



REQUEST FOR QUOTATION FOR GOODS/SERVICES FOR UGU DISTRICT MUNICIPALITY

Ugu District Municipality is requesting quotations for the goods and/or services listed hereunder. Request for quotation documents may be obtained from Ugu District Municipality, Treasury Department, Supply Chain Management Office at 31 Bazley Street, Port Shepstone or be downloaded from Ugu Website from **02 May 2024** to closing date, during office hours.

APPOINTMENT OF AN AUCTIONEER

| | |
|-------------------------|-----------------|
| Requisition/Ref Number: | REQ22195 |
|-------------------------|-----------------|

| Item. | Description/ Specification/ Scope of Work | Qty | Unit | Unit Price | Total (excl Vat) |
|--|--|-----|------|------------|------------------|
| 1. | <p>Ugu District Municipality seek an appointment of an Auctioneer to dispose of municipal movable assets by public auction.</p> <p><i>NB: Terms of Reference from Page No.3-9</i></p> <p>For Details, Contact Zandile Maphumulo 0788936317, or email:Zandile.Maphumulo@ugu.gov.za, during office hours.</p> | 1. | ea. | | |
| Delivery Date After receipt of an order:Days/Weeks | | | | | |
| SUB TOTAL | | | | | |
| 15%Vat | | | | | |
| GRAND TOTAL | | | | | |

Bids completed in accordance with the conditions indicated in documents, must be sealed, and endorsed with **REQ:22195** and be deposited in the official tender box at the Reception of **Ugu District Municipality on 31 Bazley Street** no later than **12h00 on 10 May 2024**.

Faxed, emailed; typed and late quotations will not be accepted. Please furnish all information as requested. Late and incomplete submissions will invalidate the quotation submitted. Quotation submitted must be valid for a period of **30** days from the closing date.

Ugu District Municipality subscribes to the Preferential Procurement Regulations **2022**, pertaining to the Preferential Procurement Policy Framework Act (PPPFA) principles whereby a bidder's submission will be evaluated according to the sum of the award of points in respect of the tender value and **Specific Goals**.

Functionality, Price, and Preference will be used for evaluation. The **80/20 preferential point** system will be applicable, with **80 points for price and 20 points for Specific Goals** (See below table), in terms of revised Preferential Procurement Regulation in effect from **16 January 2023 Gazette Notice No. 47452 dated 04 November 2022**.

Specific Goal(s) Points to be allocated as follows:

| | Categories | Weight | 80 20 |
|---|---|-------------|-----------|
| 1 | Ownership | 60% | 12 |
| 2 | Reconstruction & Development Programme | 30% | 6 |
| 3 | Other Specific Goals- | 10% | 2 |
| | | 100% | 20 |
| # | Specific Goal(s) | Weight | 80 20 PP |
| | Ownership Categories: | | |
| 1 | Broad Based Black Economic Empowerment: | | |
| | BBBEE Level 1 | 100% | 12 |
| | BBBEE Level 2 | 80% | 10 |
| | BBBEE Level 3 to 8 | 40% | 6 |
| 2 | Promotion of Local Business(s) | | |
| | 1. Enterprise Located within the District Municipality - Rural | 100% | 6 |
| | 2. Enterprise Located within the District Municipality - Urban | 75% | 4 |
| | 2. Enterprise Located within the Province | 25% | 2 |
| 3 | Other Specific Goals | | |
| | 1. Enterprise 100% owned by Youth/Women/Disabled/ Military Veterans | 100% | 2 |

Kindly note: Regulation 44 of Municipal Supply Chain Management Regulations states that the Municipality may not make any award to a person who is in the service of the state.

The Council reserves the right not to accept the lowest bid or any bid and reserves the right to accept the whole or part of the bid, or to reject all bids and cancel the notice to tender.



NAME OF BIDDER: _____

SIGNATURE OF BIDDER: _____

CAPACITY UNDER WHICH BID IS SIGNED UNDER _____

DATE: _____

TERMS OF REFERENCE FOR APPOINTMENT OF A SERVICE PROVIDER TO RENDER AUCTIONING SERVICES ON BEHALF OF UGU DISTRICT MUNICIPALITY

1. BACKGROUND

- 1.1. Ugu District Municipality is required by regulation to dispose assets that no longer contribute toward service delivery objectives of the Municipal disposal policy. The types of moveable assets include but not limited to Vehicles, Computer equipment, Office and furniture equipment, Audio Visual equipment, Kitchen. Appliances, Other Machinery, and equipment

2. CONTRACT PERIOD

- 2.1 The contract will be for a period of 14 days from the date of signing service level agreement.

