

FOR QUOTATION NO: PIK 206/2016

Procurement from R30 000, 00 up to a transaction value of R200 000, 00 (including Vat)

(For publication on Pikitup Website and Notice Board)

DESCRIPTION: REQUEST FOR QUOTATION

THE APPOINTMENT OF A SERVICE PROVIDER TO REVIEW PIKITUP'S CURRENT YELLOW PLANT AND EQUIPMENT (LANDFILL SITES, GARDEN SITES AND ILLEGAL DUMPING OPERATIONS) AND FLEET BUSINESS MODEL FOR PIKITUP JOHANNESBURG SOC LIMITED AND PROPOSE A NEW BUSINESS MODEL / STRATEGY

**PIKITUP SOC LIMITED
SUPPLY CHAIN MANAGEMENT
Private Bag X74
Braamfontein
2017**

Submission of Quotations

All Quotes must be placed in the designated Quotation Box which is located at the following address

**Pikitup Tender Office Ground Floor,
Jorrisen Place, 66 Jorrisen Street
Braamfontein, Johannesburg
QUOTATIONS SENT BY EMAIL WILL NOT BE
ACCEPTED**

Contact person for Information purposes only

**David Muhadi (Supply Chain Management Unit)
Landline: 087 357 1168
Email: muhadid@pikitup.co.za**

Full Name of Bidding/ Tendering Entity: _____

Contact Person: _____

Tel Number: _____

Email Address: _____

Sub Total Amount: R _____

14% VAT: R _____

Total Amount: R _____

Briefing Meeting Date : NOT APPLICABLE

Closing Date: : 27.3.2017 @10h00

Initial: Authorised Signatory/ies

SECTION 1

CLOSING DATE: 27.03.2017 CLOSING TIME: 10H00

All quotations received will be evaluated on the 80/20 point scoring basis. The 80 points will be for Price and 20 points are for Broad Based Black Economic Empowerment (BBBEE) for attaining the BBBEE Status level contribution in accordance with the table below:

- **MBD 4: Declaration of interest**
- **MBD 8: Declaration of bidders past supply management practices**
- **MBD 9: Certificate of Independent bid determination**

Failure to submit a fully compiled **MBD** forms quotation will result in your bid being rejected.

- **No quotation** will be considered from persons in the service of the state (**MBD4**).
- **As from the 7 December 2011**, all Service providers/contractors are required to submit valid, certified copies of their BEE certificate from an accredited BEE verification agency with their bid submission. Failure to submit will lead to forfeiture (loss) of the preference points.
- **In case of an Exempted Micro Enterprise (EME)** (turn over less than R 10m) a letter from a professional registered accountant/ auditor or a sworn affidavit is required in order to qualify for preference points. Failure to submit will lead to forfeiture (loss) of the preference points.

SECTION 2

1. **The Lowest or any bid will not necessarily be accepted** and the **PIKITUP reserves the right not to consider any bid** not suitably endorsed or comprehensively completed as well as the right to accept a bid in whole or part.
2. Where deliveries are quoted "ex-stock" the period of **delivery must not exceed Five (5) maximum working days after receipt of order. If this condition is not adhered to, the order could be cancelled.**

3. Quotations are to be completed in accordance with the conditions as set out in the quotation document and must be sealed and externally endorsed with the quotation number and place in the quotation box indicated above.
4. **Payments will be made thirty (30) days** after receipt of invoice by Council.
5. Quotations received after the closing date and time will not be considered.
6. Samples of the required items or goods are available for your perusal (when applicable.)
7. Should the above-mentioned conditions not be adhered to, the quotation will be considered invalid.
8. **Quotations must be valid for minimum of 60 days.**
9. **It is compulsory for all Service Providers and suppliers wanting to render services to PIKITUP to be registered National Treasury Central Supplier Database (“CSD”) as per National Treasury Circular No 3 of 2015/6 – Central Supplier Database.** National Treasury will maintain the database of all suppliers for Government and its institutions. Prospective suppliers can register online on the CSD by accessing the National Treasury website at www.CSD.gov.za.

DECLARATION

I, the undersigned hereby confirm that the information herein is a true reflection of the facts presented, and the person signing this document on behalf of the bidder duly authorized to do so. Should this not be the fact, stipulations regarding this as contained in the PIKITUP JOHANNESBURG SOC LTD Policy applies. I accept that the PIKITUP JOHANNESBURG SOC LTD may act against me in terms of the general conditions of contract should this declaration prove to be false.

Signing of the quotation in the appropriate space, as well as the initialling of each page by the bidder mandatory.

NAME OF PERSON:

CAPACITY:

DATE:

COMPULSORY RETURNABLE DOCUMENTS

Here is a checklist of all the compulsory documentation that you are required to submit. Before submitting please use this checklist.

