



REQUEST FOR QUOTATIONS (RFQ) FOR PROCUREMENT OF GOODS AND SERVICES

DESCRIPTION OF WORK

**PROCUREMENT OF SERVICE PROVIDER TO PREPARE
ANNUAL FINANCIAL STATEMENTS OF THE NKOMAZI
SPECIAL ECONOMIC ZONE SOC Ltd (NSEZ) COVERING THE
PERIOD OF 2021/22 – 2024/25.**

QUOTATION DETAILS

QUOTATION NUMBER: **MEGA – 62**

CLOSING Date: **05 / 05 / 2025**

Time: **14:00**

Compulsory Briefing session:

Yes ☐

No ☒

If Yes, Date and time of compulsory briefing
session:

Date: _____ Time: 10:00 am

DETAILS OF RESPONDENT

Name of bidder: _____

Please indicate whether it is the original or copy, tick the applicable block

ORIGINAL

COPY

REQUEST FOR QUOTATIONS (RFQ)

1. GENERAL CONDITIONS OF THE RFQ:

- 1.1. The 80/20 evaluation criteria for requirements with a Rand value of up to R50 000 000 (all applicable taxes included) will be used for this bid.
- 1.2. The value of this bid is estimated not exceed R1 000 000.00 (all applicable taxes included).
- 1.3. Fully comply with the scope of work / service or **(Attached Scope of work / service)**
- 1.4. Quotations must be valid for a period of 30 days
- 1.5. The Bidder's quotation to bear correct contact details and address
- 1.6. Fully completed Standard Bidding Documents (SBD4 and SBD 6.1)
- 1.7. The bidder must be registered on the Central Supplier Database (CSD)
- 1.8. This bid will **NOT** be evaluated on functionality

2. SCOPE OF WORK / SERVICE OR ITEMS

No	Scope of work	Quantity
1	PROCUREMENT OF SERVICE PROVIDER TO PREPARE ANNUAL FINANCIAL STATEMENTS OF THE NKOMAZI SPECIAL ECONOMIC ZONE SOC Ltd (NSEZ) COVERING THE PERIOD OF 2021/22 – 2024/25. <i>(see attached TERMS OF REFERENCE, ignore no.7 of the TORs)</i>	

INITIALS AND SURNAME OF SCM OFFICIAL: A. MILANZI

SIGNATURE: A. MILANZI

Submissions and enquiries should be directed at:

scm@mega.gov.za

TERMS OF REFERENCE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR THE NKOMAZI SPECIAL ECONOMIC ZONE (SEZ) ENTITY

1. BACKGROUND:

The Department of Economic Development & Tourism (DEDT), in collaboration with the Department of Trade, Industry and Competition (the 'Dtic'), are in the process of implementing the Nkomazi Special Economic Zone (NSEZ) at Komatipoort in Mpumalanga. The NSEZ happens to be one of the strategic projects driven by the Mpumalanga Provincial Government not only to expand the industrial base of the provincial economy but also to, *among other things*,

- Stimulate robust inclusive economic growth and create more job opportunities for the people of Mpumalanga and beyond;
- Increase the capabilities and capacity to promote export and services into targeted high growth markets such as the African Continental Free Trade Area, BRICS, etc.; and
- Attract foreign direct investment and domestic inflows into Mpumalanga Province.

Currently, the Department of Economic Development and Tourism is seeking service providers to prepare the required financial statements of the Nkomazi SEZ Entity as per the finding of the Auditor General which states that State Owned Companies (SOC) must submit annual financial statements. The Nkomazi SEZ SOC must thus submit the required Annual Financial Statements (AFS) within a prescribed period after the end of each financial year. It is however critical to note that although the SEZ Entity did open a bank account, it is not yet transacting (still dormant company) and transactions are currently dealt with through the Department as well as the Mpumalanga Economic Growth Agency (MEGA) through an existing Service Level Agreement.

ENTITY: NKOMAZI SEZ

Mpumalanga Nkomazi SEZ SOC, Ltd (Company No.: 2019/449561/30)

INVITATION FOR QUOTATION

Quotations are hereby invited for the preparation of comprehensive and precise GRAP compliant Annual Financial Statements for the 2024/25 financial year and prior periods as applicable (established in 2019) by a reputable accounting and audit firm renowned for its

successful track record. These statements will undergo scrutiny by the Auditor General of South Africa (AGSA).

SCOPE OF WORK AND TERMS OF REFERENCE

We require the following:

- 1.1. CaseWare compiled Annual Financial Statements (AFS) that can be fully tied back to the bank account and final Trial Balances and supporting documents and schedules of the Nkomazi SEZ.

The trail balance and general ledger that agree to the financial statements, together with the supporting asset register, inventory register and subsidiary ledgers for receivables and payables must be submitted with the financial statements.