3. OBJECTIVE

- 3.1. Ugu District Municipality wishes to invite to assist the Municipality with disposing movable assets i.e., vehicles, furniture, and computer equipment through auctioning.

4. SCOPE OF WORK

- 4.1 The service provider must carry out the auction at Ugu District Municipality offices.
- 4.2 The service provider will be responsible for advertising, follow up all due processes of auctioning and management of the process. All costs arising from the above will be borne by the service provider.
- 4.3 The service provider will be responsible for the safeguard of the assets throughout the auctioning process. The Municipality will not be liable for any loss or damages sustained by the service provider due failure to implement adequate security measures.
- 4.4 Will be responsible to collect all proceeds and reconcile back to asset sold.
- 4.5 Proceeds from the auction must be paid into the Municipality's bank account within seven (7) days after signing off the process by the delegated Municipal 's official.
- 4.6 Auction must be open to Public and Municipal officials and must be conducted with maximum participation by the Public.
- 4.7 A list of Assets will be attached as Annexure A

5. DELIVERABLES OR PROJECT OUTPUT AND OR OUT COME

- 5.1 Percentage of items sold at auction.
- 5.2 Sale price above the reserved price for all lots
- 5.3 Percentage of collections of winning bids.
- 5.4 Payment of proceeds paid into the Municipality account within 7 working days after auction.

6. COMPANY EXPERIENCE

- 6.1 The company must have at least 5 years' experience in auctioning movable assets,
- 6.2 Should also include 5 contactable references / testimonials.
- 6.3 Reference should be supported by proof from 5 contactable referees indicating that similar project was executed should be attached.

7. QUALIFICATION AND EXPERIENCE OF TEAM LEADER AND TEAM MEMBER

7.1 Team Leader qualification and experience.

- 7.1.1 Team leader must hold Diploma in Auctioning.
- 7.1.2 Minimum of 5 years in the auctioneering industry

7.2 Team members

- 7.2.1 Head Auctioneer must have a minimum 5 years auctioneering experience and must have a Diploma in Auctioneering.
- 7.2.2 Administration/supporting team must have a minimum 3 years' experience.
- 7.2.3 Service provider must submit certified copies of qualification.

8. REPORTING REQUIREMENTS

- 8.1. The successful service provider will report to the Manager: Assets Management during the auctioning processes. The final Auction Performance Report will be submitted to the Manager: Assets Management, 7days after auction.

9. WORK PLAN AND METHODOLOGY

- 9.1 The service provider must submit a project methodology stipulating how the auction will be executed and should set out the activities and necessary resources required for achieving the project's results and purpose.

10. ROLE AND RESPONSIBILITY

Ugu District Municipality will provide support and facilitation of the sales process with the following:

- 10.1 Access to all assets identified for disposal.
- 10.2 Access to all pertaining documentation to facilitate sales/customs procedures.
- 10.3 Access to working space and utilities as needed and/or available.

Service provider will be responsible for the following:

- 10.4 Be fully responsible for delivering the services as per the Terms of Reference scope of work.
- 10.5 To ensure that lots are set up in such a way to maximize bidding.
- 10.6 Ensure risk is identified, signed off and managed effectively.

11. PAYMENT

11.1 The Municipality will not make an upfront payment to a successful service provider. Payments will only be made in accordance with the delivery of service that will be agreed upon by both parties and receipt of an original invoice.

13. EVALUATION METHODOLOGY

13.1 Phase 1: Compliance and Technical Review:

13.1.1 Each submission is checked for compliance.

13.1.2 Service providers will be evaluated based on functionality. The minimum threshold for functionality is 70 out of 100 points. Service providers who fail to meet the minimum threshold will be disqualified and will not be evaluated further for price and preference points for B-BBEE.

| | | | |
|--------------|---|--|-------------------------------|
| | <p>(iii) Head Auctioneer must possess a minimum of a Diploma in Auctioneering.</p> <p>(iv) Administration/Supporting team must possess a minimum of an N3 or a Senior Certificate</p> <p>(v) Copies of certified certificates must be attached to the proposal as proof</p> | <p>Diploma = 3 points</p> <p>Certificate = 2 point</p> <p>No Qualification = 1 point</p> <p>National Diploma in admin and above = 5 points</p> <p>Diploma = 4 points</p> <p>Senior Certificate / N3 = 3 points</p> <p>No Senior Certificate = 1 point</p> <p>Copies of certified certificates attached = 5 points</p> <p>Copies of certificates attached but not certified = 1 point.</p> | <p>5</p> <p>5</p> <p>5</p> |
| 4 | <p>Project Plan</p> <p>i) Service provider must attach detailed Project Plan and cost implications</p> | <p>Copy of the Detailed Project Plan outlining how the Auction Process will be executed and all proceed processed and paid to the Municipality within 3 of completion of auction, detailed costs implications or Commission Costs and how money will be transferred to the Municipality.</p> <p>Copy of the Detailed Project Plan outlining how the Auction Process will be executed, detailed costs implications or Commission Costs and how money will be transferred to the Municipality attached = 3</p> | <p>30</p> <p>20</p> <p>10</p> |
| Total | | | 100 |

