii. Information gathering and analysis of the existing situation in the electricity value chain:**

This includes the analysis of the billing report and bulk purchases invoices, current tariffs, Redundancy (N-1) and Loss table, balancing table and Maximum demand allocation etc.

**iv. Information processing /analysis, including the determination of the following indicators:**

- Revenue Requirement;
- Costs Functionalisation;
- Cost Classification;
- Cost allocation;
- Tariffs rates design;
- Determination of revenue improvement model, factoring different tariff codes, indicating the timelines of when the municipality will breakeven and when it will begin to realise surplus.

**vi. Submission of the COS for verification and approval by NERSA, focussing on three major inputs components to the COS, namely:**

- Network profiles and consumer consumption profile data.
- Asset register values.
- Opex Costs.

**v. Submission of the consolidated final approved COS study, tariffs rates, including the revenue improvement model and close out reports to the PSC, Municipal Council and DBSA.**

## **2.3 DETAILED SCOPE OF WORK AND EXPECTED DELIVERABLES**

The successful PSP is to ensure that they fully engage the stakeholders to ensure that pertinent information is timeously made available for the successful completion of the

project within the stipulated times frame. It is the duty of the PSP to escalate any challenges that they are experiencing to the PSC, so that bottle necks are timeously dealt with and are unblocked.

The proposed project entails the appointment of a Professional Service Provider (PSP) to conduct the COS study, which entails the project preparation, Information gathering/ situation analysis, Information processing including revenue requirement level Cost functionalisation, cost classification and cost allocation, along with the tariffs rate design and submission of the COS to NERSA for approval.

The services required by the Employer from the PSP are essentially multi-disciplinary and analytical, including project management, electrical engineering, financial expertise, including cost and management accounting and budgeting and expenditure management which are all necessary for the development and implementation of COS studies in the RNLM. The detailed scope of work and the expected deliverables are illustrated in table 2.3 below:

Table 2.3 : Scope of work and expected deliverables

NO	KEY FOCUS AREA	KEY ACTIVITIES	OUTPUTS	DELIVERABLES / KEY DEVELOPMENT IMPACT
1.	<b>Project Development: Inception meeting and development of the Project Implementation Plan</b>	<ul style="list-style-type: none"> <li>Attendance of the Inception meeting in which the appointed PSP will be introduced to the municipality, thereby kick starting the project. The PSP will then commence with the compilation of the Project Implementation Plan (PIP) informed by the scope of work to determine the work packages and how each work package will be rolled out.</li> <li>The PSP to submit their information requirements to the municipality.</li> <li>Review the terms of reference establishing the PSCs by all Parties.</li> </ul>	<p><b>Inception and Project Implementation Plan (PIP) report/s:</b></p> <p>a. Breakdown of work packages into specific milestones, along with the resources to be used per each milestone and the methodology that will be used to execute the project, and timelines within which the milestones will be achieved.</p> <p>The Risk management register and Gantt chart will also be included as part of the PIP.</p> <p>b. Type / list of Information requests per each milestone by the PSP must be submitted to the municipality.</p> <p>c. Terms of reference establishing the PSCs approved.</p>	<p>a. Inception and Project Implementation Plan.</p> <p>b. Terms of reference establishing the PSCs approved by all Parties.</p> <p>c. Information request list by the PSP.</p>
2.	<b>DETERMINATION OF THE COST OF SUPPLY STUDIES</b>			
2.1.	<b>Information gathering including the analysis of the following:</b>	<p>i. <b>Billing report and purchases invoice data:</b> This is the data from Eskom invoices captured in an Excel spreadsheet</p>		



	<p>i. The billing report and bulk purchases invoices.</p> <p>ii. N-1 current tariffs/ COS.</p> <p>iii. Loss table and balancing table.</p> <p>v. Maximum demand allocation</p>	<p>showing purchase volumes, applicable charges for the year of the data used for the COS report. The billing report must show the following:</p> <ul style="list-style-type: none"> <li>❖ consumption for each customer category, including all the charges for the test year used for COS study.</li> <li>❖ A summary table showing all the purchases from all POD and all the relevant charges, for each month of the test year.</li> <li>❖ A summary table showing the billing report for the whole financial year must also be included, including a losses report based on the difference between sales and purchases.</li> </ul> <p><b>ii. Current tariffs/ COS analysis:</b></p> <p>A spreadsheet showing current tariffs, including all charges, as well as consumption applicable to each customer must be included.</p>		
--	--	--	--	--

		<p><b>iii. Redundancy, Loss and balancing table:</b></p> <p>The spreadsheet showing how losses are allocated between each supply point and the loss factors used, i.e. It must clearly show for example how loss factors for customers on MV network are determined.</p>		
		<p><b>iv. Maximum demand allocation:</b></p> <p>This data shows how maximum demand is allocated between different supply points and between different customers on the specific network point.</p>		
2.2	<p><b>Information processing / COS study and tariffs re-design analysis and skills transfer to the identified municipal officials. The focus is on the determination of the tables showing all the cost elements based on the COS framework as follows:</b></p>	<p><b>i. Revenue Requirement:</b></p> <p>The PSP will specify the level of revenue that is sufficient to cover a licensee's cost of service and gives an appropriate profit margin. It gives an amount to be recovered by retail rates.</p> <p>The revenue requirement is for the application year, however, the COS is conducted using the</p>	<p><b>Revenue requirement report, specifying the following:</b></p> <p>a. The level of revenue that is sufficient to cover the costs of the municipality as a licensed electricity distributor.</p> <p>b. appropriate profit margin</p> <p>c. An amount to be recovered by the municipality.</p>	<p>a. Tariffs rate</p> <p>b. Updated electricity asset register.</p> <p>c. COS study spreadsheet COS study report explaining all assumptions for submission to NERSA 2023/2024 tariff application based on the COS study.</p>

