OUR REF	RFQ 202057
ENQUIRIES	Ntobeko Mweli
TELEPHONE	012 428 6691
DATE	07 September 2026

RFQ 202057: FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR INDEPENDENT LEGAL AND TAX OPINION ON THE INCOME-TAX TREATMENT OF PURPOSE-SPECIFIC DTIC GRANTS

Dear Bidder

The South African Bureau of Standards (SABS) hereby invites suitably qualified service providers **for the appointment independent legal and tax opinion on the income-tax treatment of purpose-specific dtic grants**

The details of the service to be provided below**.**

Please note the following:

- Scope of services specified on **page 4**
- Closing date specified on **page 10**
- SABS Procurement terms and conditions (accessed on the sabs website)
- **Bidders must submit the following documents with the quotations:**
  - National Treasury Central Supplier Database (CSD) registration report
  - A valid copy of BBBEE certificate/ Sworn Affidavit (to claim specific goals)
  - SBD 4 Bidders Disclosure Form
  - SBD 6.1 Preference points claim form in terms of the Preferential Procurement Regulations 2022

1. **Background**

The SABS is a statutory body established in term of Standards Act, 1945 (Act No. 24 of 1945) and continues to operate in terms of the Standards Act, 2008 (Act No. 8 of 2008) as the national standardization institution in South Africa, mandated to:

- develop, promote and maintain South African National Standards.
- promote quality in connection with commodities; and
- render conformity assessment services and matters connected therewith.

2. **Request for Quotation (RFQ)**

This RFQ serves as an invitation to submit bids **the appointment of a service provider for independent legal and tax opinion on the income-tax treatment of purpose-specific DTIC grants** subject to the SABS Standard Terms and Conditions, of which a copy is available on **www.sabs.co.za, accessible through the link:** **https://www.sabs.co.za/Procurement/proc_toc.asp**

The Bidder is requested to supply its quotation, in writing, by the date specified. Should the Bidder require any clarification, the clarification should be submitted by e-mail to the Procurement Specialist identified in this document.

By submitting a quotation in response to this RFQ or participating in this RFQ process, the Bidder accepts that it is subject to and bound by all the terms and conditions contained in this RFQ document.

3. **Confidentiality**

This document may not be used for any purpose by the Bidder other than for developing their response to it, and all reasonable efforts must be taken by the Bidder to ensure confidentiality of any information provided. This document and any other information of a confidential nature provided to the Bidder during the course of RFQ process are and will be covered by the non-disclosure agreement to be signed between the SABS and the Bidder.

4. **No Contract**

Bidders shall note that this RFQ does not commit the SABS to any course of action resulting from the receipt of quotations and the SABS may, at its discretion reject any submission which does not conform to instructions and specifications which are contained herein or select a Bidder based upon its own unique set of criteria. The SABS also reserves the right not to select a bidder.

Nothing in this document shall be construed as a contract between the SABS and the Bidder, and no communication, whether verbal or written, by the SABS personnel or agents during the course of this process shall create such a contract in respect of the requirements specified in this RFQ.

5. **No Obligation to Proceed**

The SABS reserves the right to discontinue the RFQ evaluation process at any time and will not be responsible for any losses incurred by the Bidder as a result of discontinuance of the RFQ process

6. **Validity of Proposals**

The Bidder's quotation shall remain valid for a period of one hundred and twenty (120) days from the closing date. The SABS may at any time prior to the expiry of the bid validity period, extend the above validity period by sixty (60) days by written notice to the Bidders. In that event, the SABS will not require any consent from the Bidders, and bidders will not be required or permitted to amend any of their quotations.

The SABS retains the right, but is under no obligation, to request Bidders to extend the validity periods of their quotations, prior to expiry thereof, if it has already invoked the extension referred to above and it is in the SABS' interest to further extend the bid validity period. Such request shall be in writing. The Bidder is not obliged to extend the validity period. Also, bidders will not be required or permitted to amend any of their quotations.

7. Invitation to quote

The South African Bureau of Standards (SABS) invites suitably qualified and experienced independent legal and tax practitioners or professional firms to submit quotations for a written legal and South African income-tax opinion concerning the treatment of two purpose-specific grants received from the Department of Trade, Industry and Competition (the dtic), and the related treatment in SABS Commercial SOC Ltd, a wholly owned subsidiary of SABS.