For purpose of evaluating functionality, the following values will be applicable:

| | | |
|-----------|------------------|---|
| 1= | Very poor | Does not understand the requirements |
| 2= | Poor | Will not be able to fulfil the requirements |
| 3= | Average | Will partially fulfil the requirements |
| 4= | Good | Will be able to fulfil the requirements |
| 5= | Excellent | Will fully fulfil the requirements |

17 FORMATS OF SUBMISSION OF PROPOSAL

17.1 Service providers are requested to submit four (4) copies of technical proposals plus the original.

17.2. Service providers are requested to index their proposals for easy reference.

18. PRE-BID MEETING / BRIEFING SESSION DETAILS-

18.1 No briefing session. Clarity seeking question/s may be directed to the contact person/s indicated below.

19. CLOSING DATE

19.1 Proposals and Bids completed, must be sealed, and endorsed with **REQ:22195** and be deposited in the official tender box at the Reception of **Ugu District Municipality on 31 Bazley Street** no later than **12h00 on 10 May 2024**.

20. Technical enquiries can be directed to:

Ms. Zandile Maphumulo-Manager: Assets Management

Tel No: 039-688 5808

E-mail: zandile.maphumulo@ugu.gov.za

ANNEXURES

ANNEXURE A (2.1) : VEHICLES DISPOSAL

| NO | MAKE | REG | MODEL | KM | TECHNICAL REPORT | CURRENT LOCATION | AREA |
|----|------------|----------|-----------------------------------|--------|---|------------------|-----------------|
| 1 | NISSAN | NPS61323 | 2013 NP300 2.5 TDI S CAB | 230000 | UNECONOMICAL TO REPAIR | MARBURG WORKSHOP | SOUTH CENTRAL 1 |
| 2 | NISSAN | NPS82363 | 2012 NP300 2.5 TDI S CAB | 260000 | UNECONOMICAL TO REPAIR | MARBURG WORKSHOP | NORTH |
| 3 | ISUZU | NPS65089 | 2006 ISUZU KB 250 D | 340000 | UNECONOMICAL TO REPAIR | MARBURG WORKSHOP | SOUTH CENTRAL 1 |
| 4 | ISUZU | NPS91997 | 2016 ISUZU KB 250 D | 250000 | UNECONOMICAL TO REPAIR VEHICLE HAS BEEN DE-REGISTERED-DE-REGISTRATION CERTIFICATE IS WITH WESLEY | MARBURG WORKSHOP | SOUTH CENTRAL 1 |
| 5 | CHEV | NPS57544 | 2013 UTILITY | 230000 | UNECONOMICAL TO REPAIR | MARBURG WORKSHOP | SOUTH CENTRAL 1 |
| 6 | ISUZU | NPS63602 | 2008 FVZ WATER TANKER | 130000 | RUNNING CONDITION BUT ALWAYS HAS MECHANICAL ISSUES-SPENDING TO MUCH MONEY ON REPAIRS. | MARBURG WORKSHOP | SOUTHWEST |
| 7 | NISSAN | NPS42431 | 2012 NISSAN NP300 2.5 TDI | 318000 | UNECONOMICAL TO REPAIR | UD NISSAN | SOUTH |
| 8 | MITSUBISHI | NPS82525 | 2012 MITSUBISHI FUSO WATER TANKER | 180000 | RUNNING CONDITION BUT PARTS ARE NOT EASILY AVAILABLE | MARBURG WORKSHOP | SOUTH |
| 9 | NISSAN | NPS69434 | 2012 NISSAN NP300 2.5 TDI | 390000 | UNECONOMICAL TO REPAIR | MJ | SOUTH CENTRAL 2 |
| 10 | VW | NPS32070 | 2011 VW POLO VIVO | 230000 | UNECONOMICAL TO REPAIR | THOMPSON NISSAN | SOUTH ADMIN |

ANNEXURE B (2.2) : AIRCONDITIONERS

| Serial Numbers: |
|------------------------|
| 1. Y7CRPAGFA00015H |
| 2. Y7CRPAGFA00025D |
| 3. Y7CRPAGFA00059L |