	<p>i. Revenue Requirement  ii. Costs  Functionalisation  iii. Cost Classification  iv. Cost allocation  v. Transfer of skills to the relevant Municipal officials.</p>	<p>recent most available audited financial statements.</p> <p>The PSP will access information from various sources to illustrate the revenue requirement table showing all the cost elements based on COS framework as follows:</p> <p>❖ <b>Energy purchases:</b></p> <p>Access information from the D-Form Data to determine the year end projection plus forecast based on 5-year trend.</p> <p>❖ <b>OPEX:</b></p> <p>Access information from D-Form Data and determine the Year-end projection/ forecast which must be based on applicable cost benchmark, e.g. CPI+1.5% for salaries.</p> <p>❖ <b>Shared costs:</b></p> <ul style="list-style-type: none"> <li>• Access the ring-fencing report based on Trial balance showing principles for assigning overhead</li> </ul>	<p>d. The rand value and percentage increase of the revenue improvement to be realised, considering the baseline data.</p> <p>e. Tariff rate model</p>	<p>d. Management of the entire NERSA application process including all engagements with NERSA regarding the COS study and associated tariff application.</p> <p>e. Number of trained municipal officials, after NERSA's approval of the COS study to transfer all COS knowledge to the municipal staff in the electricity and finance (Treasury) Departments.</p>
--	--	---	--	---

		<p>costs, e.g. (departments that need to have surplus and those that supply at cost).</p> <ul style="list-style-type: none"> <li>• Determine the Ring-fenced costs and difference between current and ring-fenced costs. New net income must be shown (if any).</li> </ul> <p>❖ <b>Depreciation</b></p> <ul style="list-style-type: none"> <li>• The annual depreciation expense for the application should be included on the required revenue table extracted from the asset register.</li> </ul> <p>It should include the historical purchase prices, current replacement values (CRC) depreciation.</p> <ul style="list-style-type: none"> <li>• The depreciation expense should be based on straight line method and expected useful lives of assets.</li> </ul>		
--	--	---	--	--

		<p>❖ <b>Return on Assets (ROA) / amortisation:</b></p> <ul style="list-style-type: none"> <li>• Calculate the return (WACC) percentage as well as the interest on long term loans should be included.</li> <li>• The return percentage and Rand value from asset register should be included as well as the interest on loans.</li> </ul> <p>❖ <b>Repairs and maintenance:</b></p> <ul style="list-style-type: none"> <li>• Forecast must be based on applicable benchmark as benchmark as determined by NERSA, e.g. CPI.</li> </ul> <p>❖ <b>Margin:</b></p> <ul style="list-style-type: none"> <li>• Between 10-20% margin to be added to the cost to determine the margin in Rands.</li> </ul>		
		<p><b>ii. Costs Functionalisation:</b> assign the determined costs to major functions of the licensee. This involves distributing measurable costs into functional categories such as</p>	<p>Costs functionalisation Report detailing the following: a. determination of the costs to major functions of the municipality</p>	

		<p>transmission, distribution, and customer related.</p> <p>The table costs allocated to each function i.e., GX, TX, DX customer related. The costs are extracted from Cost allocation tables.</p> <p><b>NB Ray Nkonyeni Municipality operates at DX level at 11 kV voltage rating.</b></p>		
		<p><b>iii. Cost Classification:</b></p> <p>classifies or divides costs into specific categories such as energy, demand, and customer related. These are to be allocated based on the COS study allocation factors and values.</p> <p>The PSP to determine the table showing costs classified according to whether they are fixed or variable, or whether they are energy, demand, or customer related.</p> <p>The costs to be allocated based on the COS study allocation factors and values.</p>	<p>a. Cost classification Report/table classifying the costs into whether they are:</p> <ul style="list-style-type: none"> <li>• fixed or variable</li> <li>• energy, demand, or customer related.</li> </ul>	

		<p><b>iv. Cost allocation:</b></p> <ul style="list-style-type: none"> <li>❖ apportions the classified costs into respective classes of service. It determines how many rands to collect from various rates or customer classes, focussing on various sub items, also indicating the source data as follows:</li> </ul> <p><b>a. Reduced network Diagram (RND):</b></p> <ul style="list-style-type: none"> <li>❖ Access the table/figure of RDN showing the total network of the licensee, graphically or in the table format.</li> <li>❖ RND showing network of licensee for TX, DX or reticulation supplies, voltage levels as well as where different customers are located on the supply network.</li> </ul> <p><b>b. Load profile and consumption data/energy purchases costs:</b></p> <ul style="list-style-type: none"> <li>❖ Access the table showing customer category consumption profile by time of use.</li> </ul>	a. Cost allocation table /report.	
--	--	---	-----------------------------------	--

		<ul style="list-style-type: none"> <li>❖ Load profile data source and tables to be included in the COS report.</li> </ul> <p><b>c. Energy loss profiles and allocation:</b></p> <ul style="list-style-type: none"> <li>❖ A table or graph showing that the energy loss profiles, and allocation should be shown for each network point.</li> <li>❖ The losses to be allocated to each network point and each customer category based on whether they are on the network.</li> </ul> <p><b>d. Allocation of depreciation, Return / capital provision:</b></p> <ul style="list-style-type: none"> <li>❖ A table showing the allocation of return/depreciation /capital provision on the network components should be included.</li> <li>❖ The costs should be allocated proportionally across all network components, i.e. lines transformation, meters and public lighting.</li> </ul>		
--	--	---	--	--



		<p><b>e. Opex Allocation of cost within the network:</b></p> <ul style="list-style-type: none"> <li>❖ A table showing the allocation of OPEX costs within the network, metering billing components.</li> <li>❖ The allocation of network support costs, metering, billing costs should be accompanied by an explanation of allocation criteria.</li> </ul> <p><b>f. Demand cost allocation:</b></p> <ul style="list-style-type: none"> <li>❖ Table showing demand cost allocation including allocation of non – coincidental demand for each customer category should be included.</li> <li>❖ The method used to allocate peak and average (A&amp;E). demand between customer categories must clearly shown and explained on the table.</li> </ul> <p><b>g. Rate design – Unit cost/purchase rates table.</b></p> <ul style="list-style-type: none"> <li>❖ A table/s showing purchase rates for each unit cost,</li> </ul>		
--	--	--	--	--