The appointment must provide an authoritative, evidence-based position that can support governance decisions, engagement with external auditors and the South African Revenue Service (SARS), and the appropriate accounting and tax treatment going forward.

8.1 Background and context

SABS received purpose-specific funding from the dtic and acted as the channel through which the relevant amounts were made available to SABS Commercial SOC Ltd. The two funding streams relate to:Laboratory infrastructure funding intended to rehabilitate or improve ailing laboratory infrastructure. The dtic has indicated alignment with the Critical Infrastructure Programme (CIP), Programme 15 of the Eleventh Schedule to the Income Tax Act.

Local Content Verification (LCV) funding intended to establish, maintain and deliver local-content verification services, including personnel, systems, methodologies and operational resources supporting local-content assurance and SMMEs.

For the first three years of receipt, a section 12P allowance was claimed. In the following three years, relevant grant amounts were treated as taxable. In the current year under review, tax was paid in part through first and second provisional-tax payments. During the 2024/25 annual financial statement process, management recognised an estimated tax liability of approximately R16 million in line with the external-auditor recommendation then available, while preserving the need for a definitive legal and tax assessment.

The opinion is required to clarify the substantive tax position, the effect of the conduit arrangement, the evidentiary status of dtic confirmations and the appropriate remedial or protective actions.

8.2 Purpose of the appointment

The purpose is to obtain an independent, defensible and implementation-focused opinion that:

determines whether the grants qualify for exemption or an allowance under section 12P read with the Eleventh Schedule to the Income Tax Act;

determines which entity is the recipient, beneficial recipient and taxpayer in respect of the grants;
assesses the tax consequences for historical, current and future years;
advises on SARS engagement, correction and disclosure options; and
provides clear recommendations capable of implementation by management and review by auditors and governance structures.

8.3.1 Detailed scope of work

8.3.2 Legislative and programme analysis

Analyse section 12P of the Income Tax Act 58 of 1962, the Eleventh Schedule and all other directly applicable tax provisions, interpretation material and relevant authorities.
Assess whether the laboratory-infrastructure grant falls within the Critical Infrastructure Programme or another qualifying Eleventh Schedule programme.
Assess whether the LCV grant falls within an identified Eleventh Schedule programme or otherwise qualifies under section 12P, considering its purpose, conditions and actual application.
Evaluate the legal weight and sufficiency of the dtic grant agreements, approval documents, programme confirmations and correspondence.

8.3.2 Entity, receipt and conduit analysis

Determine the legal and tax implications of SABS receiving the funds and transferring or making them available to SABS Commercial SOC Ltd.
Assess whether the arrangement constitutes an agency, conduit, grant-on-grant, donation, capital contribution, intercompany funding arrangement or another legal and tax relationship.
Identify the entity entitled to any section 12P exemption or allowance and the entity responsible for recognising taxable income, expenditure, assets, liabilities and related tax consequences.
Identify the documents and conduct required to substantiate the arrangement and recommend how any evidentiary gaps should be cured.

8.3.3 Historical and current-year tax treatment

Review the treatment applied during the first three years, the subsequent three years and the current year, including provisional-tax payments and relevant returns or assessments.
Quantify, or provide a method for quantifying, the tax, interest and penalty exposure under each reasonably possible conclusion.
Advise whether prior returns should be corrected and whether objections, requests for reduced assessments, section 93 processes, remission requests, voluntary disclosure or other remedies are legally available and advisable.
Consider the Tax Administration Act 28 of 2011, including prescription/finality of assessments, understatement penalties, interest, disclosure obligations and the legal prerequisites and risks of the Voluntary Disclosure Programme.

8.3.4 Accounting and audit interface

Without replacing management's accounting judgement or the external auditor's responsibilities, the service provider must explain how the legal and tax conclusions inform:
current and deferred tax under IAS 12;
uncertain tax treatment under IFRIC 23, including the unit of account, detection assumption, probability assessment and measurement method;
government-grant accounting under IAS 20, where relevant;

the R16 million tax liability recognised in the 2024/25 financial statements; and
disclosures, prior-period considerations, estimates and supporting audit evidence.

8.3.5 Recommended action and implementation

Recommend a preferred legal and tax position, supported by a clear conclusion and reasons. Set out alternative outcomes, their probability or strength, financial consequences and decision triggers.
Provide a sequenced implementation plan covering SARS, the dtic, auditors, governance approvals, tax returns, accounting records and document remediation.
Draft, where required, a proposed submission or technical position paper for engagement with SARS.

8.3.6. Minimum documents to be reviewed

SABS will make relevant documents available subject to confidentiality and access controls. The review is expected to include, as applicable:
Signed dtic grant agreements, approval letters, schedules, conditions and amendments.
dtic confirmations regarding CIP, LCV and Eleventh Schedule programme alignment.
Proof of receipt, bank records, intercompany transfers, ledgers, journals and consignment or project registers.
SABS and SABS Commercial governance approvals and any documented conduit or agency arrangements.
Tax returns, assessments, provisional-tax calculations and correspondence with SARS.
Prior and current technical tax assessments, IFRIC 23 assessments and accounting memoranda.
Relevant annual financial statements, audit findings, management responses and external-auditor correspondence.
Evidence demonstrating expenditure, asset acquisition and application of grant funds in accordance with approved purposes.

8.3.7. Required deliverables and timetable

Deliverable	Minimum content	Timing from appointment
Inception note	Information request, confirmed methodology, responsible professionals and delivery plan.	Within 2 business days
Preliminary issues paper	Key facts, gaps, preliminary legal/tax issues and urgent preservation or filing actions.	Within 5 business days
Draft opinion	Full legal and tax analysis, reasoned conclusions, quantified scenarios or calculation methodology, and proposed actions.	Within 10 business days
Management/auditor briefing	Presentation and response to technical questions; written record of agreed amendments.	Within 2 business days of draft feedback
Final signed opinion	Partner/director-signed opinion incorporating agreed factual corrections and an executive implementation roadmap.	Within 3 business days of consolidated feedback
Optional SARS submission	Submission/position paper and supporting schedule, if instructed by SABS.	As agreed in writing

The bidder must identify any proposed deviation from these timeframes and explain how urgent matters will be prioritised. SABS may require reasonable clarification of the final opinion at no additional charge for a period of 30 calendar days after acceptance.

8.3.8. Required expertise and independence

The lead professional and proposed team must demonstrate:

admission as a South African attorney or advocate in good standing and/or registration as a tax practitioner, supported by appropriate specialist tax qualifications;

at least ten years' demonstrable experience in South African corporate income tax, public-entity or government-grant matters and the Tax Administration Act;

demonstrable experience with section 12P, the Eleventh Schedule, SARS dispute or voluntary-disclosure processes, and complex entity/funding arrangements;

sufficient understanding of IAS 12 and IFRIC 23 to explain the accounting consequences of the legal and tax conclusions;

the capacity to meet the required timetable; and

independence from SABS, SABS Commercial, the dtic, the relevant external auditors and any party whose work is under review, or full disclosure and acceptable management of any conflict.

8.3.9. Mandatory quotation response

The quotation must contain, in the order below:

Completed and signed quotation cover/offer and all required SABS supplier declarations.

A concise understanding of the assignment and proposed methodology.

Detailed scope compliance statement identifying assumptions, exclusions and dependencies.

Team structure, roles, CVs, professional registrations and confirmation of availability.

At least three relevant assignments completed during the past five years, with contactable references.

A fixed-fee pricing schedule, including VAT, disbursements, hourly rates for approved additional work and quotation validity.

Detailed delivery timetable.

Signed conflict-of-interest and independence declaration.

Proof of professional indemnity cover appropriate to the engagement.

Valid tax-compliance status information, CSD registration information and any other mandatory SCM documents specified in the RFQ pack.