The preparation of the financial statement requires:

- identification of the applicable financial reporting framework in context of the any relevant laws or regulations
 - the inclusion of an adequate description of that framework in the financial statements
 - the preparation of the financial statements in accordance with that framework
 - the selection and application of appropriate accounting policies
 - the application of judgement in making accounting estimates that are reasonable in the circumstances.
- 1.2. Disclosure in accordance with, and in compliance with, the Standard of Generally Recognised Accounting Practice ("GRAP") on *Presentation of Financial Statements* based on the International Public Sector Accounting Standard (IPSAS) 1 on *Presentation of Financial Statements* from the *Handbook of International Public Sector Accounting Pronouncements* of the International Public Sector Accounting Standards Board (IPSASB) and the Public Finance Management Act, 1999 (Act 1 of 1999) as amended by Act 29 of 1999.

- 1.3. Ensure adherence to the requirements of the Public Finance Management Act (PFMA), 1999, as amended, with specific reference to relevant disclosures as well as deadlines legislated for submission of the Annual Financial Statements.
- 1.4. Review the DEDT management report for 2023/24 and ensure that findings related to the Nkomazi SEZ are appropriately addressed in the AFS for 2024/25.
- 1.5. Develop proper documentation of accounting policies, procedures, and rationale for accounting treatments for all items disclosed in the AFS and maintain these for the duration of the appointment.
- 1.6. Ensure that the AFS are free from material errors or omissions in terms of GRAP and PFMA-required disclosures.
- 1.7. Assist with complex calculations to ensure transactions are accounted for and disclosed accurately and in accordance with GRAP requirements (or other applicable accounting framework). This may include but is not limited to the accounting for leases, long term contracts, transactions undertaken by third parties etc.
- 1.8. Ensure that the disclosure requirements of National Treasury Instruction notes are appropriately incorporated, including, but not limited to:
 - a) On 23 December 2022 National Treasury issued Instruction No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of sections 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure.
 - b) National Treasury Instruction No. 4 of 2022/2023 in terms of sections 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 03 January 2023.
- 1.9. Participate in the audit process by providing necessary documentation, schedules and explanations to auditors for queries raised on the AFS, according to the following constraints:
 - 1.9.1. Management has two working days to submit the information requested from the date the request was made. Failure to submit the information

requested within the agreed timeframe will result in an audit finding and, if material, individually or in aggregate, will affect the audit opinion.

- 1.9.2. Management has five working days to submit a written response to the communication of audit findings from the date the communication was issued unless a different timeline is expressly agreed in writing with the auditors.
- 1.10. Prepare a going concern assessment.
- 1.11. Communicate effectively with the Nkomazi SEZ team throughout the compilation process and have progress meetings to discuss any issues as they arise.
- 1.12. First draft of the AFS must be ready March 2025 for Board approval before submission to the AGSA towards the end of May 2025 and the final AFS following any adjustments due to the audit process must be submitted by early June 2025 for Board approval before submission towards the end of July 2025. The exact dates will be agreed upon during contracting. The first draft AFS must be free from any material misstatements as material adjustments after 31 May 2025 will impact on our audit opinion.
- 1.13. Grant the Nkomazi SEZ team access to the Caseware files including the audit file.
- 1.14. The project is estimated to start in April 2025 and to be concluded at the end of July 2025.

2. REQUIREMENTS

- a) Accounting firm must have 5 years' experience in preparing GRAP group and individual AFS, in which 3 years should be in preparation of consolidated financial statements for Public Entities (attach reference letters as a proof).
- b) The project leader must have at least 5 years' relevant experience in preparation of GRAP Financial Statements. (CV must be attached detailing the experience).
- c) The accounting firm must be registered with an accounting or audit regulatory body and must attached valid proof which is current.
- d) The project leader should be registered with the accounting or audit regulatory body and attach valid proof.

- e) The project leader should be qualified as a Chartered Accountant South Africa CA (SA).
- f) Bidders must submit project plan reflecting timelines.
- g) Only service providers who can use Caseware must respond to this bid.

3. DURATION OF THE PROJECT

The service provider must be able to commence within seven (7) days after issue and conclusion of the service level agreement and must adhere to the following completion time frames for submission: • Draft financial statements on/before 15 May 2025. • Final Group Financial statements on/before 29 May 2025. The service provider must be available to attend to AFS related external audit queries and do adjustments within the timeframes which are prescribed by the AGSA.