		<p>energy (c/kWh), demand and capacity (R/KVA), customers (R/month) costs should be included.</p> <ul style="list-style-type: none"> <li>❖ This table should be linked to different allocated costs, i.e. network support costs, network fixed cost (Depreciation and return), as well as billing and customer costs. Purchase rated for energy charges should be on TOU.</li> </ul> <p><b>h. COS rates:</b></p> <ul style="list-style-type: none"> <li>❖ A table showing COS rates for each customer category, for each type of rate as well applicable charges e.g. R/month / c/Kw etc.</li> <li>❖ The charges rates applicable to each customer must link to the table above showing rates and must show how each rate was calculated.</li> </ul> <p><b>i. COS/ current tariff comparison:</b></p> <ul style="list-style-type: none"> <li>❖ A table showing the variance between current and COS</li> </ul>		
--	--	--	--	--

		<p>tariffs in Rands and in rates must be included as well as the variance percentage.</p> <ul style="list-style-type: none"> <li>❖ The table must be linked to rates calculated as well as the COS rates and revenues.</li> </ul> <p><b>j. Proposed change in structure including phase in proposals:</b></p> <ul style="list-style-type: none"> <li>❖ A table OR section showing the proposed new tariffs rates and structures must be included.</li> <li>❖ There must be clear explanation between proposed rates and COS variance and relationship between restructured tariffs and variance between current and COS studies and tariffs.</li> </ul>		
2.3	<p><b>COS report</b></p> <ul style="list-style-type: none"> <li>• Incorporation of the COS into the By-Laws,</li> <li>• Presentation to the Council</li> <li>• Submission to NERSA for verification and approval by NERSA-</li> </ul>	<p><b>i. Analyse the Network profiles and consumer consumption profile data showing:</b></p> <ul style="list-style-type: none"> <li>❖ A table showing network profile time and seasonally differentiated.</li> </ul>		

	<p><b>with a focus on the three major inputs components that NERSA considers, namely:</b></p> <p>i. Network profiles and consumer consumption profile data. ii. Asset register values. iii. Opex Costs</p>	<ul style="list-style-type: none"> <li>❖ consumption profiles for each customer group must be shown.</li> <li>❖ Database for load profile data.</li> </ul> <p><b>ii. Asset register values:</b> This must show:</p> <ul style="list-style-type: none"> <li>❖ up to date assets, including their replacement costs and historical costs.</li> <li>❖ A database to be developed for DX and TX network assets.</li> </ul> <p><b>iii. Opex Costs:</b> This will be verified by the Revenue Requirement Team.</p>		
3.	<p><b>a. Approved COS study, redesigned tariffs rates and revenue improvement model.</b></p> <p><b>b. Close out report</b></p>		<p>a. Cost of supply study, redesigned tariffs rates and revenue improvement model.</p> <p>b. Close out report to be approved by PSC and presented at the Municipal Council and the DBSA.</p>	<p>a. Cost of supply study, redesigned tariffs rates and revenue improvement model.</p> <p>b. Close out report</p>

### 2.3.1 Tariff setting principles

When formulating a tariff methodology some key principles and objectives must be considered:

- i. Cost reflectivity: All prudently incurred costs should be recovered and yield reasonable profit. Tariffs must not be set below the true cost of supply.
- ii. Promotion of efficient use: Appropriate price signals that will encourage efficiency, customer's reaction according to level of 'economic rationality.
- iii. Implementation costs: Implementation costs should be low.
- iv. Affordability: Price will exclude inefficiencies – energy or distribution losses
- v. Customers should be able to forecast future tariffs, hence anticipated price trends must be communicated.
- vi. Transparency: Tariffs schedules should be easy to read, understand and interpret with no embedded or hidden costs.

### 2.3.2 Methodology and approach to be followed

- 2.3.2.1 The service provider will be required to use a methodology and approach as per the Nersa Cost of Supply study Framework for licensed electricity distributors in South Africa – methodology as per NRS 058 guideline.
- 2.3.2.2 The service provider will be expected to work closely and collaboratively with Nersa and the municipality, ensuring that relevant municipal officials understand the study process and outcomes and have the capacity, post COS study, to draw on the outputs of the study to develop and defend tariff strategies appropriate to the context and consumers. As well as to use the COS in future tariffs applications.
- 2.3.2.3 It is acknowledged that the RNLM customer tariff structure may be expanded in future. This will need to be addressed during the revenue determination and cost allocation phases in terms of scenario setting. It would require the inclusion of residential and business embedded generators (prosumers) with nominated generation capacity that comply to regulatory requirements, and potential introduction of a residential and/or commercial prepaid tariff structure.
- 2.3.2.4 The following principles may have to be adopted to allow a view on the cost of supply which would produce results at an 80% level of confidence:
  - Apply a simplified approach to allocate the various asset components to the distinctive customer categories.
  - Consider only three voltage levels for clustering of network assets, i.e. 132kV (including 88kV), 11kV (including other similar voltage levels), and 400V. **NB Ray Nkonyeni Municipality operates at DX level at 11 kV voltage rating.**

## **2.4. IMPLEMENTATION TIMEFRAME AND FRAMEWORK**

The project will commence upon the date of signing of the Service Level Agreement with the PSP and should be completed within a period of six months from the date of commencement. The service provider must provide a project plan of how the project will be carried out, indicating key tasks, deliverables and timeframes.

A project steering committee (PSC) will be formed to give direction to the project, monitoring progress and measuring the quality of outputs.

### **2.4.1 Project Implementation Plan**

Within one week after the appointment, the successful Professional Service Provider will be required to provide a Project Implementation Plan (PIP) for the duration of the project. The PIP among others will include the activities that are listed in the scope of work including brief description of the project and individual duration for each milestone and the resources that will be used to achieve a milestone/s. All these shall not exceed the total contract period. A schedule of submission of each part of the scope of work must also be included in the plan.

Furthermore, the Professional Service Provider will be required to provide the progress and final payments schedule that will be aligned to the implementation plan deliverables / milestones.

