SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA) HEREBY REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF INNOVATION AND SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT

BID NO. SALGA 99/2021

Closing date and time: 13 December 2021 at 11h00 am

Bid Validity Period: 120 Days

TENDER BOX ADDRESS:

Menlyn Corporate Park

C/o Garsfontein and Corobay Avenue

Waterkloof Glen

TEL: (012) 369 8000

EMAIL: lmathe@salga.org.za

WEBSITE: www.salga.org.za

1. INTRODUCTION

The South African Local Government Association (SALGA) is a public entity established by the Organised Local Government Act (Act 52 of 1997) to assist in the comprehensive transformation of local government in South Africa. SALGA is managed within the framework of the Public Finance Management Act (Act 1 of 1999) and is listed as a schedule 3A public entity. Its main objectives are to:

- Represent, promote and protect the interests of local government;
- Transform local government to enable it to fulfil its developmental role;
- Enhance the role and status of its members as provincial representatives and consultative bodies of local government;
- Enhance the role and status of municipalities;
- Be recognised by national and provincial governments to be the representative and consultative body in respect of all matters concerning local government and to make representations to both provincial and national governments in respect of any matter concerning local government;
- Ensure the full participation of women in organised local government;
- Be the National Employers' Association representing all municipal members and, by agreement, associate members.

2. SALGA MANDATE

Developmental Local Government is an essential component of the machinery of government. In accordance with its constitutional mandate, SALGA is obliged to transform the local government sector to one that has the required capacity to make a meaningful contribution to poverty alleviation, economic development and all socio-economic opportunities that the state has geared itself to provide for its people.

SALGA also serves as the representative voice of all 257 municipalities in the country. For the past 21 years, since its establishment, SALGA has endeavoured to bring focus to its mandate of supporting local government transformation in a complex environment, characterised by a highly diverse and diffuse membership-base of municipalities. In terms of its amended Constitution, SALGA is a unitary body that consists of a national association and nine provincial offices. Its mandate rests on six primary pillars:

a) **Representation, Advocacy and Lobbying** refers to representing the interests of members in legislatures and other policy making and oversight structures. It also refers to engaging with various stakeholders, public debates etc. in the interest of Local Government.

b) **Employer Body** refers to being an effective employer representative for members. Employer representation is carried out through collective bargaining (in terms of the Labour Relations Act) in various structures including but not limited to those established in the South African Local Government Bargaining Council.

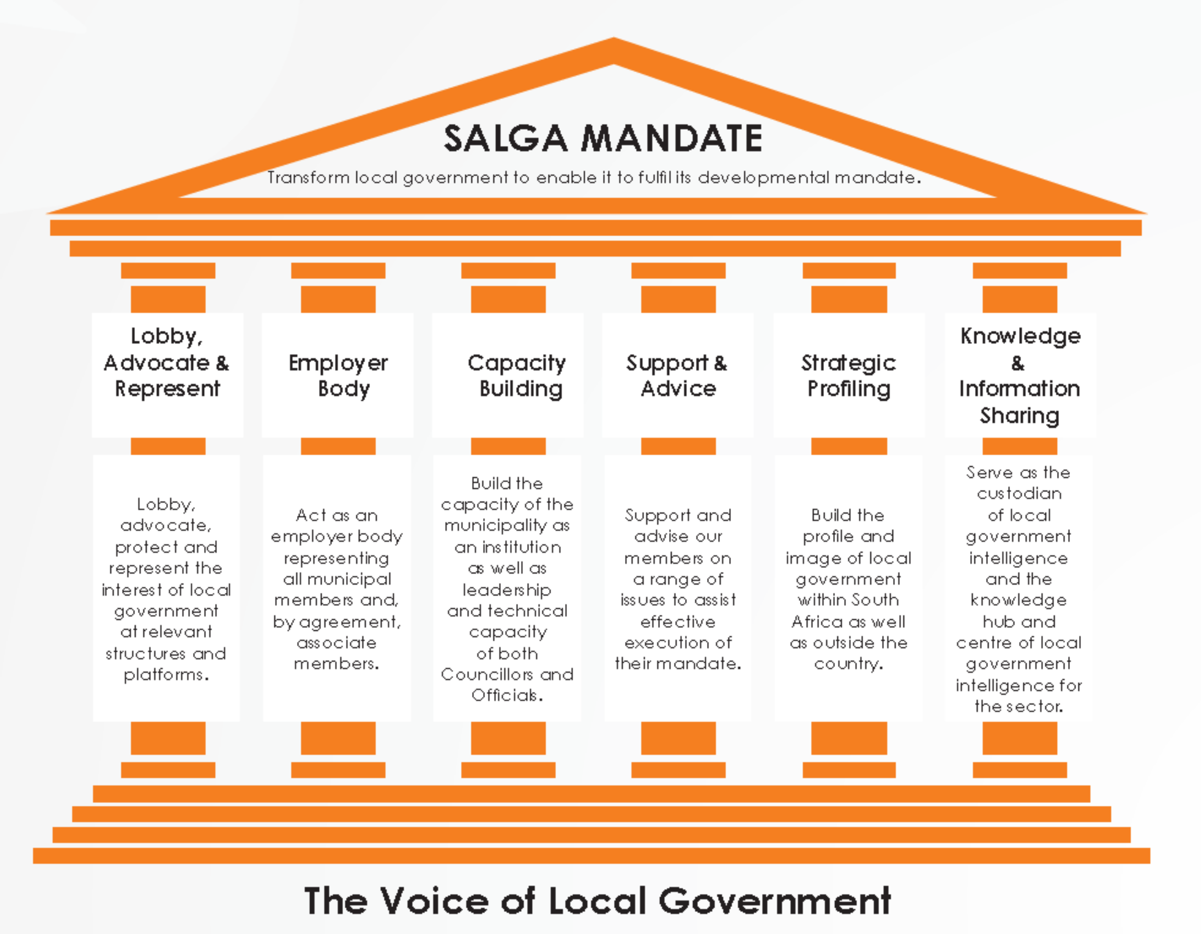
c) **Capacity Building** refers to facilitating capacity building initiatives through among others; representing member interests in the Local Government Sector Education Authority (LGSETA). SALGA strives to facilitate a coherent, well-co-ordinated capacity building programme for municipal councillors and officials.

d) **Support and Advice** refers to the provision of tools and services that enable municipalities to understand and interpret trends, policies and legislation affecting Local Government and to implement the said policies and plans

e) **Strategic Profiling** of Local Government refers to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling focuses within South Africa, the African continent and the rest of the world.

f) **Knowledge and Information Sharing** refers to building and sharing a comprehensive hub of Local Government knowledge and intelligence that will enable informed delivery of other SALGA mandates. The knowledge hub is also a useful reference point for all who seek Local Government information.