8.3.10. Pricing schedule

Cost component	Professional fee excl. VAT	Disbursements excl. VAT	VAT	Total incl. VAT
Inception and preliminary issues paper	R ______	R ______	R ______	R ______
Draft legal and tax opinion	R ______	R ______	R ______	R ______
Briefing and final opinion	R ______	R ______	R ______	R ______
Optional SARS submission / support	R ______	R ______	R ______	R ______

Cost component	Professional fee excl. VAT	Disbursements excl. VAT	VAT	Total incl. VAT
TOTAL CONTRACT PRICE	R ______	R ______	R ______	R ______

Prices must be firm for the quotation-validity period and must include all resources necessary to perform the stated scope. No additional work may commence without prior written approval by an authorised SABS official.

9. Mandatory Requirements

Interested must bidder must submit the following supporting documentation:

- Proof of registration for the Director/Partner/Counsel admission with LPC, SAICA, SAIT or ACCA
- Proof as member in good standing with legal practice council or SAICA or SAIT or ACCA.
- Proof of registration for Director/Partner/Counsel or Team leader as tax practitioner with relevant body (SAICA, SAIT, LPC, ACCA) and SARS in good standing.
- Proof that the bidder entity has been in practice for more than 5 years
- At least three relevant assignments completed during the past five years, with contactable references (Must be on company letterhead)
- The bidder must be independent from SABS, SABS Commercial, the DTIC, the relevant external auditors and any party whose work is under review, or full disclosure and acceptable management of any conflict.

Bidders who meet the mandatory requirements will be evaluated on the technical functionality criteria and bidders who do not meet the requirements will be disqualified.

10. Technical Functionality Evaluation Criteria

	Selection Criteria		
	Functionality will be measured on a scale of 1-5, Very Poor:1, Poor:2, Average:3, Good:4, Excellent:5	**sub weight**	**Weight**
1	**Company Experience**		
	The bidder entity must demonstrate experience in providing Comparable section 12P, grant, public-entity, SARS or complex tax assignments. (Must submit a detailed company profile)		
	No relevant experience	0	
	≤ Years of experience	1	
	>5≤6 Years of experience	2	
	>6≤7 Years of experience	3	
	>7≤8 Years of experience	4	
	> 10 Years of experience	5	10%
2	**Lead professional qualification**		
	The Lead Professional must have the requisite qualification(s) in any one of the following: Taxation / Financial Accounting / Commerce (with Taxation as a major) /LLB) with specialization in Tax Law (Must attach copies of qualifications & must be certified within the last 6 months.		
	Any other qualification	**0**	
	BCOM in Accounting or Taxation or LAW (NQF level 7) plus completed articles	**3**	
	Honours or Postgraduate Diploma in Accounting or Taxation (NQF Level 8) qualification plus CA or ACCA	**4**	
	MCOM (NQF level 9) in Tax plus CA or ACCA	**5**	15%
3	**Lead professional's relevant experience**		
	Project Team Leader must have a minimum of 10 years' experience Comparable section 12P, grant, public-entity, SARS or complex tax assignments. (Must submit detailed CV Showing experience)		
	No relevant experience	0	
	≤3 year of experience	1	
	>3≤5years of experience	2	
	>5≤8 years of experience	3	
	>8≤10 Years of experience	4	
	>10 Years of experience	5	25%
4	**Programme Outline or Methodology**		
	Bidders to attach a Proposed Methodology, which shows how specific proposed actions will lead to the attainment of the various elements of this project, issue identification, legal/tax method and quality controls. Must include detailed proposed Project plan showing activities, milestones, deliverables and completion dates		
	Programme outline or methodology without independent **review, sign-off and SARS consultation** (does not include one of the following timelines, deliverables and/or duration of the programme)	0	
	Programme outline or methodology demonstrating independent **review, sign-off and SARS consultation (It** includes some but not all of the following timelines, deliverables and/or duration of the programme)	3	
	Programme outline or methodology demonstrating independent **Senior Counsel review, sign-off and SARS consultation ((**it includes ALL the following timelines, deliverables and/or duration of the programme)	5	20%
5	**Director/Lead Partner/Counsel**		
	must demonstrate appropriate professional standing, specialist tax qualifications, and senior experience in South African corporate income tax, public-entity grants, SARS processes, and related accounting implications. (Must submit detailed CV of Lead Partner/Counsel/Director)		
	No relevant experience	0	
	≤3 year of experience	1	
	>3≤5years of experience	2	
	>5≤8 years of experience	3	
	>8≤10 Years of experience	4	
	>10 Years of experience	5	30%
	Minimum threshold is 75%		100%