4. PHASE 1: ELIGIBILITY/PRE-QUALIFICATION CRITERIA (ADMIN COMPLIANCE)

Bidders will be evaluated according to pre-qualification requirements which include the submission of mandatory information or documentation. Bidders that fail to meet the pre-qualification requirements of the bid will not be considered further for evaluation. The bidder must meet the following pre-qualification requirements:

Bid Conditions:

- The firm must be registered on the National Treasury supplier database (CSD) at the time of submitting the proposal.
- **Fully and accurately, complete and signed Bidders Disclosure (SBD 4).**
Should the Bidder provide false information or misrepresentation on the Bidder's Disclosure Documentation (SBD4), such bidder shall immediately be disqualified.
- Bids submitted must be in line with the detailed specification. Failure to bid accordingly will automatically disqualify the submitted bid.
- Please ensure that the company is tax compliant during the submission of quotation.

Failure to comply with the above pre-qualification requirements will lead to the disqualification of the bid.

5. PHASE 2: EVALUATION CRITERIA

Stage 1: Functionality Criteria

The first stage will evaluate functionality according to the criteria listed in the tables below.

FUNCTIONALITY	EVIDENCE/ SUPPORTING INFORMATION REQUIRED	MAXIMUM POINTS	POINTS SCORED						
<p><u>Capability and Capacity</u></p> <p>1. The service provider should demonstrate the ability to carry out the work required in this project. The team must possess the qualifications, and submissions should demonstrate their expertise and competencies relevant to this project.</p> <table><tr><th>Sub - Criteria</th><th>Points</th></tr><tr><td>Registration as Chartered Accountants (SA)</td><td>25</td></tr><tr><td>No registration / no submission</td><td>0</td></tr></table> <p>2. Expertise and competencies of personnel to be assigned to Nkomazi SEZ. Curriculum</p>	Sub - Criteria	Points	Registration as Chartered Accountants (SA)	25	No registration / no submission	0		50	
Sub - Criteria	Points								
Registration as Chartered Accountants (SA)	25								
No registration / no submission	0								

**TERMS OF REFERENCE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR
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FUNCTIONALITY	EVIDENCE/ SUPPORTING INFORMATION REQUIRED	MAXIMUM POINTS	POINTS SCORED										
<p>Vitae of staff who will be available for the duration of the contract should be included, highlighting their experience and competency for the assignment.</p> <table><tr><th>Sub - Criteria</th><th>Points</th></tr><tr><td>Demonstrated experience for 5 or more years</td><td>25</td></tr><tr><td>Demonstrated experience for between three (3) and five (5) years</td><td>20</td></tr><tr><td>Demonstrated experience for between one (1) and two (2) years</td><td>15</td></tr><tr><td>Demonstrated experience for less than one (1) year</td><td>0</td></tr></table>	Sub - Criteria	Points	Demonstrated experience for 5 or more years	25	Demonstrated experience for between three (3) and five (5) years	20	Demonstrated experience for between one (1) and two (2) years	15	Demonstrated experience for less than one (1) year	0			
Sub - Criteria	Points												
Demonstrated experience for 5 or more years	25												
Demonstrated experience for between three (3) and five (5) years	20												
Demonstrated experience for between one (1) and two (2) years	15												
Demonstrated experience for less than one (1) year	0												
<p><u>Past Experience</u></p> <p>1. Provide a list of current and previous clients (company name, contact person, telephone number, services provided, total value of the contract and contract duration with dates</p> <p>NB: Including Completion Letters):</p> <table><tr><th>Sub - Criteria</th><th>Points</th></tr><tr><td>More than nine (9) clients</td><td>20</td></tr><tr><td>Between six (6) and nine (9) clients</td><td>15</td></tr><tr><td>Between three (3) and six (6) clients</td><td>10</td></tr><tr><td>Between one (1) and three (3) clients</td><td>5</td></tr></table>	Sub - Criteria	Points	More than nine (9) clients	20	Between six (6) and nine (9) clients	15	Between three (3) and six (6) clients	10	Between one (1) and three (3) clients	5		40	
Sub - Criteria	Points												
More than nine (9) clients	20												
Between six (6) and nine (9) clients	15												
Between three (3) and six (6) clients	10												
Between one (1) and three (3) clients	5												

**TERMS OF REFERENCE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR
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FUNCTIONALITY		EVIDENCE/ SUPPORTING INFORMATION REQUIRED	MAXIMUM POINTS	POINTS SCORED
No submission	0			
2. Supply traceable reference letters from current and/or previous clients. These should reflect similar services provided, period the work was undertaken and the Rand values of the services. References should be current (no more the three (3) years old). A minimum of 5 references should be provided.				
Sub - Criteria	Points			
Five (5) or more relevant references	20			
Four (4) relevant references	16			
Three (3) relevant references	12			
Two (2) relevant references	8			
One (1) relevant reference	4			
No submission	0			