DOCUMENT CHECKLIST	Tick if at
COMPANY REGISTRATION DOCUMENT – CIPRO	_____
VALID TAX CLEARANCE – original or the actual certified copy of the original	_____
MBD 4 – declaration of interest document provided with each RFQ we publish	_____
MBD8 - declaration of bidders past practices document provided with each RFQ	_____
MBD 9 - declaration of interest document provided with each RFQ we publish	_____
<u>FOR THE SITE BUSINESS IS LOCATED</u>	
<ul style="list-style-type: none"> • Municipal statement - if the property is owned by the company 	_____
<ul style="list-style-type: none"> • Lease Agreement – if the company is renting on the property • Landlords Letter– if the company is renting on the property then we also require a letter from the landlord confirming the tenants account is up to date 	_____
<ul style="list-style-type: none"> • Sworn Affidavit – if the business is being run from the home of the director 	_____
<u>FOR EACH DIRECTOR OF THE COMPANY</u>	
<ul style="list-style-type: none"> • Municipal Statement - for each director that owns the house <p style="text-align: center;">OR</p>	_____
<ul style="list-style-type: none"> • Lease agreement – if the company is renting on the property <p style="text-align: center;">+</p> <ul style="list-style-type: none"> • Landlords Letter– if the company is renting on the property then we also require a letter from the landlord confirming the tenants account is up to date 	_____
<p style="text-align: center;">OR</p> <ul style="list-style-type: none"> • Sworn Affidavit –where no formal agreement exists. This is often the case where director is residing with parents or other relatives where there is nothing formal 	_____

TERMS OF REFERENCE

THE APPOINTMENT OF A SERVICE PROVIDER TO REVIEW PIKITUP'S CURRENT YELLOW PLANT AND EQUIPMENT (LANDFILL SITES, GARDEN SITES AND ILLEGAL DUMPING OPERATIONS) AND FLEET BUSINESS MODEL FOR PIKITUP JOHANNESBURG SOC LIMITED AND PROPOSE A NEW BUSINESS MODEL / STRATEGY

PIK 206/2016



a world class African city



City of Johannesburg Pikitup

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Jorissen Place
66 Jorissen Street
Braamfontein
2001

Private Bag X74
Braamfontein
Johannesburg
2017
Tel+27(0) 11 712 5200
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www.pikitup.co.za
www.joburg.org.za

TERMS OF REFERENCE FOR THE REVIEW OF PIKITUP'S CURRENT YELLOW PLANT AND EQUIPMENT (LANDFILL SITES, GARDEN SITES AND ILLEGAL DUMPING OPERATIONS) AND FLEET BUSINESS MODEL FOR PIKITUP JOHANNESBURG SOC LIMITED AND PROPOSE A NEW BUSINESS MODEL / STRATEGY

1. INTRODUCTION

1.1 PURPOSE OF TENDER

The purpose of the tender is to request a service provider

- 1.To review Pikitup's Fleet and Yellow plant business models and propose a way forward for a new business model in relation to Pikitup's Business Plan, Resource Recovery and Logistics Plan (RRLP) and the City of Johannesburg's vision and mission and
2. Gain assurance that the proposed fleet and yellow plant model is reflective of the current and future operational needs, fleet structure and future strategic requirements of Pikitup in the short, medium and long terms.

1.2 BACKGROUND

A tender process had been run for the acquisition of plant, operators and maintenance for designated landfills, garden sites and depots, however, this process was ultimately cancelled due to the non-responsive bids to the tender requirements being received. A new tender process had to be followed. While the second tender process was underway the organization inevitably had to enter into a new short term contract with the current service provider which was in line with the provision of SCM Regulation 36.

The COJ has entered into a three year contract for fleet with Avis and the contract expires at the end of October 2017.

Pikitup needs to prepare tender documents and the new tender should make provision for Pikitup' strategy in relation to fleet.

1.3. PIKITUP JOHANNESBURG SOC LIMITED

Pikitup Johannesburg (SOC) Ltd (Pikitup), 100% owned by the City of Johannesburg, and established on 1 November 2000 in terms of the Companies Act, No. 71 of 2008 is mandated to provide integrated waste management services to the residents of Johannesburg. In line with the establishment of Pikitup, the Council utilises the Environment, Infrastructure and Services Department (EISD) as well as the appointed Board of Directors, and Group Governance Department to oversee the governance of the Service Provider, as well as to regulate it.

In order for Pikitup to successfully make a meaningful impact with regard to the guiding principles for waste management and ensuring resource security, environmental sustainability and good governance in the CoJ, the resources of the organisation must be directed towards the activities envisaged by the City's Growth and Development Strategy (GDS 2040).

The business plan for Pikitup for 2016/17 and 2017/18 responds to the Jo-burg 2040 ideals of resilience, liveability and sustainability. It reflects and attempts to strengthen the strategic framework based on cross-sectorial planning processes that have defined four outcome driven programmes for the 5-year Integrated Development Plan (IDP). These master programmes relate to sustainable and integrated delivery of water, sanitation, energy and waste; Eco-Mobility; Sustainable Human Settlements and Climate Change Resilience and Environmental Protection. The business plan gives effect to these strategic objectives and responds to the need to develop a resilient, liveable, sustainable urban environment underpinned by infrastructure which is supportive of a low carbon economy.

Pikitup is currently in a process to address and respond to these objectives and thus require the implementation of new projects and approaches, innovative solutions and changes within the organisation that will support the change in focus. There are therefore programmes included to shift the focus to waste minimisation whilst addressing service delivery failures and legacy issues. The approach is also to create opportunities for coproduction and community and stakeholder participation in the way services are delivered as well as the methodologies for projects implemented. It is believed that this will contribute towards the alleviation of poverty, inequality and unemployment.

There is a particular focus in the business plan to address organisational transformation in order to build an effective and efficient organisation that delivers world class services. In terms of the priorities for the City of Johannesburg, various programmes have been identified that will contribute to the achievement of strategic goals. These programmes are developed to support and ensure the implementation of the GDS master Programmes and to address the spatial inequalities and development of the City.

1.3 MAJOR PRODUCTS AND SERVICES

Pikitup in terms of the service delivery agreement is contracted to the City of Johannesburg to provide a wide range of waste management services to its citizens. Pikitup provides two categories of services, viz. