

KZN GROWTH FUND TRUST
RE-ADVERTISEMENT OF REQUEST FOR QUOTATIONS (RFQ)
RFQ REFERENCE NUMBER – KGFT - RFQ 2022/28
FOR EQUITY VALUATION

Closing date : 14 MARCH 2023
Time : 12:00
Submission format : email scm@kzngf.co.za

Name of the respondent:

Late bids will not be accepted

RFQ DETAILS

RFQ Title : Re-advertisement of Request for quotation for Equity Valuation

Procurement Reference Number : KGFT - RFQ 2022/28

Description of Goods & Services : Equity Valuation

Date of RFQ : 07 March 2023

Date of RFQ CLOSING : 14 March 2023

CONTACT INFORMATION

Any enquiries regarding the bidding procedure may be directed to:

Procurement Officer: Sijabulile Ntshangase

Telephone: 031 372 3720

E-mail: scm@kzngf.co.za

BIDDER'S DETAILS

NAME OF BIDDER.....

POSTAL ADDRESS

STREET ADDRESS

CONTACT PERSON

TELEPHONE NUMBER Code Number

CELL PHONE NUMBER Code Number

FACSIMILE NUMBER Code Number

E-MAIL ADDRESS

Signature of Bidder Date

1. PURPOSE

The purpose of this Request for Quotation (RFQ) is to invite quotations from suitably qualified independent valuation experts to assist KZN Growth Fund Trust (KGFT) in the valuation of its equity stake in project companies in the Healthcare and Manufacturing industries.

2. BACKGROUND

KZN Growth Fund Trust (KGFT), is a fund, established and capitalised by the Provincial Government to provide debt finance and equity investments. The main objectives of the KGFT is to provide funding support for creating an enabling environment for projects that create jobs and accelerate the economic development of KZN whilst promoting Broad Based Black Economic Empowerment (BBBEE).

2.1 Procurement Philosophy

It is the policy of KGFT, when purchasing goods and obtaining services to follow a course of optimum value and efficiency by adopting best purchasing practices in supply chain management, ensuring that open and fair competition has prevailed, with due regard being given to the importance of :

- a) The promotion, development and support of businesses from disadvantaged communities (small, medium, micro enterprises, as well as established businesses within those communities) in terms of its BBBEE Policy;
- b) The promotion of national and regional local service providers and agents before considering overseas service providers and;
- c) The development, promotion and support for the moral values that underpin the above, in terms of KGFT Business Ethics and Guidelines which requires that all commercial conduct be based on ethical and moral values and sound business practice. This value system governs all commercial behaviour within KGFT.

The KGFT wishes to engage with service providers who are equally committed to maintain high quality services and better pricing.

3. SCOPE OF SERVICES REQUIRED

In preparation for the KGFT's year-end audit, an assessment of the equity shareholding valuation held by KGFT in project entities is required to be performed by a suitably qualified independent valuation expert. Such valuations will be relied upon by the KGFT's external auditors.

The anticipated general scope of work in respect of the valuation of the project entities will include but not limited to:

- Market research on the appropriate valuation methodology for the industries concerned (content of such research to be made available to KGFT for its external auditors) and;
- **Valuation amounts on each of the following basis, but not limited to:**
 - Price / Earnings (P/E) ratio
 - Enterprise Value/ Earnings before interest and taxes (EV/EBITDA)
 - Discounted Cash Flows (DCF) or;
- The service provider can suggest an alternative valuation method from the abovementioned methodology, which is in compliance with International Private Equity and Venture Capital Valuation Guidelines, as a widely accepted valuation approach in the manufacturing and healthcare industries.

To enable the quotation hereof, the most recent audited annual financial statements including management accounts and the annual budget, sales estimates, and operational or corporate structure documents relating to the project entities and the KGFT's Valuation Policy for point (5) of the functionality evaluation which is Value add services will be emailed to bidders after completion of the non-disclosure agreement as attached.

4. SUBMISSION DEADLINE

You are requested and required to provide the KGFT with a quotation by no later than **Tuesday, 14 March 2023, at 12:00pm.**

5. EVALUATION OF PROPOSALS

Selection will be conducted over two stages:

Stage 1 – Compliance with minimum requirements

Stage 2 – Price and Specific Goals

5.1 Minimum compliance (failure to meet these requirements, bidders will be disqualified)

All proposals must be completed and accompanied by:

- 5.1.1 Company Profile;
- 5.1.2 Evidence of registration on the National Treasury Central Supplier Database (or proof of registration);
- 5.1.3 Completed and signed SBD documents (SBD 1, 4 and 6.1)
- 5.1.4 Tax Compliance Status Certificate
- 5.1.5 Provide three written letters of reference for similar work performed. Letters must not be older than 3 (three) years. Letters must be on company letterhead and must be signed and dated.
- 5.1.6 Confirmation of independence from the project entities and KGFT (**email must be sent to scm@kzngf.co.za requesting NDA document**)
- 5.1.7 **Confirmation of availability to perform the work and complete and submit the required report by 21 APRIL 2023**

5.2 STAGE 2: PRICE AND SPECIFIC GOALS

5.2.1 Quotations will be subject to an evaluation based on an 80/20 price / specific goals - 80 points for price and 20 points for specific goals.

5.2.2 Fixed price quotations are required, price must be inclusive of VAT and all costs relating to disbursements

(Price and Specific Goals)

Price and Specific Goals	Maximum points to be awarded
Relative competitiveness of the price	80
Specific Goals	20
Total Price and Specific Goals	100

SPECIFIC GOALS TABLE

Preference Points 80/20 - Specific Goals						
Management Control						
		<30%	<51%	<100%	100%	Total Points
BBE		0	0.5	1.25	2.2	3.95
BWO		0	0.5	1	1.5	3
BYO		0	0.5	1	1.5	3
PWD		0.25	0.3	0.5	1	2.05
						12
Skills Development Measured						
		Blacks	Youth	Women	PWD	
		1	1	1	1	
						4
Locality and establishment						
			KZN	SA		
			2.5	1.5		4
Total						20

The following may be used as proof for claiming preference points

- BBBEE Certificate or BBBEE Affidavit
- CSD Report
- ID Documents of the owners of the company
- Municipal Account or Lease Agreement
- Doctors Certificate / disability database from relevant institutions (for more research)

6. SUBMISSION DETAILS

- Submissions can be emailed to scm@kzngf.co.za attention **Sijabulile Ntshangase** by no later than the stipulated time above.
- For queries, you can contact Xolani Nhlapo during business hours of 8:00am to 4:30pm, Monday to Friday on 031 372 3720.

Approved by

A handwritten signature in black ink, appearing to read 'Khwezi Nhassengo', written over a horizontal line.

Ms Khwezi Nhassengo
Chief Investment Officer