### **2.4.2 Monthly Progress Reports**

The successful Professional Service Provider will be required to provide regular progress reports in accordance with the stipulated timeframes. Progress Report must give a summary of the following information:

- i. Amount of time spent by each project team member on a specific task;
- ii. Total amount of time and cost to date;
- iii. Time cost since the previous report;
- iv. Percentage of work completed per specific task and the overall percentage completion;
- v. Other information that will be determined by either PSC or Service Provider;
- vi. Risks and mitigations;
- vii. Workshopping the PSC members on each milestone achieved and soliciting comments and inputs;
- viii. Capturing the lessons learnt and presentation of the findings to Council.

### 2.4.3 Stakeholder Consultations

The appointed PSP must fully engage the stakeholders to ensure that any information that will assist in the successful conducting and completion of the COS study for RNLM is made available timeously.

## 2.5 RISK AND RISK MITIGATION

The PSP is responsible for the identification of relevant risks to the project and is expected to take steps to mitigate these risks in their proposal. These may include:

- a. Lack of sufficient preparatory work by the key stakeholders.
- b. Insufficient stakeholder involvement and support.
- c. Delays in obtaining information and lack of input on draft documents submitted for comment and inputs from relevant key stakeholders.
- d. Change of scope.

## 2.6 REPORTING

The PSP will report progress, challenges and submit final reports to the PSC. All interim progress reports will be presented and discussed in the PSC between the Service Provider, stakeholders and role-players in the manner shown in the table 2.6 (**schedule of report submission and meetings**) below:

Table 2.6: Schedule of Report Submissions and Meetings

No	Description	Time frame	Stakeholder/Role-player
1.	An initial Project Briefing /Inception meeting between the appointed Service Provider, DBSA & RNLM	One week after appointment	PSC (DBSA, RNLM, PSP)
2.	Project Implementation Plan (PIP). Share a draft with the DBSA and RNLM within seven days after the inception meeting.	One week after appointment	PSC (DBSA, RNLM, PSP)
4	Progress Reports	On a monthly basis	PSC (DBSA, RNLM, PSP)
5	Approval of Final COS study report and tariff redesign.	One month prior to completion of the project.	PSC (DBSA, RNLM, PSP)
6	Presentation of the approved COS study, tariffs rates and revenue improvement model and Close Out Report	One month prior to completion of the project.	PSC (DBSA, PSP, RNLM.)

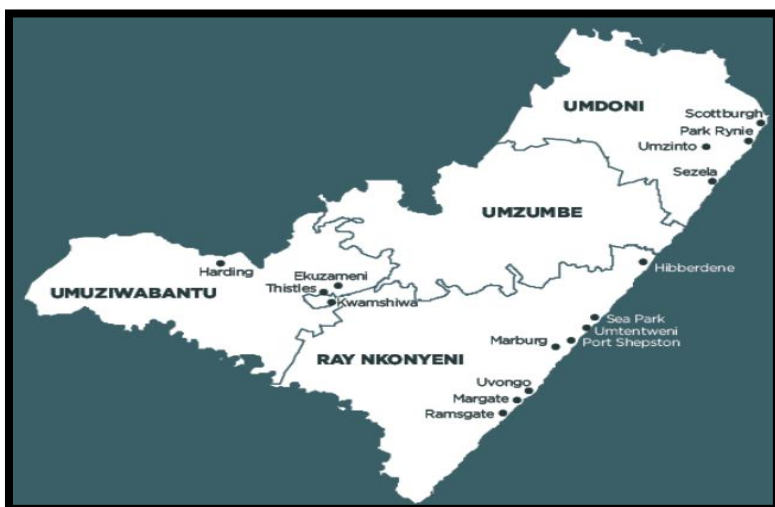
## 2.7 ACCOUNTABILITY

During the execution of this contract, the successful Service Provider will be required to work closely with the Municipality's relevant department's staff and DBSA – Project Leader. The PSP will report to the PSC in accordance with meeting schedule as provided in table 2.6 above (paragraph 2.6) and any others that the PSP will deem necessary for the execution of the project.

## 2.8 LOCATION OF SERVICES

The Professional Services Provider is expected to provide the services in Ray Nkonyeni Local Municipality within the Ugu District Municipality (UDM) in KwaZulu-Natal Province.

### SITE INFORMATION



## 2.9 CONTACT PERSON

Technical queries to be directed to the DBSA technical team through the DBSA Procurement Unit via email to [mduscm@dbsa.org](mailto:mduscm@dbsa.org) and the tender reference number is to be quoted.



## **2.10 THE TERMS OF REFERENCE FOR THE ESTABLISHMENT OF THE PROJECT STEERING COMMITTEES.**

### **1. Introduction**

The Development Bank of Southern Africa (DBSA) has approved the development and implementation of the Cost of Supply Study (COS) for the electricity sector in support of Revenue enhancement and management for Ray Nkonyeni Local Municipality. It is a condition to the Agreement that a Project Steering Committee (PSC) and the Technical Steering Committee be established between the DBSA and the Municipality in order to support the delivery of the Project funded by the DBSA accordingly. The appointed Professional Service Provider will be a member of both the PSC and TPSC. In order to give effect to the above, the Parties agree as set out herein:

1.1 Establishment of the Steering Committee upon the Agreement becoming unconditional in accordance with its terms (save for any condition therein requiring the establishment of the PSC), it is agreed that:

1.1.1 the PSC is hereby established as the joint steering committee in terms of the Agreement; and

1.1.2 the role of the PSC is to provide strategic direction relating to the Project and to guide and coordinate the execution of the Project.

### **2. Purpose of the document**

The purpose of this document is to establish the terms of reference for the PSC. The terms of reference in turn establish the mandate of the roles and functions of the PSC. The PSC is the key body within the Project governance structure responsible for the oversight and operational project issues associated with the Programme.

### **3. Functions of the PSC**

The function of the PSC is to provide oversight for the operational issues associated with the provision of Cost of Supply study in support of the municipality of Ray Nkonyeni. The PSC is responsible for monitoring the project's budget, progress, benefits realized and monitoring risks, quality and timeliness of delivery. The PSC's scope in terms of its functions is further elaborated below.