ANNEXURE C (2.3): REDUNDANT ASSETS

| Registration Number | Location |
|---|--------------------|
| <p>NPS55320</p>  | L-scartage Marburg |
| <p>NPS54671</p>  | Marburg workshop |
| <p>NPS62744</p>  | Marburg workshop |

NPS28405



Marburg workshop

NPS63602



Marburg workshop

NPS60728



Marburg workshop

NPS62744



Marburg workshop

NPS86100



Marburg workshop

NPS27053



Marburg workshop

NPS 82665



Marburg workshop

2.3.1 ANNEXURE C2 (OTHER REDUNTANT ASSETS)

2.3.1.1 There are two John Deer lawnmowers at John deer company in Marburg.



2.3.1.2 There are two generators in Marburg Workshop



2.3.1.3 There are four trailers at the Marburg Workshop.



2.3.1.4 Canopies at the Marburg Workshop



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. 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. |

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID. NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.

Please attach copies of the following documents. Failure to provide the following duly completed and up to date documents and certified where applicable will lead to automatic disqualification.

- **Company registration documents or Certified ID Copies for Sole Proprietors**
- **Tax Reference Number and Pin**
- **Certified BBBEE Certificate/ BBBEE Sworn Affidavit**
- **All Declaration Forms**
- **Proof of payment for Municipal Services (water account/ lease agreement)**
- **Proof of Central Supplier Database Registration (not older than 3months)**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE UGU DISTRICT MUNICIPALITY. BIDDERS SHOULD ENSURE THAT BIDS ARE DELIVERED TIMEOUSLY TO THE CORRECT ADDRESS. ALL LATE BIDS WILL BE RETURNED UNOPENED.

TENDERER INFORMATION

REQUISITION NUMBER

:

REQ:22195

| 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 | | | |
| TAX COMPLIANCE STATUS | TCS PIN: | OR | CSD No: |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX] | Yes No | B-BBEE STATUS LEVEL SWORN AFFIDAVIT | Yes No |
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS ISERVICES IWORKS OFFERED? | Yes No [IF YES ENCLOSE PROOF] | ARE YOU FOREIGN BASED SUPPLIER FOR THE GOODS ISERVICES IWORKS OFFERED? | Yes No [IF YES, ANSWER PART B:3] |
| TOTAL NUMBER OF ITEMS OFFERED | | TOTAL BID PRICE | R |
| SIGNATURE OF BIDDER | | DATE | |
| CAPACITY UNDER WHICH THIS BID IS SIGNED | | | |
| BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO: | | TECHNICAL INFORMATION MAY BE DIRECTED TO: | |
| DEPARTMENT | SCM Unit | DEPARTMENT | Assets |
| CONTACT PERSON | Phindi Shozi | CONTACT PERSON | Zandile Maphumulo |
| TELEPHONE NUMBER | 039-688 3380 | TELEPHONE NUMBER | 0788936317 |
| FACSIMILE NUMBER | 039 682 2646 | FACSIMILE NUMBER | N/A |
| E-MAIL ADDRESS | Phindi.Shozi@ugu.gov.za | E-MAIL ADDRESS | Zandile.Maphumulo@ugu.gov.za |

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.

| 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

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.

2.2.1 If so, furnish particulars:

.....
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

I, _____ the _____ undersigned,

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

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

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.

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 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

- (a) Price; and
- (b) Specific Goals.

1.3 **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 |

1.4 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.

1.5 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE

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

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

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

Where:

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

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:

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

Where:

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmax = Price of highest acceptable tender

3. POINTS AWARDED FOR SPECIFIC GOALS

- 3.1. 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:

- 3.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

(Note to organs of state: the 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

| The specific goals allocated points in terms of this tender | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|--|--|--|
| Ownership: | | |
| BBBEE Level 1 | 12 | |
| BBBEE Level 2 | 10 | |
| BBBEE Level 3-8 | 6 | |
| RDP | | |
| 1. Enterprise Located within the District Municipality - Rural | 6 | |
| 2. Enterprise Located within the District Municipality - Urban | 4 | |
| 2. Enterprise Located within the Province | 2 | |
| Other Specific Goal | | |
| 1. Enterprise 100% owned by Youth/Women/Disabled/ Military V | 2 | |
| TOTAL POINTS | 20 | |

DECLARATION WITH REGARD TO COMPANY/FIRM

3.3. Name of company/firm.....

3.4. Company registration number:

3.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

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

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

| | |
|------------------------------------|-------|
| | |
| SIGNATURE(S) OF TENDERER(S) | |
| SURNAME AND NAME: | |
| DATE: | |
| ADDRESS: | |
| | |
| | |