11. Timelines

MILESTONES	DATE AND E-MAIL ADDRESS
Non- Compulsory Briefing Session	**09 September 2026 at 12:00 PM** **Microsoft Teams meeting** **Join:** **https://teams.microsoft.com/meet/375200060035272?p=nBszc2CYgDwi8xs2zq** **Meeting ID: 375 200 060 035 272** **Passcode: fS3JN25c**
Closing Date and Time **No late submissions will be accepted.**	**14 September 2026 at 11:00 am**
Method of submission.	Responses should be submitted via email Ntobeko.Mweli@sabs.co.za **Maximum size 14 MB, Proposals/ Bids must be submitted on PDF Files (compressed zipped folder if necessary), Proposals/Bids submitted via a link and/or "we transfer" will not be accepted** **It is the Bidder's** **It is the Bidder's responsibility to ensure that the quotation is received on time by SABS.**

12. Preference Points

Only Bidders who meet mandatory requirements and the Technical functionality threshold of 75% will be evaluated further on 80/20 preference points system of 2022. (Pricing and Specific Goal)

13. Quotation

The quotation should but not limited to the following:

- All inclusive of VAT
- Venue (If Applicable)
- Transportation cost (If applicable)
- Disbursement
- Fixed price, where foreign currencies are involved, bidders should make provision for forward cover.

14. Contact information

All enquiries regarding this RFQ must be e-mailed/directed to Ntobeko.Mweli@sabs.co.za and **012 428 6691** . Bidders must not contact any other SABS' personnel regarding this RFQ, as it may lead to the Bidder's disqualification. Also note that any canvassing by Bidders/Suppliers regarding this RFQ will result in disqualification.

15. Advance payment

The SABS will not make an upfront or advance payment to a successful Bidder. Payment will only be made in accordance to the delivery of service or goods that will be agreed upon by the SABS and the successful Bidder.

16. Responsibility for costs

Under no circumstances shall the SABS be responsible for any of the Bidder's costs associated with the preparation and/or submission of its quotation, including any costs incurred by the Bidder prior to the signature, by both parties, of an agreement resulting from a successful bid.

17. Bidder's contractual terms

The SABS will not be bound by any legal or contractual terms as may be included in the Bidder's quotation, in response to this RFQ

SBD 4

ANNEXURE B- BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

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

Full Name	Identity Number	Name of State institution

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 consortium2 will not be construed as collusive bidding.

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

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 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 2022/22 ON PREVENTING AND COMBATING ABUSE IN THE

SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

……………………………… ………………………………………………
Signature Date

……………………………… ………………………………………………
Position Name of bidder

SBD 6.1

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.

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1. GENERAL CONDITIONS

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

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

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

a) The applicable preference point system for this tender is the 80/20 preference point system.

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

(a) Price; and

(b) Specific Goals.

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
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:

80/20 **or** **90/10**

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right) \text{ or } \qquad Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20 **or** **90/10**

$$Ps = 80\left(1 + \frac{Pt - P\,max}{P\,max}\right) \text{ or } \qquad Ps = 90\left(1 + \frac{Pt - P\,max}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below. Bidders that do not claim points will be allocated 0 points.

(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.*)**

Specific Goal	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)
Persons historically disadvantaged on the basis of race	100% black ownership		10		
	75% - 99% black ownership		8		
	60% - 74.99% black ownership		6		
	51% - 59.99% black ownership		4		
	1% - 50.99% black ownership		2		

	0% black ownership		0		
Persons historically disadvantaged on the basis of gender	100% black women ownership		6		
	51% - 99% black women ownership		4		
	1% - 50.99% black women ownership		2		
	0% black women ownership		0		
Persons historically disadvantaged on the basis of disability	100% owned by persons living with disabilities		4		
	51% - 99% owned by persons living with disabilities		2		
	0% - 50.99% owned by persons living with disabilities		0		

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company…………………………………………………………………….

4.5. registration number: ………………………………………………………….

4.6. 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]

4.7. 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:	………………………………………………………
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	………………………………………………………
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