**TERMS OF REFERENCE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR
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FUNCTIONALITY		EVIDENCE/ SUPPORTING INFORMATION REQUIRED	MAXIMUM POINTS	POINTS SCORED						
<u>Caseware</u> <table><tr><th>Sub - Criteria</th><th>Points</th></tr><tr><td>Proof of knowledge of Caseware – Caseware license</td><td>10</td></tr><tr><td>No proof submitted</td><td>0</td></tr></table>		Sub - Criteria	Points	Proof of knowledge of Caseware – Caseware license	10	No proof submitted	0		10	
Sub - Criteria	Points									
Proof of knowledge of Caseware – Caseware license	10									
No proof submitted	0									
TOTAL POINTS			100							
MINIMUM THRESHOLD			70							

Stage 2: Specific Goals

Thereafter, the **second stage** of evaluation will be according to the preference points claimed for specific goals and price (refer also to SBD 6.1) and the Preferential Procurement Regulations, 2022 (80/20 preference point system). Bids will be evaluated in terms of 80/20 Preference Points System. All bid offers of bids who met the minimum threshold of 70 points for Stage 3 Functionality, shall be evaluated based on the following criteria:

1. The PPPFA prescribes that the lowest acceptable bid will score 80 points for price. Bidders that quoted higher prices will score lower points for price on pro-rata basis. Pricing should be indicated in South African Rand, all-inclusive.
2. Bidders must include a fully completed and signed Preference Points claim form in terms of the Preferential Procurement Regulations 2022 (SBD 6.1) In the event of

failure to fully complete and sign SBD 6.1, bidders will not be awarded points attributed to specific goals.

3. Valid B-BBEE Level Certificates verified by SANAS, valid B-BBEE certificate issued by Companies and Intellectual Property Commission (CIPC) or sworn affidavit attested by Commissioner of Oath.
4. A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE Status Level Verification Certificate for every separate tender.
5. Failure to attached Valid B-BBEE Level Certificates verified by SANAS or sworn affidavit attested by Commissioner of Oath will lead to the bidders not being awarded specific goals.
6. The following formula must be used to calculate the points out of 80 for price in respect of a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where-

P_s = Points scored for price of tender under consideration;

P_t = Price of tender under consideration; and

P_{\min} = Price of lowest acceptable tender.

7. A maximum of 20 points may be awarded to a tenderer for the specified goals for the tender.
8. The points scored for the specific goal must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
9. Points will be awarded to a bidder for attaining the specific goals in accordance with the table below.
10. 80/20 preference point system for acquisition of goods or services with Rand value equal to or below R50 million. (Valid B-BBEE certificate or B-BBEE affidavit as evidence of claiming points).

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Description (Specific goals)	Number of points (20)
Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined in the act. (Refers to Black, coloured and Indians)	10 points
Enterprises that are at least 51% women-owned	5 points
Enterprises that are at least 51% owned by disabled persons	2 points
Enterprises that are at least 51% owned by Youth	2 points
Enterprises that are at least 51% owned by black people living in rural or underdeveloped areas or townships	1 point
Total points	20 points

11. Bidders who do not submit B-BBEE verification certificate or a Sworn affidavit will not qualify for preference points, therefore points attributed to specific goals will not be awarded.
12. In order to claim preference points (specific goals) bidders must include a fully accurately completed and signed Preference Points claim form in terms of the Preferential Procurement Regulations 2022 (SBD 6.1) In the event of failure to fully complete and sign SBD 6.1, bidders will not be awarded points attributed to specific goals.

6. Mpumalanga Department of Economic Development & Tourism has the right:

- To verify any information supplied in the tender documents.
- Not to appoint any Service Provider.
- To cancel or withdraw this RFQ at any time without attracting any penalties or liabilities.

TERMS OF REFERENCE FOR THE PREPARATION OF FINANCIAL STATEMENTS FOR THE NKOMAZI SPECIAL ECONOMIC ZONE (SEZ) ENTITY

- To appoint one or more Service Providers, depending on the outcome, to separately or jointly be responsible for the project.
- To have the final say in the appointment and that this will be binding.
- To disqualify a tender or cancel any subsequent contracts should it be found that information disclosed was factually inaccurate and/or that a misrepresentation of facts may have occurred.

7. Submission

The quotation must be emailed to sobahleq@mpg.gov.za on or before the closing date and time.

Yours faithfully
Signed by:

Mr QZ Sobahle
Supply Chain Practitioner
Date: 10 March 2025
Tel no: 013 766 4047

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

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

SBD4

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS

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.

SBD4

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

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	
Enterprise owned by Black people	4
Enterprise owned by Women	4
Enterprise owned by Youth	4
Enterprise owned by Disabled	4
Enterprise owned by SMME's-QSE and EME	4
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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:

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Enterprise owned by Black people	N/A	4	N/A	
Enterprise owned by Women	N/A	4	N/A	
Enterprise owned by Youth	N/A	4	N/A	
Enterprise owned by Disabled	N/A	4	N/A	
Enterprise owned by SMME's-QSE and EME	N/A	4	N/A	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. 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]

4.6. 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:

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