

REQUEST FOR INFORMATION

RFI NUMBER: RFI01024/2025

REQUEST FOR INFORMATION: EXPERTISE ON COST ALLOCATION IN A WET MILLING PRODUCTION PROCESS

This Request for Information ("RFI") calls for suitably qualified industrial engineers with expertise and /or knowledge in wet milling production process to provide information to the Competition Commission of South Africa ("CCSA") on or before 28 January 2025.

Issue date: 22 January 2025

Closing Date: 28 January 2025

For enquiries contact CCSA Supply Chain Management E-mail: tenders@compcom.co.za

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

REQUEST FOR INFORMATION (RFI)

RFI NUMBER: RFI01024/2025

RFI TITLE: EXPERTISE ON COST ALLOCATION IN A WET MILLING PRODUCTION PROCESS

EXPECTED TIMEFRAME:

RFI PROCESS	EXPECTED DATES
RFI Advertisement Date	14 January 2025
RFI Available from	14 January 2025
Compulsory Briefing Session Date & Time	N/A
Venue for Briefing Session	N/A
RFI Closing Date and Time	28 January 2025 (16:30)
Delivery Venue: Electronics Submission	tenders@compcom.co.za
Contact details	tenders@compcom.co.za

CCSA retains the right to change the timeframe whenever necessary and for whatever reason it deems fit.

Respondents interested in participating must register their interest by providing company name, contact person, telephone, cell number and email address to CCSA, please indicate RFI number on the subject line. This will ensure that any addenda and clarification to this RFI are communicated to all participants.

1. MANDATORY DOCUMENTS

1.1 Proof of registration on CSD report (Central Supplier Database)

2. REQUEST FOR INFORMATION:

2. DEFINITIONS

2.1 “RFI” - a request for information, which is a written official enquiry document encompassing all the terms and conditions of the information in a prescribed or stipulated form.

2.2 “RFI response” - a written response in a prescribed form in response to an RFI.

2.3 “Respondent” – any person (natural or juristic) who forwards an acceptable RFI in response to this RFI with the intention of being the main contractor should the RFI be awarded through a competitive bid process.

3. CONFIDENTIALITY

All information related to this request for information both during and after completion is to be treated with strict confidence. Should the need however arise to divulge any information gleaned from the service which is either directly or indirectly related to the CCSA, written approval to divulge such information will have to be obtained from CCSA.

The Respondents must ensure that confidential information is: maintained confidential; not disclosed to or used by any unauthorised person; so as to prevent any disclosure or unauthorised use with at least the standard of care that Respondents maintain to protect their own confidential information; only used for the purpose of considering and responding to this RFI; and not reproduced in any form except as required for the purpose of considering and responding to this RFI. Respondents must ensure that: access to confidential information is only given to those of its partners, officers, employees and advisers who require access for the purpose of considering and responding to this RFI; and those partners, officers, employee and advisers are informed of the confidential information section and keep that information confidential. This bid remains at all times the property of the Competition Commission of South Africa (CCSA). No rights other than as provided in this bid and in respect of the confidential information are granted or conveyed to bidder/s

Name of Respondent: _____

Physical Address: _____

Respondent's contact person: Name: _____

Telephone: _____

Mobile: _____

Fax.: _____

E-mail address: _____

4. The manner of submission of the RFI

- 4.1 Respondent shall submit RFI response in accordance with the prescribed manner.
- 4.2 Respondent shall submit one ***emailed submission*** including relevant supporting documents.
- 4.3 The original copy must be signed by an authorised employee, agent or representative of the respondent.
- 4.4 The subject line on the email submission must be clearly marked with the responding organisation's name and RFI number and description of RFI.
- 4.5 Respondent must clearly outline costing implications of the solution required, as well as any economic factors (i.e. exchange rate implication) that may pose a risk impact against said costing.