#### **3.1 The Role of the PSC**

The role of the PSC is to:

3.1.1 provide oversight on the implementation of the Programme, the associated project and on the achievement of outcomes;

3.1.2 identify potential risks arising from the implementation of the programme and agree on mechanisms to mitigate such risks;

- 3.1.3 ensure conformity with the Project Implementation Plan;
- 3.1.4 advise on adjustments to be made for the Project to ensure that the Project is completed within budget and by the Project Completion Date;
- 3.1.5 recommend, after consultation between the members, the sign off on the quality of work and reports completed by the Professional Service Provider;
- 3.1.6 oversee the Technical Project Steering Committee;
- 3.1.7 Monitor compliance to legislation and regulation in the implementation of the project;
- 3.1.8 provide guidance in addressing the challenges / bottlenecks as they may arise;
- 3.1.9 co-ordinate and manage the implementation of the agreement;
- 3.1.10 address any issue that has major implications for the Programme and projects;
- 3.1.11 reconcile differences in opinion and approach and resolve disputes arising from them;
- 3.1.12 approval and endorsement of the completed milestones / deliverables and oversee programme closure.

## 3.2 The principles guiding the PSC

In performing the tasks assigned to the PSC, the members will observe the following principles, namely to:

- 3.2.1 work together in a spirit of transparency and openness in which the achievement of the Project to a standard of excellence is a prime consideration;
- 3.2.2 promote trust, fairness, mutual cooperation, dedication to the agreed common goal while understanding each other's expectations and values;
- 3.2.3 be cognisant of the expectations and interests of each of the stakeholders and to seek to promote "win-win" solutions when balancing the interests of the stakeholders;
- 3.2.4 to accept that conflict is natural but, in such situations, to promote teamwork in order to work constructively through disagreements;
- 3.2.5 show flexibility whilst still ensuring that the project achieves excellence in its construction and operational standard;
- 3.2.6 promote a culture of zero tolerance towards corruption and other improper activities and ensure adherence to applicable anti-corruption legislation and

- 3.2.7 bring full commitment to achieving effective interfacing between the members and their respective stakeholders in order to make decisions with respect to the project and solve any issues that may arise in connection with the project in an effective and efficient manner.

### **3.3 The role of individual members of the PSC**

The role of the individual members of the PSC includes the expectation that each member is to:

- 3.3.1 appreciate the significance of the Project for all stakeholders.
- 3.3.2 be an advocate for the Project's outcomes.
- 3.3.3 have a broad understanding of Project management issues and the approach being adopted to resolve such issues.
- 3.3.4 be committed to, and actively involved in pursuing the Project's outcomes.
- 3.3.5 help reconcile conflicting priorities and resources.
- 3.3.6 check adherence of project activities to standards and best practice, both within the organizations Municipality and DBSA and in a wider context.

## **4. General Administration of the PSC**

### **4.1 Membership**

The PSC shall be comprised of:

- 4.1.1 Delegated representatives from Ray Nkonyeni Local Municipality (RNLM).
- 4.1.2 Delegated representatives from the Development Bank of Southern Africa (DBSA).
- 4.1.3 Key members from the appointed Professional Service Provider (PSP).
- 4.1.4 The PSC will further, coopt other members as they see fit.

### **4.2 Stakeholder management**

Whilst the stakeholders remain cognisant of the need to maintain continuity in membership of the PSC, a stakeholder may replace a member at any time, upon written notice to the chairperson of the PSC.

### **4.3 Convener / Chairperson and the Secretariat**

The chairperson will be provided by the municipality while the Secretariat functions will be provided by the appointed PSP.

#### **4.3.1 Convener/Chairperson**

The Municipal Manager, or in his absence, the Executive Chief Financial Officer / Technical Director will be the convener and Chairperson of the PSC meetings. If the designated Chair is not available, then any official from the CFO's office or the Technical Director's office (referred to as the Acting Chair) as delegated by the Chairperson will be responsible for convening and conducting the meeting.

#### **4.3.2 Secretariat**

The Secretariat will inter alia provide the following functions:

- 4.3.2.1 prepare and circulate the minutes for comments and inputs. Provide full copies of the minutes, including attachments to all the PSC members;
- 4.3.2.2 keep comprehensive records of all the deliberations and decisions of the PSC;
- 4.3.2.3 distribute copies of the meeting minutes for consideration and ultimately approval by the Chairperson, the designated representatives from the DBSA and the PSP;
- 4.3.2.4 prepare and finalise the minutes containing the proceedings and resolutions of the meetings which shall be signed by the Chairperson of the PSC, designated representatives of the DBSA and the PSP;
- 4.3.2.5 All proceedings and resolutions adopted at a meeting shall be recorded as Minutes taken at that meeting. These Minutes shall be signed by the Chair and witnessed by the DBSA and the PSP. The PSP shall provide secretariat support, by assisting in the recording, compiling, and distributing Minutes and other related documents;
- 4.3.2.6 record the approval of the deliverables / milestones in the minutes in which they were approved. The approved deliverables and the minutes shall be signed by the chairperson of the PSC and the PSP and the DBSA.

#### **4.4 Language and Communication Formats**

English will be the preferred language for all dealings of the PSC. The format of communication of the PSC shall be by email messages, faxes, and letters. Correspondence requiring approvals shall be by fax, email or letter. Reports submitted to the Parties shall be in both hard print and soft computer copy written in software that is used by the Municipality.

#### **4.5 PSC Meeting Agenda**

- 4.5.1 All PSC meeting agenda items must be forwarded to the Chairperson or the secretariat support by close of business seven (7 no.) working days prior to the next scheduled meeting;
- 4.5.2 The PSC agenda with attached meeting documents will be distributed at least 5 working days prior to the next scheduled meeting. The Chairperson has the right

to list an item on the formal agenda, but members may raise an item under 'General / Other Business' if necessary and as time permits.

#### **4.6 Meeting Minutes and Meeting Documents**

The following administrative requirements apply:

- 4.6.1 The format of the PSC minutes shall be agreed at the first meeting of the PSC.
- 4.6.2 A schedule of PSC meetings to be discussed and agreed at the first PSC meeting and shall form part of all the meeting minutes.
- 4.6.3 The minutes of each PSC meeting will be prepared by the office of the PSP.
- 4.6.4 Full copies of the minutes, including attachments, shall be provided to all PSC members no later than 10 working days following each meeting.
- 4.6.5 By agreement of the PSC, out-of-session decisions will be deemed acceptable upon confirmation in writing upon agreement of the RNLM and the DBSA representatives.
- 4.6.6 Where agreed, all out-of-session decisions shall be recorded in the minutes of the next scheduled PSC meeting.
- 4.6.7 The Minutes of each PSC meeting will be monitored and maintained by both the RNLM and the DBSA as a complete record as required under the respective document management provisions of both organisations.