Diagrammatically the mandate is depicted as follows:



3. PURPOSE

The purpose of this document is to call for proposals from Service Providers to form part of the SALGA Panel of Innovation and Solutions whose key mandate will be to propose value-add solutions intended to improve service delivery at municipalities as a primary objective, and secondarily offering innovative products and solutions that would generate alternative sources of funding for SALGA and municipalities.

4. LOCAL GOVERNMENT CONTEXT

The Constitution of the Republic of South Africa (1996) established three distinctive, interdependent and interrelated spheres of government. Section 152 of the Constitution of the Republic of South Africa, 1996 calls for national and provincial government to support local government, while Section 163 recognises Organised Local Government (OLG) as the legitimate voice of local government. The Constitution further outlines the following objectives of Local Government:

a) Provide local communities with democratic and accountable government
b) Ensure the provision of services to communities in a sustainable manner
c) Promote social and economic development

d) Promote a safe and healthy environment
e) Encourage the involvement of communities and community organisations in the matters of local government.

Resulting from the OLG Act, 52 of 1997, the White Paper on Local Government was written and adopted as a new policy for local government. This White Paper lay the foundation for a post-apartheid system of local government as one of the most important policy statements on the role of local government. Adopted before promulgation of any local government legislation, the White Paper built on the objectives of local government and recognised SALGA as the body established by the OLGA. According to the White Paper, SALGA is required to:

- Make provision of specialised services to strengthen capacity of LG;
- Research and information dissemination;
- Facilitate shared learning between municipalities.

Further, the Municipal Systems Act, 2000 (Section 3), provides that SALGA must seek to:-

- develop common approaches for local government as a distinct sphere,
- find solutions for problems that relate to local government generally,
- enhance co-operation; mutual assistance & sharing of resources between municipalities, and
- Facilitate compliance with the principles of cooperative governance & intergovernmental relations.

SALGA, as the fully recognised Organised Local Government Association, fulfils six mandates towards the transformation of local government. The most popular of these mandates, directed by the largest number of key performance indicators in the SALGA Annual Performance Plans, is that of providing support and advice to local government.

The environment within which local government operates is dynamic and determined by both internal and external factors. Added to such dynamic challenges, local government continues to be plagued by fundamental issues that impact on its ability to operate efficiently and effectively. Some of these fundamental pressures are internal to municipalities, such as institutional capacity constraints while others are external. The external factors include amongst others, economic pressures and changes in the policy environment.

In line with its mandate, SALGA is required to be responsive to the dynamic challenges and requirements faced by its members, at the same time understanding and tackling key fundamental pressures faced by local government and provide solutions, generally to solve the sectors challenges. Business Development, a newly established function with focus on commercialized activities/solutions, is a fundamental component of SALGA’s strategy adopted to achieve its abovementioned objectives. SALGA seeks to explore opportunities of extending the current package of service offerings beyond its core mandate areas with commercial services that are service-delivery orientated. The provision of value-added services is therefore intended to improve service delivery at municipalities as a primary objective, and secondarily offering innovative products and solutions that would generate alternative sources of funding for the organisation.

4. LOCAL GOVERNMENT CHALLENGES

SALGA's objective and thrust is to become a Centre of Excellence and Innovation in the sector. To achieve this strategic thrust the organisation ought to improve its value proposition to its members. Municipalities are faced with various challenges that often require tailored and/or agile solutions which the market either does not have or in many situations are not diagnosed and tailored properly. The position that SALGA occupies in the sector puts the organisation in a very unique vantage point of understanding, at a subtle level, the pervasive challenges in the sector; this proximity provides the organization with an advantage over distant potential suppliers. SALGA has always been empowered by legislations to provide solutions, generally, to challenges that municipalities encounter.

Globally, people are moving to cities and live in urban areas – the UN predicts for 68 per cent of the world's population to live in urban areas by 2050. Today, the majority of people 55 per cent of the world's population live in urban areas. Projections show that the gradual shift in urbanized residence of the human population from rural, another 2.5 billion people to urban areas can be added through population growth by 2050, with close to 90 per cent taking place in Asia and Africa. Some municipalities in South Africa, such as the City of Johannesburg, City of Tshwane, City of Cape Town, eThekwini, etc., are already experiencing migration patterns both internally and externally.

This therefore, demonstrates that our cities are facing growing environmental, societal, and economic challenges. However, technology can overcome some of these challenges and make cities a better place to live, but the divide between technology development and the growth rate and management thereof becomes too big that may lead to disruptive behaviour. For South Africa, the predictions have devastating implications as Western Europe's population growth declines, while it will increase rapidly in southern Africa with a specific focus on South Africa.

The outbreak of Covid-19 during late 2019 and the necessary isolation of most individuals in the workforce has forced organisations to increasingly depend on technology to connect people virtually to each other and their data and processes in the work environment. Technology consistently changes organisations and how people work within an organisation. Where the last wave of technology innovation concentrated on social interacting, the next wave (already in process) concentrates on ubiquitous computing, giving us the "Internet of everything" (ibid) where various technologies, processes and people are interconnected or networked. The execution of an aligned strategy should be everybody's job to achieve the business's goals and outcomes. Municipalities are the hardest hit and some finding it difficult to function during the lockdown process and some services are still manually operated.