5. BACKGROUND

- 5.1 The Competition Commission (Commission) is a statutory body constituted in terms of the Competition Act, No. 89 of 1998 (the Act). It is one of three, independent competition regulatory authorities established in terms of the Act, with the other two being the Competition Tribunal and the Competition Appeal Court. The Commission is empowered by the Competition Act to investigate, control and evaluate restrictive business practices, abuse of dominant positions, mergers, undertake market inquiries and advocacy in order to achieve equity and efficiency in the South African economy.
- 5.2 CCSA is a public entity listed in schedule 3A of the Public Finance Management Act (PFMA), and acts in compliance with section 217 of the Constitution of South Africa and applicable Public Procurement Regulations and Prescripts.
- 5.3 Therefore, the CCSA is requiring a suitability qualified expert and /or service provider with knowledge in cost allocation in the wet milling production process. The details of the scope of work is provided below.

6. SITUATION ANALYSIS

- 6.1. The CCSA has received a complaint from an association representing companies operating as consumers of glucose. The complaint was lodged against the supplier of glucose in South Africa (“**the Respondent**”). The glucose that is subject to the investigation is manufactured from maize. In the complaint, it is alleged that the Respondent is charging excessive prices for glucose. The CCSA is mandated to investigate the alleged conduct in terms of the Competition Act 89, of 1998 (as amended) (“the Act”). As part of the investigation, the CCSA is required to gather the necessary information and evidence from various industry players.
- 6.2. Part of the evidence and information that the CCSA is required to gather is proper understanding of the wet milling production process utilised by the Respondent and costs that are attributable to producing different types of product categories. Relevant to this investigation, the wet milling production process refers to the production process whereby (i) bulk maize goes through a process of steeping whereby it is soaked in a mixture of water and various chemicals, (ii) the process includes various stages such as germ separation, milling and screening and washing. From this production process various categories of products can be produced such as starch, glucose and agri-products. The CCSA understands that these various categories of products are produced utilizing mainly the same production facilities (i.e., machinery and equipment).

- 6.3. The CCSA investigation focuses on glucose operations only. Other categories of products such as starch and agri-products are not alleged to be excessively priced and therefore do not form part of CCSA's investigation. Part of the investigation of CCSA involves determining the costs (both capital and operating costs) of producing glucose in the wet milling production process. CCSA has the consolidated costs of producing glucose, starch and agri-products. In other words, the cost information in position of the CCSA is the overall production costs and does not allocate costs per product category – that is does not show the proportion of the overall costs that must be allocated to glucose operation [which is the product subject to this investigation]. The primary task for the industrial engineer (“the expert”) will be to provide expertise to the CCSA on how costs should be allocated towards glucose operations. For instance, the expert can advise CCSA on the proportion (%) of the total costs that should be allocated towards the Respondent's glucose operations. In this regard, the expert will be expected to produce a detailed report with supporting facts.

7. SCOPE OF WORK

- 7.1. In light of the above, expert will be provided with confidential information relating to the Respondent's overall costs (i.e., the costs that consolidates the production of all product categories: starch, glucose and agri-products). The expert will be provided with both the capital cost and operating costs that consolidates all product categories. Further, the expert will be provided with information relating to the actual production process of all product categories. The scope of work for the expert includes the following:
- 7.1.1 Given that the focus of the investigation is on glucose operations, the expert will be required to allocate the costs of production that is attributable to glucose operations. In other words, the CCSA want to know the costs incurred by the Respondent in the production of glucose and not other product categories.
 - 7.1.2 The expert should be able to identify all the information required to be able to allocate costs towards the Respondent's glucose operations.
 - 7.1.3 The expert must produce a report on cost allocation towards the Respondent's glucose operations. The report should be supported by facts and acceptable cost allocation methodologies.

8. DELIVERABLES

- 8.1. Expert report on cost allocation towards the Respondent's glucose operations. For instance, the report can advise on the proportion (percentage -%) of the total cost of production should be allocated and /or apportioned towards the Respondent's glucose operations.

9. TIMEFRAMES & PROVISIONAL PRICING

- 9.1. The duration of the contract will be for period of **30 days**.
- 9.2. *Bidders must provide a information related to the above mentioned requirements including the potential costs associated to the delivery this service within the prescribed time.*

10. GENERAL INFORMATION

Enquiries in respect of this RFI should be addressed to:

SUPPLY CHAIN MANAGMENET

E-mail: tenders@compcom.co.za

All queries MUST be e-mailed.

END OF THE REQUEST FOR INFORMATION DOCUMENT