#### **4.7 Frequency of Meetings**

- 4.7.1 The PSC shall meet monthly on a date to be advised by the Chairperson in line with the meeting schedule to be agreed upon at the first meeting of the PSC.
- 4.7.2 Additional meetings outside of the scheduled meeting dates may be convened as circumstances may arise.
- 4.7.3 Meetings of the PSC shall be coordinated through and called on by the chairperson whenever required in accordance with the terms of reference.
- 4.7.4 Notice of any meeting of the PSC shall be sent to each member (and copied to the stakeholders) and shall confirm the venue, time and date, together with the proposed agenda for the meeting (including any supporting papers) reasonably practicable, as far as is reasonably practicable, at least 14 (fourteen) days' notice shall be given of any meeting of the PSC;
- 4.7.5 The PSC meetings may be held in the offices of the Municipality and / or virtually, via telephone, teleconference, videoconference, Microsoft Teams or via Zoom etc.

## **4.8 Proxies to Meetings**

- 4.8.1 Members of the PSC shall nominate a proxy to attend a meeting if the member is unable to attend. The Chairperson will be informed of the substitution at least three (3 no.) working days prior to the scheduled meeting.
- 4.8.2 The nominated proxy shall have voting rights at the attended meeting. The nominated proxy shall provide relevant comments/feedback, of the PSC member they are representing to the attended meeting.

## **4.9 Quorum Requirements**

- 4.9.1 A meeting quorum shall have been formed if 50% of the PSC members plus one member are in attendance for the recommendations or resolutions to be valid.
- 4.9.2 The quorum must contain a representative/s from the DBSA, RNLM and PSP.

## **4.10. Governing Law**

The establishment and functioning of the PSC shall be governed by and interpreted in accordance with the Grant Agreement between RNLM and DBSA, the contract between the DBSA and the PSP, along with substantive laws of the Republic of South Africa.

## **4.11 Confidentiality and Publicity**

Any confidential information obtained by any of the PSC members, or arising from the implementation of the Grant Agreement, shall be treated as confidential by the Party receiving it and shall not be used, divulged, or permitted to be divulged to any person not being a Party to the PSC, without the prior written consent of the PSC.

## **4.12 Dispute Resolution**

The resolution of the disputes between the parties shall be modelled along the dispute resolution mechanism agreed upon by all parties.

## **5. PSC Life Span**

The PSC will be in existence until the completion of the Project covered by the Project Implementation Plan (PIP).

## Technical Project Steering Committee (TPSC) Terms of Reference

### 1. Introduction

- 1.1. It is a condition to the Agreement that the Municipality shall formally establish a Technical Steering Committee ("TPSC").
- 1.2. The TPSC shall comprise of the DBSA, municipality, and the appointed PSP.
- 1.3. Accordingly, and to give effect to the above, the Parties agree as set out herein.

### 2. Establishment of the Steering Committee

Upon the Agreement becoming unconditional in accordance with its terms (save for any condition therein requiring the establishment of the TPSC, with the DBSA's membership of the TPSC), it is agreed that:

- 2.1. the TPSC is hereby established as the joint technical steering committee in terms of the Agreement;
- 2.2. the role of the TPSC is to provide technical direction relating to the Project and to guide and coordinate the execution of the Project; and
- 2.3. the TPSC shall adopt the terms of reference prior it carrying its mandate as contemplated in these Terms of Reference.

### 3. Mandate of the Steering Committee

The mandate of the TPSC is to:

- 3.1. serve as the primary interface between the stakeholders in respect of the Project.
- 3.2. monitor the technical aspects of the Project; and
- 3.3. prepare and submit the technical progress report and recommendations to the Municipal Project Steering Committee.

### 4. Members of the TPSC

- 4.1. The TPSC shall consist of representatives from relevant parties (each representative being a "Member");
- 4.2. The first meeting of the PSC shall confirm quorum members and ex-officio members;
- 4.3. Members shall remain as members of the TPSC until such time as their appointment is withdrawn by the stakeholder appointing that member on written notice to the chairperson of the TPSC. Members shall be entitled to nominate

any representative to act as their proxy to attend and vote at any meeting of the TPSC.

- 4.4. Whilst the stakeholders remain cognisant of the need to maintain continuity in membership of the TPSC, a stakeholder may replace a member at any time upon written notice to the chairperson of the TPSC.
- 4.5. The Municipality shall select and appoint one of its members to act as chairperson of the TPSC.
- 4.6. The Municipality shall ensure that minutes of all meetings of the TPSC are duly recorded and circulated to the members and the stakeholders.

## **5. Meetings of the TPSC**

- 5.1. The TPSC meeting frequency will be determined and agreed upon at the 1st meeting of TPSC.
- 5.2. Meetings of the TPSC shall be co-ordinated through and called on by the chairperson whenever required in accordance with these Terms of Reference.
- 5.3. Notice of any meeting of the TPSC shall be sent to each member (and copied to the stakeholders) and shall confirm the venue, time and date, together with the proposed agenda for the meeting (including any supporting papers) reasonably practicable, as far as is reasonably practicable, at least 14 (fourteen) days' notice shall be given of any meeting of the TPSC.
- 5.4. The TPSC's meetings shall be held at municipal offices, or virtually via telephone, teleconference, videoconference Microsoft Teams or Zoom as agreed between the members;
- 5.5. From time to time the stakeholders may propose that additional representatives attend meetings of the TPSC and such request shall not be unreasonably refused by the TPSC;
- 5.6. All costs associated with the attendance of meetings of the TPSC, unless otherwise specifically agreed between the members, shall be for the account of the member incurring the costs.

## **6. Recommendations of the Technical Project Steering Committee**

- 6.1. All recommendations of the TPSC shall be achieved by consensus, and if consensus cannot be reached, a majority vote (following reasoned discussion) of all members present at that meeting.
- 6.2. The chairperson shall not have a casting vote.
- 6.3. The chairperson shall ensure that the secretary of the TPSC accurately records all recommendations made and that copies of such decisions are provided to



each member and the stakeholders as soon as is reasonably possible thereafter.

6.4. The PSP shall provide secretariat support.

6.5. The TPSC has no approval powers but recommends approval of reports / milestone / documents to the PSC chaired by the Accounting Officer.

## 7. Principles

In performing the tasks assigned to the TPSC, the members will observe the following principles, namely to:

- 7.1. work together in a spirit of transparency and openness in which the achievement of the Project to a standard of excellence is a prime consideration.
- 7.2. promote trust, fairness, mutual cooperation, dedication to the agreed common goal while understanding each other's expectations and values.
- 7.3. be cognisant of the expectations and interests of each of the stakeholders and to seek to promote "win-win" solutions when balancing the interests of the stakeholders.
- 7.4. to accept that conflict is natural but, in such situations, to promote teamwork in order to work constructively through disagreements.
- 7.5. show flexibility whilst still ensuring that the project achieves excellence in its construction and operational standard; and
- 7.6. promote a culture of zero tolerance towards corruption and other improper activities and ensure adherence to applicable anti-corruption legislation.

## **2.11 PROJECT PROPOSAL**

### **2.11.1 Skills and knowledge requirements**

The service provider must have the following skills, knowledge, and experience:

- i. Electrical Engineering,
- ii. Cost Accounting,
- iii. Asset management,
- iv. Finance, and
- v. Proven experience within the electricity distribution industry (EDI).

### **2.11.2 The Service provider should have:**

Grouping of both qualified Chartered Accountants and ECSA registered Electrical Engineer with knowledge of Financial Management, auditing or internal audit, cost and management accounting, Tariffs design expertise etc.

CVs of each expert with proven experience within the electricity distribution industry should be attached.

### **2.11.3 The PSP must have a comprehensive knowledge and understanding of:**

- i. The Municipal Finance Management Act;
- ii. Treasury Regulations;
- iii. Division of Revenue Act (DoRA);
- iv. General Recognized Accounting Practices (GRAP);
- v. Electricity Regulation; and
- vi. Inter-Governmental relations.

**2.11.4** A detailed project proposal, project team structure, and project implementation schedule must be provided. The project proposal must describe and demonstrate the approach and methodology for carrying out the outlined activities.

It will be expected from the Professional Services Provider to prepare a Project Implementation Plan (PIP) setting out the project activities and deliverables and development impact, against which to measure the progress of the project and the project budget and to ensure compliance with the obligations of the Professional Service Provider within 7 days after the inception meeting. This should be accompanied by the Gantt chart, cash-flow projections and a risk management register.

**PART C:** Only bids that satisfy the following eligibility criteria will be evaluated further (for Price and Preference). Those who do not comply will be deemed non-responsive and be disqualified.

## **1. TENDERERS PROPOSED KEY RESOURCES/EXPERTS**

Curriculum Vitae, proof of qualifications and professional body registration of all team members must be attached. In the case of project manager/Team Leader, the project reference letters confirming the project management role played by the incumbent in similar projects must also be attached. Professional Bodies and Qualifications obtained outside South Africa must be SAQA accredited.

The tenderer must consult the Tender Documentation which indicates:

- (a) the list of minimum key personnel required as well as qualifications.
- (b) Proficiency, of All the key staff members in the use (both verbal and written) English language.
- (c) The Personnel Schedule, the Contract project organisational chart showing the team composition for each activity/phase/stage giving the team member names (only key team members need be included by name), position on team, and reporting relationship to other team members.

**NB:** Key professional staff of the tenderer should be permanently employed forming part of the Tenderer or have an extended and stable working relationship with the applicable Bidder. In addition, the staff should be readily available to the employer for discussions at, typically, less than a week's notice.

A Resource Schedule (detailing the applicable resource's name, experience, and minimum qualifications) as depicted in the table below should be included in the Tenderer's Response:

## **ANNEXURE A**

### **PRICING SCHEDULE**

Pricing evaluation will be based on a fixed amount for work conducted under the COS study.

**NOTE: PRICING SCHEDULE (ANNEXURE A) SUBMISSION MUST BE IN A SEPARATE FOLDER MARKED "PRICING PROPOSAL. IT MUST BE SUBMITTED SEPARATELY FROM THE PRE - QUALIFYING AND FUNCTIONAL PROPOSAL.**

***Failure to separate this submission will lead to disqualification of the bid)***

Failure to complete the template form (in respect of items 1 to 3 below) in full may result in the disqualification of the Bid.

***Note: The Tenderer is to attach a breakdown of the total proposed fee per deliverable to this page. The breakdown is to indicate the scope of work or key deliverable, the elements of the scope of work, the resources applied, the estimated duration and rates of the applied resources for each element of the scope of work.***

This assignment will be based on a lump sum (fixed price) contract in ZAR Rands. Bidders are required to price total contract price using the following table:

<b>ID</b>	<b>SCOPE OF WORK / KEY DELIVERABLE(S)</b>	<b>FEE BASIS Lump sum</b>	<b>DURATION MONTHS (Maximum)</b>	<b>TOTAL PROFESSIONAL FEE FOR SCOPE OF WORK (Excl. VAT) (Rand)</b>
1.	<b>Project Preparation:</b> Inception meeting and development of the Project Implementation Plan			2% of the proposed budget.
2.	<b>Cost of Supply studies determination and transfer of skills to the identified municipal officials.</b>  <b>2.1 Information gathering and analysis of the existing situation in the electricity value chain.</b>  <b>2.2 Information processing: /COS study, tariff design and transfer of skills,</b> including determination of the following key indicators: i. Revenue determination ii. Cost functionalisation iii. Cost classification iv. Cost allocation v. Revenue Improvement model  <b>2.3 COS report: Incorporation into the By-laws</b> <ul style="list-style-type: none"><li>• <b>Submission to Council</b></li><li>• <b>Submission to NERSA</b> for verification and approval, with NERSA focusing on the three major input components:<ul style="list-style-type: none"><li>i. Network profiles and consumer consumption profile data.</li><li>ii. Asset register values.</li></ul></li></ul>			