Technology was and is a crucial driver for innovation and sustainable growth as the world faces the era of pandemics. New technologies like blockchain accelerated to help people cope with changes in our environment. As Covid-19 has vaulted five years forward in consumer and business digital adoption in matters of months, 75 per cent of people using digital channels indicated that they would continue to use them after the pandemic, indicating that digital platforms will have to be on par with others in the same business.

Furthermore, a number of large economies have seen downward trends in adequacy of skill sets of all graduates in recent years (among them, India, South Africa, United States and Germany) while others such as Korea, Saudi Arabia, Turkey and China have improved their scoring. Similarly, the adequacy of tertiary education to meet the needs of employment is rated at 68 points (out of 100) in advanced economies and 55 points in emerging and developing economies. In the aggregate, these figures have seen little change over the past years. The ability to find skilled employees has declined across advanced economies by 7% relative to 2016, while improving across developing economies by 3%. Of note is the particular shortage in digital skills as technology continue to disrupt labour markets, especially during Covid-19 with the trend to work remotely. Municipalities especially in the rural areas often have to develop programmes and services to support the unemployed youth in terms of reskilling or creating platforms for business opportunities. This requires key partnerships with the business communities to create such platform such as CSI projects that might be beneficial to the municipalities, communities and the business.

The International Monetary Fund noted that even before Covid-19, the world had reached unsustainable levels and some countries in the midst reached 120 per cent of GDP in public debt. GDP declined since the 1960s. Global debt is three times more than global GDP. As with the US, China is evolving into the same trends, with a more significant debt curve. The three most advanced economies – the US, Europe and Japan will take many years of public and private deleveraging and structural reforms to overcome the situation. And given the South African debt situation and low economic growth the country is in a far worse position that will require cost effective innovations to address our many challenges. A Chinese crisis may trigger a further global slowdown. As China needs commodities, many emerging markets could provide them.

Unfortunately, the emerging markets fell back since 2015. India, Brazil, Italy, and Spain were worst hit by Covid-19. People left the cities and went back to rural villages, and the world one has seen one of the greatest inner migrations the world has seen. China may use Africa as the next board spring, and this could see a growth rate between 6-8 per cent in East African countries. As it may, the Asian GDP in 2020 would be, for the first time, be higher than the rest of the world. In terms of the fourth industrial revolution, Asia is conquering the dominant position in the world, from the Internet of Things, artificial intelligence to smart cities. The G7 dominance is coming from something of the past. The onslaught of COVID-19 and stimulus measures increased public debt globally that was already high before the pandemic.

Debt in South Africa has increased significantly since the end of 2019. The government budget deficit was reportedly overshooting due to major shortfalls in tax revenue and high spending in the areas of debt-servicing costs, education, and defense. In this regard, government was cautioned by OECD to prioritize expenditure. Despite the widening deficit supporting short-term growth by partially sustaining household consumption through social grants, the rising debt makes consolidation imperative to maintain market confidence. Local government is not immune to these challenges.

The government remains committed to supporting firms and households despite limited fiscal space. The COVID-19 loan guarantee scheme (ZAR 18.1 billion or 0.4% of GDP guaranteed by the end of March) has been extended for three months up to July 2021. The special COVID-19 social relief of distress grants for low-income households and the temporary employment relief scheme have been extended for an additional three months. Spending of the public employment initiative has been increased by ZAR 11 billion (0.2% of GDP) in 2021/22. Implementing the government’s infrastructure investment plan is essential to lift growth potential, requiring better prioritization of spending. Unlocking electricity production will be key to lifting production bottlenecks and restoring confidence.

Based on the international and local perspective outlined above it is clear that SALGA as the leader in local government cannot rest on its laurels and is required to respond through exploration of the all potential solutions that could assist the sector.

There are inadequate sector-based cutting-edge research programmes aimed at unlocking potential zones for advancing Local Economic Development (LED) programmes and to also provide an inclusive platform for all role players to ensure maximum participation.

South Africa is expected to concentrate on the following five priorities to accelerate economic growth:

- Competition and regulation: Remove barriers to competition and lift regulatory restrictions.
- Competition and regulation: Reduce barriers to entrepreneurship.
- Infrastructure: Improve infrastructure to boost growth.
- Education and skills: Raise quality and equity in education.
- Environmental policy: Green energy policy to limit environmental impact.

Overall, there has been some progress in audit outcomes. Disclaimers reduced from 40% during 2008/09 to 14% in 2018/19. Unqualified audit opinions rose slightly from 41% in 2008/09 to 43% in 2018/19 dropping from 63% in 2015/16. Municipality's not reporting on-time has increased to 11% during 2018/19.

Further to these audit outcomes, municipalities are in serious debt and the ESKOM debt alone is R26, 5 billion and to the water boards R14, 9 billion. Although debt to municipalities by organs of state is R10, 2 billion, one needs to look at the systemic reasons going deeper into prevailing statistics, which includes:

- Constant changes in legislation and circulars
- Accounting standards are onerous
- Rate collection
- Unfunded and under-funded mandates
- Electricity and Water CPI increases
- Capacity building inclusive of training endeavours
- Leadership
- IGR is failing the system
- MPAC's role is not executed

SALGA has been at the forefront of discussions at the Presidential Coordinating Commission (PCC) to look at alternative ways of resolving the battle between municipalities and ESKOM. Further, SALGA is also looking at alternative sources of energy for communities that can alleviate the burden at municipal level.

The above global and local context indicates that economic growth and GDP will decline across the globe and that the SA government will not be left un-affected. The pressure exerted on the fiscus will invariably trickle down to municipalities and ultimately impact on the SALGA main funding, which is membership levies. SALGA is required to be agile and re-look at innovative ways to fund the organization away from membership levies which can be seen as funding from the state, be it municipalities through levies, or tax collections from the annual COGTA grant. All efforts that are geared towards decreasing dependency on state funding should thus be encouraged and SALGA's Business Development is an initiative that seeks to look at the sector municipalities as an asset base from which SALGA can deploy solutions that are efficient and also lead to the organization generating value therefrom, which will ultimately lessen the dependency if the organization funding on monies from the levies.

Tied to the above challenges facing the sector and apparent areas that require solutions, SALGA also needs to assist municipalities in unlocking efficiencies through the provision of viable solutions that can be deployed in the sector to improve service delivery as the main objective while simultaneously benefiting SALGA towards improving its own sustainability challenges. One of SALGA's identified strategic risk is the over-reliance of the organization on membership levies as well as the fact that, SALGA is not positioned to take up commercial opportunities that could be deployed in the sector for its members' benefits i.e. improving service delivery for benefit of communities and secondarily benefit the organization through alternative revenue sources. SALGA's reliance on membership levies has been as high as ninety percent of total revenue for several years and the advent of Covd-19 will further worsen if not maintain this trajectory. It has therefore become imperative for SALGA to review its own sustainability while responding to its legislated mandate and this means being in the forefront to drive implementation of cutting edge solutions that cut costs and benefit the whole sector through the improvement of service delivery.

The approach that SALGA is taking towards the expansion of its revenue sources with the view of creating diversifications is in line with international best practice. SALGA sister organisations in the world e.g. Canada, United Kingdom, Australia etc. have long adopted solutions-provision to members as a way of funding their organisations and while simultaneously generate value for members and addressing service delivery imperatives. The South African local government landscape can greatly benefit from a highly professional solution-provision from their own organisation; e.g. the area of procurement does not only present an opportunity of leveraging the economies of scale for the sector and individual members but it also presents an opportunity that address some of the perennial problems highlighted by the Auditor General of SA plaguing the municipalities and resulting in irregular and wasteful expenditure coupled with negative audit findings.

5. SALGA'S CONTEXT TO LOCAL GOVERNMENT CHALLENGES

Local government has just celebrated its twenty-five years of existence and twenty years of democratic local government. While there are a number of gains that the sector is celebrating, there are equally a number of existing challenges that continues to distort the performance of local government. Further, COVID-19 has also brought in further challenges for local government.

SALGA has contextualized these into four interlinking challenges aligned to the current strategic plan:

5.1 Capabilities, governance and leadership

While there has been improvements in the local government, capabilities, governance and leadership, the has been however, other parts of municipal governance and leadership that are weakened by poor oversight, limited consequence management, instability at senior management levels, and a lack of skills which undermine service delivery and transformation at the local sphere.

5.2 Spatial transformation and inclusion

Twenty-five years later, the sector still continues to face challenges in relation to spatial transformation and inclusive communities. The depressed economic conditions, increasing impact of climate change, regressing social cohesion, poor coordination in planning, access to land, bulk services, limited decentralisation in housing delivery, transport challenges and safety and security are some of the causes that SALGA must be look for solutions or interventions to address.

5.3 Fiscal policy and financial management

Municipalities are increasingly in financial distress due to many factors such as increase in the cost of services (tariffs), decrease in revenue collection, supply chain management inefficiencies, and irregular, fruitless, and wasteful expenditure, low revenue bases, high levels of unemployment & poverty. With the implications of COVID-19, municipalities are in even greater financial distress. While this affects municipalities at this stage, the risk of SALGA's inability to recover revenue from municipal levies continues to grow.

5.4 Service delivery and infrastructure

There is an increase in coverage of basic services while municipalities are under pressure from widening funding gap for infrastructure, poor life cycle asset management, maintenance and effective project implementation, as well as lack of technical capabilities.

6. INVITATION FOR INNOVATION AND SOLUTIONS FOR SALGA AND LOCAL GOVERNMENT

SALGA, seeks to explore the opportunities of extending the current package of service offerings beyond core mandate areas with commercial services that are service-delivery orientated. As a primary objective, the provision of Value-Added Services is intended to improve service delivery at municipalities and offering innovative products and solutions that would generate alternative sources of funding for the organization. The solutions received will be placed in SALGA Solutions-Panel wherein SALGA could explore, utilize, or deploy at municipalities.

In reviewing and improving SALGA's current services and performance the first strategic questions is:

- How the membership appreciates SALGA's current services, its achievements, to what extent these achievements,
- According to the members has there been a positive impact on daily local government operations and
- To what extent do we meet the needs and expectations of the members?

As service delivery related priorities for the future SALGA's leadership has identified the following:

- 'Reviewing and investigation on the package of service offerings that can be offered to members beyond core mandate areas'.

- 'Innovatively explore the extraction of commercial value from brand SALGA for the benefits of members'.

In effect of the above, SALGA shall drive a process of identifying services that are as close as possible to SALGA's core services (low image affect):

- Exploit and leverages the economies of scale for the sector through targeted areas where the sector could increase and improve its bargaining power in the purchasing space.
- Leveraging technology and innovation and the advent of 4IR that has put emphasis on Big Data and technologies like 'Blockchain' and its diversified benefits that could assist the sector.
- Are covering common member needs and have a pervasive element.
- Are demanded by specific groups within the membership (offer differentiation e.g. for metros, rural municipalities, local governments facing traditional leaders, etc.)
- Include controllable financial and entrepreneurial risks
- Require a minimum of initial investments but result in big impact on delivery
- Offer concrete additional income generating perspectives and cost efficiencies for SALGA and the member municipalities.
- Fit in the 'best deal approach'

7. SCOPE OF SERVICES

i. SALGA seeks to request for proposals for solutions from various service providers with the aim to deploying these in the local government sector in order to resolve pressing challenges in the sector which impede service delivery.
ii. The primary purpose of sourcing these solutions is to address the service delivery challenges and package these solutions into viable to both earn revenue for SALGA and assists in solving challenges of municipalities in the sector.
iii. The secondary objective is to partner with these solutions providers on a revenue share basis or commercial basis to ensure that SALGA is able to mitigate the risk it currently faces of un- diversified revenues.
iv. The approved solutions would be placed on SALGA preferred solutions database where municipalities together with SALGA could introduce or implement these solutions in municipalities through a tripartite relationship.

In responding to this process, the service providers shall-:

v. Clearly describe the problem in local government/SALGA that hinders effective service delivery which their solution seeks to resolve. Possible problems must not be limited to SALGA's 6-pillar-mandate;
vi. Clearly outline the proposed solution(s) regarding how to resolve the identified problem;
vii. Provide a situational analysis of the identified problem (including, technical, legal and financial aspects); and
viii. The solutions sought should be complete and fit for deployment or already used in business.

In order to assess the responses, a phased approach process has been agreed upon. Service providers are encouraged to familiarize themselves with the evaluation criteria and ensure that their proposals are addressing relevant areas which includes:

8. BIDDER REQUIREMENTS

The bidder will be expected to demonstrate technical ability and capacity to undertake an assignment of this complexity.

Minimum requirements

The following requirements are crucial -under the above scope of service:

a) Comprehensive Company profile with emphasis on the solution that is being proposed

9. APPOINTMENT, COMMENCEMENT AND DURATION

The appointed bidder is anticipated to commence the work upon appointment **on an as-and-when required basis over a three-year period, with an option to extend for a further two years.**

Acceptance of any bid does not mean that work is guaranteed for the duration of the contract.

10. INSTRUCTION TO BIDDERS

10.1 General Instructions

This document constitutes a Request for Proposal (RFP), which specifies SALGA's requirements for the request for expression of interest: proposals for innovation and solutions to improve service delivery within local government. The information contained herein provides a format to facilitate bidder's responses to this RFP. It is important that the format be followed closely to help maintain the decision-making. Responses must be presented in the same order as the requirements appear, section by section, and numbered accordingly, with acknowledgement of all clauses. All pricing information should be fully disclosed with all charges clearly defined, i.e. a per unit fee based on activity.

10.2 Objectives

SALGA's calls for the appointment of a panel of established executive search agencies to provide recruitment, response handling and headhunting services for all positions "on an as and when required basis" over a three-year period.

10.3 Terms of Contract

The period of appointment to the panel is initially for a period of 36 months which may be renewed and extended by SALGA, for further periods up to 60 months, should the services prove to be of valuable and viable for both SALGA and municipalities. SALGA reserves the right within this period to go to market through and issue an invite for more solutions that would also be included in the panel of solutions that the organization can explore with the objective of utilizing or deploying at municipalities.

10.4 Questions during Proposal Process

Any enquiries regarding this RFP should be directed to **Nokwanda Msomi**, Senior Buyer: SCM at scm@salga.org.za , located at the SALGA National Office – 012 369 8000. Questions will only be taken up to four days prior the closing date.

Bidders finding apparent discrepancies or omissions in the RFP should notify Acting Head: Supply Chain Management at lmathe@salga.org.za at once. Bidders may during the bidding period, be advised by Addenda, of any additions, clarifications, deletions or alterations to these specifications. All such changes should be covered by the bidder's proposal. Information used in the preparation of a proposal from other than this RFP and any written addenda (considered as the proposal documents) will not be considered as valid or official.

No further addenda will be issued by SALGA after 11:00 am, ***seven*** business days prior to RFP closing without providing an extension of time.

10.5 Submission of Proposal

Submit one original of the proposal together with an electronic version in a USB memory stick, in sealed opaque envelope/ box and clearly marked RFP Response –**SALGA 99/2021: REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF INNOVATION AND SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT**

Physical address:

South African Local Government Association (SALGA)
Menlyn Corporate Park
Block B; 175 Corobay Avenue
Corner Garsfontein & Corobay Avenue
Waterkloof Glen ext. 11
PRETORIA
0181

Attention: Mr Lesley Mathe
Senior Manager: SCM

i. Proposals will be received at the reception desk on the first floor, during regular business hours only, up to 11h00 am on the closing date. Late submissions will not be accepted.

ii. Bidders remain solely responsible for the method of conveyance of their proposal to the receiving point. Fax transmissions or any other electronic communications are not acceptable.

iii. SALGA will not be responsible for any costs incurred by the bidders associated with the preparation of responses to the RFP.

iv. Proposals received past the time stated above will not be considered, and will be returned to the bidder unopened.

v. Proposals will not be opened in public.

vi. All proposals will remain in force and will be irrevocable for **hundred and twenty days** after the proposal closing.

vii. Proposals shall be stipulated sums without escalator clauses or other qualifications.

10.6. Contract Award

SALGA reserves the right to accept any proposal submitted, or reject all proposals.

Any proposal submitted, that is not in complete compliance with the requirements of the proposal documents may be accepted or disqualified, at the option of SALGA.

10.7 Termination of Contract

SALGA reserves the right to terminate the agreement with 30 days written notice to the winning bidder subject to the following:

10.7.1 the winning bidder fails to perform in accordance with the specified service requirements as set out in the RFP;

10.7.2 the winning bidder fails to provide project deliverables as defined **above** without written explanation;

10.7.3 the winning bidder otherwise violates the provisions of the RFP to a substantial degree.

10.8 Liability

SALGA will not be held liable for any actions of the winning bidder and/or its employees.

10.9 Important Dates

Please note that some of the dates are based on estimated project timeframes.

11. CONDITIONS OF BID (FAILURE TO MEET ANY OF THE REQUIREMENTS BELOW MAY RENDER YOUR BID PROPOSAL NON-RESPONSIVE)

a. The requirement for content of the project proposal section below outlines the information that must be included in bid offers. **Failure to provide all or part of the information may result in your bid being excluded from the evaluation process.**

b. 11.2 A contract will be signed with the appointed Bidder.

c. 11.3 The Bidder will be required to sign confidentiality and indemnity agreements with SALGA.