ID	SCOPE OF WORK / KEY DELIVERABLE(S)	FEE BASIS Lump sum	DURATION MONTHS (Maximum)	TOTAL PROFESSIONAL FEE FOR SCOPE OF WORK (Excl. VAT) (Rand)
	iii. Opex Costs the COS study.			
3.	Approved COS studies, tariffs design model and Close out report			
4.	Submission of the approved COS studies, tariff design and revenue improvement model to the PSC, Municipal Council and at the DBSA.			
<b>Proposed Fee:</b>		R		
<b>Sub-Total of Proposed Fees (Excl. VAT) -</b>				
<b>Add 10% Contingencies</b>				
<b>Sub-Total</b>				
<b>VAT @15%</b>				
<b>Total Proposed Fee (incl. VAT) –</b>				

\*\*\*\*\* prices quoted are inclusive of all costs including disbursements (travel, accommodation, printing and stationery, and any relevant administrative work).

I, the undersigned, do hereby declare that the above is a proper pricing data forming part of this Contract Document upon which my/our tender for **RFP**

**SIGNED ON BEHALF OF TENDERER:** \_\_\_\_\_ **Date** \_\_\_\_\_

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

---

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


2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....  
 .....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any

interest in any other related enterprise whether or not they are bidding for this contract?**YES/NO**

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this

---

<sup>2</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

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

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

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

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

.....	.....
Signature	Date

.....	.....
Position	Name of bidder



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

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

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

---

### 1. GENERAL CONDITIONS

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

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

### 1.2 To be completed by the organ of state

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the **90/10** preference point system.
- b) The applicable preference point system for this tender is the **80/20** preference point system.
- c) Either the **90/10 or 80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

- (a) Price; and
- (b) Specific Goals (namely, BBBEE status level of contributor).

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	
SPECIFIC GOALS	
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

### 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

#### 3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

***Note to tenderers: The tenderer must indicate how they claim points for each***

**preference point system.)**

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
1	10	20		
2	9	18		
3	6	14		
4	5	12		
5	4	8		
6	3	6		
7	2	4		
8	1	2		
Non-compliant contributor	0	0		

(Note: Bidders are required to submit their BBBEE certificates or sworn affidavits (in the case of EMEs/QSEs) in order to be eligible to claim points)

#### **DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name \_\_\_\_\_ of  
company/firm.....

4.4. Company \_\_\_\_\_ registration \_\_\_\_\_ number:  
.....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company

- ☐ (Pty) Limited
  - ☐ Non-Profit Company
  - ☐ State Owned Company
- [TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....  
**SIGNATURE(S) OF TENDERER(S)**

**SURNAME AND NAME:** .....

**DATE:**.....

**ADDRESS:**.....

.....

.....

.....

## RESTRICTED SUPPLIERS

- 1 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	<p><b>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?</b>            (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).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>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)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.2.1	If so, furnish particulars:		
4.3	<p>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?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		

## Annexure D

**Bidders are required to include, as Annexure F to their Bids, certified copies of all relevant CIPC registration documents listing all members with percentages, in the case of a close corporation**

## **Annexure E**

**Bidders are required, as annexure G to their Bids, to submit certified copies of the latest share certificates of all relevant companies**



## **Annexure F**

**Bidders which submit Bids as an unincorporated joint venture, consortium or other association of persons are required to submit, as Annexure H, a breakdown of how the percentage (%) fees and work will be split between the various people or entities which constitute the Bidder.**

## **Annexure G**

**Bidders are required to include, as Annexure I to their Bids, supporting documents to their responses to the Pre- Qualifying Criteria and Evaluation Criteria.**

**Where the supporting document is the profile of a member of the Bidder's proposed team, this should be indicated.**

## Annexure H

### [General Conditions of Contract]

PLEASE NOTE THAT ALL BIDDERS ARE REQUIRED TO READ THROUGH THE GENERAL CONDITIONS OF CONTRACT PRESCRIBED BY THE NATIONAL TREASURY. SUCH GENERAL CONDITIONS OF CONTRACT CAN BE ACCESSED ON THE NATIONAL TREASURY WEBSITE.

PLEASE NOTE FURTHER THAT ALL BIDDERS MUST ENSURE THAT THEY ARE WELL ACQUAINTED WITH THE RIGHTS AND OBLIGATIONS OF ALL PARTIES INVOLVED IN DOING BUSINESS WITH GOVERNMENT.

NOTE: All Bidders are required to confirm **(Tick applicable box)** below:

Item	YES	NO
Is the Bidder familiar with the General Conditions of Contract prescribed by the National Treasury?		



## Annexure I

### Tax Compliant Status and CSD Registration Requirements

**ALL PROSPECTIVE BIDDERS MUST HAVE A TAX COMPLIANT STATUS EITHER ON THE CENTRAL SUPPLIER DATABASE (CSD) OF THE NATIONAL TREASURY OR SARS E FILING PRIOR TO APPOINTMENT/AWARD OF THE BID.**

**REGISTRATION ON THE CSD SITE OF THE NATIONAL TREASURY IS A COMPULSORY REQUIREMENT FOR A BIDDER TO BE APPOINTED, TO CONDUCT BUSINESS WITH THE DBSA. THE ONUS IS ON THE SUCCESSFUL BIDDER TO REGISTER ON THE CSD SITE AND PROVIDE PROOF OF SUCH REGISTRATION PRIOR TO APPOINTMENT/AWARD OF THE BID.**

**CSD Registration Number:**



The Development Bank of Southern Africa has a Zero Tolerance on Fraud and Corruption.  
Report any incidents of Fraud and Corruption to Whistle Blowers on any of the following:

TollFree : 0800 20 49 33  
Email : [dbsa@whistleblowing.co.za](mailto:dbsa@whistleblowing.co.za)  
Free Post : Free Post KZN 665 | Musgrave | 4062  
SMS : 33490