d. 11.4 SALGA may at its own discretion vary an instruction to include more work.
e. 11.5 Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal.
f. 11.6 In the event that any conflict of interest is discovered during the assignment, SALGA reserves the right to summarily cancel the agreement and demand that all the information, documents and property of SALGA be returned forthwith.
g. 11.7 SALGA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its project proposal.
h. 11.8 Bidders shall not make available or disclose details pertaining to their project proposal with anyone not specifically involved, unless authorized to do so by SALGA.
i. 11.9 Bidders shall not issue any press release, social media or other public announcement pertaining to the details of their project without the prior written approval of SALGA.
j. Bidders are required to declare any conflict of interest they may have in the transaction for which the bid is submitted or any potential conflict of interest. SALGA reserves the right not to consider further any bid where such a conflict of interest exists or where such potential conflict of interest may arise.
k. 8.11 The bid offers and proposals should be valid and open for acceptance by SALGA for a period of 120 days from the date of submission.
l. 8.12 Bidders are advised that submission of a project proposal gives rise to no contractual obligations on the part of SALGA.
m. 8.13 Disputes that may arise between SALGA and a bidder must be settled by means of mutual consultation, mediation (with or without legal representation) or, when unsuccessful, in a South African court of law.
n. 8.14 In addition to adherence to the specific terms and conditions of proposals, provided in this document, the bidder shall be bound by the provisions of the General Conditions of Contract attached hereto, an originally signed copy of which must be submitted together with all other bid documentation.
o. 8.15 All returnable bid documents must be completed in full and submitted together with the bidder's proposal.
p. 8.16 SALGA will not be liable for costs incurred during the site visits or any other cost related to the submission of the bid.
q. 8.17 Completion of the Standard Bidding Documents stated herein below is **mandatory**, failure to do so **may** render your bid offer invalid.

12. Standard Bidding Forms

12.1. Preference Points Claim form

Form SBD 6.1 - Bidders must complete this document in full, special attention must be given to section 8 and 9. They must be completed on the original and signed.

12.2. Declaration of Interest

Form SBD 4 - Bidders must complete this document in full. They must be completed on the original and signed.

12.3. Declaration of past Supply Chain Management Practice

Form SBD 8 - Bidders must complete this document in full. They must be completed on the original and signed.

12.4. Certificate of Independent Bid Determination

Form SBD 9 - Bidders must complete this document in full. They must be completed on the original and signed.

13. PRE EVALUATION CRITERIA

The pre-evaluation criteria will be designed in three different stages to allow for a screening process prior to the functionality evaluation and the approval process.

13.1 Stage 1: Screening

- Compliance assessment
  - o Alignment of the proposal to the TOR requirements
    All proposals will be assessed to ensure that they fully comply with the requirements as outlined in the Terms of Reference.

Criteria	Value	Score
1. The company profile – Clearly provide details of the company and ownership		
2. The company experience in the field – clear indication of how long has the company been in existence and how long has the company utilized/developed the proposed solution		
3. Category of the proposed solution – the category of the solution is clearly described and if not in any of the listed categories		
4. Does the solution have novelty and potential of resolving issues in the sector		

  - o Compliance with all SCM processes
    The company meets all the SCM legislative requirements as outlined in the bid document.

13.2 State 2: Panel, Presentation, and Evaluation criteria

Bids should be evaluated in accordance with the Preferential Procurement Regulations, 2017, using the 80/20 split. The 80/20 preference points system applies for acquisition of goods or services for Rand value equal or above R30 000 and up to R50 million. In this particular process, consideration for this shall be done in the second stage of bidding process.

Firstly, the assessment of functionality will be done in terms of the evaluation criteria and the minimum threshold value of 70 points. A bid will be disqualified if it fails to meet the minimum threshold value for functionality as per the bid invitation.

A Bid Evaluation Committee will review and evaluate the proposals. Bidders may be invited to present their proposal for the purpose of providing clarification and answers to questions by the committee. If presentations are necessary they will be made on the date, time and location to be confirmed.

A recommendation for the awarding of the contract will be made at the meeting of the Bid Adjudication Committee to be confirmed, where applicable.

For functionality, the following criteria will be applicable and the maximum value of points breakdown for each criterion using these scale level descriptors:

SCALE LEVEL DESCRIPTIONS	RATING
No relevant response or information given to enable evaluation	0
Very poor response based on expected standard	1
Poor response based on expected standard	2
Average response based on expected standard	3
Good response based on expected standard	4
Excellent response based on expected standard	5

Criteria	Points Allocation
1. The product/solution addresses the relevant and practical challenges/needs faced by the Local Government Sector clearly stating the challenge being addressed **5** = Practical challenges faced by the sector are clearly and comprehensively outlined with practical examples being cited and located to specific areas. And linkage in provided how this solution will address these challenges. **4** = Practical challenges faced by the sector are clearly and comprehensively outlined with practical examples being cited and located to specific areas **3** = Some challenges faced by the sector which could possibly be resolved by the solution are identified with conceptual linkages **2** = Minimal challenges identified with minimal or no linkages **0** = No challenges identified	**30**
2. The product/solution has been allocated to in the categories outlined in the bid document. **5** = The product/solutions aligns with the outlined categories in the bid document and has been clearly linked to a category or categories and its practical applicability clearly outlined to that category/ies. Provision of some practical application is also indicated regarding the applicability in the said category. **4** = Allocation made to a category or categories where the product is applicable practical challenges faced by the sector are clearly and comprehensively outlined with practical examples being cited and located to specific areas. **3** = Some allocation is made although it does not perfectly fit the category assigned to.	**10**

2 = Incorrect allocation of a solution to a category or random application of the solutions all categories. **0** = No allocation made	
3. The product/solution is new to the market, the local government sector and ground-breaking in nature. **5** = The product is new and has not been used in the sector or used in a very limited and its introduction has the e probability of significantly adding value in the sector. **4** = The product has been used in the sector however it has been significantly tweaked to respond more to challenges of the sector. **3** = The product is already in sector and used with good returns that could be further extended for better reach. **2** = The product in deployed in the sector Minimal challenges identified with minimal or no linkages **0** = No challenges identified Letters of reference and evaluation of clients of the products is already deployed in the sector will be advantageous in the above point allocation and bidders are encouraged to procure such testimonials where they exist.	**20**
4. The product/solution is a subject of a patent or copyright or a subject of any immaterial property right. Provide details **5** = Is the solution/ product a subject of an issued patent whether is SA or internationally. Does the solution currently not possess a substitute Can the solution/product be extended beyond the borders of the country to possibly SALGA partners aboard when required **4** = Is the solution in the process of acquiring a patent and with some protection pending such a process. Cleary outlining where the process is in the bid document. **3** = The solution/product subjected to some form of immaterial propriety applicable to the solution although not an issued patent clearly described in the bid document. Or some of competitive protection through licensing of any sort. **2** = No score to be allocated **0** = No protection of the solution in any way	**10**
5. The product/solution is scalable and viable for the sector and other sectors **5** = Can the solution/product be extended beyond the borders of the country to possibly SALGA partners aboard when required The product is new and has not been used in the sector or used in a very limited and its introduction has the e probability of significantly adding value in the sector. **4** = The product has been used in the sector however it has been significantly tweaked to respond more to challenges of the sector. **3** = The product is already in sector and used with good returns that could be further extended for better reach. **2** = The product in deployed in the sector Minimal challenges identified with minimal or no linkages	**10**

0 = No challenges identified	
6. What level of Human Resources does it take to implement the product/solution or to operationalise? **5** = No human resources will be required as the solution is based on automation and as such will not require a huge amount of Human resources to operate. **4** = Minimal human intervention will be required in order to operationalise the solution. **3** = Some human will continuously be required from the side of the customers in order to ensure the solution effectively operates. **2** = The solution cannot operate without huge investment of human resources from the side of the customer in order to ensure that the solutions operates as intended. **0** = No score will be allocated at this level	**10**
7. Is the product/solution, a South African product/solution or is it designed/manufactured elsewhere? **5** = The solution is fully developed and owned by South Africans No human resources will be required as the solution is based on automation and as such will not require a huge amount of Human resources to operate. **4** = The solution is imported by fully owned/bought by South Africans and not developed in South Africa. **3** = The solution is not South African but licensed to a South African company. **2** = No scoring will be allocated. **0** = No score will be allocated at this level	**10**
Total for Functionality	**100**
Threshold	**70**

The 80/20 points system will be used when evaluating in the second stage of the Request for Proposal.

The remaining 20 points will be allocated in terms of Regulation 6(2) and 6(3) of the Preferential Procurement Regulations, 2017, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

Phase 2 of evaluation will include the sum of the two criterions below:

CRITERIA	WEIGHT
Functionality score	80
B-BBEE status level of contribution	20
TOTAL	**100**

Bidders must submit proof of their B-BBEE status level of contributor.

A bidder failing to submit proof of B-BBEE status level of contribution or is a non-compliant contributor to B-BBEE may not be disqualified but may only score points out of 80 for price, and score 0 points out of 20 for B-BBEE.

14 GENERAL CONDITIONS

The following should be noted by interested parties:

- Intellectual property and ownership of all materials and products developed in the execution of the contract will be vested in SALGA.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.
- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.
- SALGA may at its own discretion vary this instruction to include more scope / work or to exclude work/service areas. In the case of the latter, the bidder shall not be entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.
- All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the bidder shall be required to sign an agreement of confidentiality.
- SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however the bidder should be able to submit a proposal on the lay-out of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The bidder shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- SALGA reserves the right not to award the bid to any bidder at its own discretion.
- Materials and products may not be made available to any unauthorized person or institution or sold for profit without prior written consent from SALGA.
- On completion or termination of the agreement, all materials and products must be handed over to SALGA.
- No information concerning the tender or award of the tender may be made available by the bidder to other parties without prior consultation and written approval from SALGA.

- SALGA may at its own discretion vary this instruction to include more scope / work or to exclude work/service areas. In the case of the latter, the bidder shall not be entitled to claim for any work not required and may engage SALGA on the pricing of the additional work/ service proposed.
- All copyright and intellectual property rights that may result as a consequence of the work to be performed shall reside with SALGA and the bidder shall be required to sign an agreement of confidentiality.
- SALGA may dictate the framework in which documents (policies, plans, report etc.) shall be submitted; however, the bidder should be able to submit a proposal on the lay-out of his/her choice for consideration by SALGA.
- SALGAs (general conditions of bid, contract and order) shall be applicable to this bid.
- The bidder shall be required to conclude and sign a Service Level Agreement (SLA) after the appointment.
- SALGA reserves the right not to award the bid to any bidder at its own discretion.

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)					
BID NUMBER:	SALGA/99/2021	CLOSING DATE:	13 DECEMBER 2021	CLOSING TIME:	11:00am
DESCRIPTION	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA) HEREBY REQUEST FOR EXPRESSION OF INTEREST: PROPOSALS OF INNOVATION AND SOLUTIONS TO IMPROVE SERVICE DELIVERY WITHIN LOCAL GOVERNMENT				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX
SITUATED AT *(STREET ADDRESS)*

SALGA NATIONAL OFFICE, FIRST FLOOR, BLOCK B, MENLYN CORPORATE PARK, C/O GARSFONTEIN AND COROBAY AVENUE, WATERKLOOF GLEN

SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	☐ Yes ☐ No	
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	☐	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	☐	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			
	☐	A REGISTERED AUDITOR			
		NAME:			

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER	………………………………	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	

FACSIMILE NUMBER		E-MAIL ADDRESS	
E-MAIL ADDRESS			

PART B
TERMS AND CONDITIONS FOR BIDDING

1.	BID SUBMISSION:
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE
1.3.	BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.4.	WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.
1.5.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
2.	TAX COMPLIANCE REQUIREMENTS
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
2.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3.	QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS
3.1.	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ 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.

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: ……………………………………………………………………………………QUOTATION NO.: SALGA/99/2021

CLOSING TIME 11:00 ON 13 DECEMBER 2021

OFFER TO BE VALID FOR …120…DAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY INCLUSIVE OF VALUE ADDED TAX

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of VAT for the project. R………..………………….……………………………...

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION

PERSON AND POSITION	HOURLY RATE	DAILY RATE
---	R-----------------------------	--------------------------------
---	R-----------------------------	--------------------------------
---	R-----------------------------	--------------------------------
---	R-----------------------------	--------------------------------
---	R-----------------------------	--------------------------------

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

---	R-----------------------------	-------------------------- days
---	R-----------------------------	-------------------------- days
---	R-----------------------------	-------------------------- days
---	R-----------------------------	-------------------------- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
--	……………....	……………..	R………………..
--	……………….	……………..	R………………..
--	……………….	……………..	R………………..
--	……………....	……………..	R………………..

TOTAL: R………………………………………………….

Quotatio No.: ……………………………………

Name of Bidder: ………

5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
--	……………….	……………..	R………………..
--	……………….	……………..	R………………..
--	……………….	……………..	R………………..
--	……………….	……………..	R………………..

TOTAL: R………………………………………………….

6. Period required for commencement with project after acceptance of bid …………………………………………………………………….
7. Estimated man-days for completion of project …………………………………………………………………….
8. Are the rates quoted firm for the full period of contract? …………………………………………………………………….
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index. …………………………………………………………………….

…………………………………………………………………….
…………………………………………………………………….
…………………………………………………………………….

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Mr. Lesley Mathe

Tel: (012) 369-8000
scm@salga.org.za

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel: (012) 369-8000
Mr. NkosanaMakate
scm@salga.org.za

ANNEXURE B

SBD 4

DECLARATION OF INTEREST

1. Any legal person, including persons employed by the state[1], or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes an advertised competitive bid, a limited bid, a proposal or written price quotation). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

   - the bidder is employed by the state; and/or

   - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

2. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

2.1 Full Name of bidder or his or her representative: ……………………………………………………….

2.2 Identity Number:………………………………………………………………………………………………..

2.3 Position occupied in the Company (director, trustee, shareholder[2], member): ……

2.4 Registration number of company, enterprise, close corporation, partnership agreement or trust: ……………………………………………………………………..……………..…………………………………

2.5 Tax Reference Number: …………………………………………………………………………………

2.6 VAT Registration Number: ……………………………………………………………………………....

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / PERSAL numbers must be indicated in paragraph 3 below.

[1] "State" means –
(a) any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
(b) any municipality or municipal entity;
(c) provincial legislature;
(d) national Assembly or the national Council of provinces; or
(e) Parliament.

[2] "Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

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

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member: ……....………………………………
Name of state institution at which you or the person connected to the bidder is employed : ………………………………………
Position occupied in the state institution: ………………………………………

Any other particulars:
………………………………………………………………
………………………………………………………………
………………………………………………………………

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

2.7.2.1 If yes, did you attach proof of such authority to the bid document? YES / NO

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

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

…………………………………………………………………….
…………………………………………………………………….
…………………………………………………………………….

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

2.8.1 If so, furnish particulars:
…………………………………………………………………..
…………………………………………………………………..
…………………………………………………………………...

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

2.9.1 If so, furnish particulars.
……………………………………………………………...

…………………………………………………………………
…………………………………………………………………

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

2.10.1 If so, furnish particulars.
…………………………………………………………………
…………………………………………………………………
…………………………………………………………………

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract? YES/NO

2.11.1 If so, furnish particulars:
…………………………………………………………………………………
…………………………………………………………………………………
…………………………………………………………………………………

3 Full details of directors / trustees / members / shareholders.

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

4 DECLARATION

I, THE UNDERSIGNED (NAME)…………………………………………………………………………

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

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

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

---

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

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

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	**100**

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

(a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

(b) "**B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **“prices”** includes all applicable taxes less all unconditional discounts;

(h) **“proof of B-BBEE status level of contributor”** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

$$Ps = 80\left(1 - \frac{Pt - P\min}{P\min}\right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(***Tick applicable box***)

YES		NO	

7.1.1 If yes, indicate:

i) What percentage of the contract will be subcontracted............………………………%
ii) The name of the sub-contractor…………………………………………………………..
iii) The B-BBEE status level of the sub-contractor......................................……………..
iv) Whether the sub-contractor is an EME or QSE
(Tick applicable box)

YES		NO	

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	**EME** √	**QSE** √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:……………………………………………………………………….

8.2 VAT registration number:……………………………….…………………………………

8.3 Company registration number:…………….……………………….…………………………….

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
…………………………………………………………………………………………………
……..

8.6 COMPANY CLASSIFICATION

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

[*TICK APPLICABLE BOX*]

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

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

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

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

(e) forward the matter for criminal prosecution.

WITNESSES	
1. ……………………………………..	…………………………………… SIGNATURE(S) OF BIDDERS(S)
2. …………………………………….	DATE: …………………………………..
	ADDRESS …………………………………..
	…………………………………..
	…………………………………..

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

1 This Standard Bidding Document must form part of all bids invited.

2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.

3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-

a. abused the institution's supply chain management system;
b. committed fraud or any other improper conduct in relation to such system; or
c. failed to perform on any previous contract.

4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Item	Question	Yes	No
4.1	Is the bidder or any of its directors listed on the National Treasury's database as companies or persons prohibited from doing business with the public sector? **(Companies or persons who are listed on this database were informed in writing of this restriction by the National Treasury after the *audi alteram partem* rule was applied).**	Yes ☐	No ☐
4.1.1	If so, furnish particulars:		
4.2	Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)? **To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.**	Yes ☐	No ☐
4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?	Yes ☐	No ☐
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 ☐	No ☐
4.4.1	If so, furnish particulars:		

CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME)…………………………………………………
CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS TRUE AND CORRECT.**

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

…………………………………………...	…………………………..
Signature	**Date**
……………………………………….	…………………………..
Position	**Name of Bidder**

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SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Standard Bidding Document (SBD) must form part of all bids[1] invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).[2] Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:

a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.

b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.

4 This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

[1] **Includes price quotations, advertised competitive bids, limited bids and proposals.**

[2] **Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

____

(Bid Number and Description)

in response to the invitation for the bid made by:

____

(Name of Institution)

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

I certify, on behalf of:____that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word “competitor” shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

    (a) has been requested to submit a bid in response to this bid invitation;
    (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
    (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium[3] will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   (a) prices;
   (b) geographical area where product or service will be rendered (market allocation)
   (c) methods, factors or formulas used to calculate prices;
   (d) the intention or decision to submit or not to submit, a bid;
   (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
   (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

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

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

…………………………………………………	…………………………………
Signature	Date
…………………………………………………	…………………………………
Position	Name of Bidder

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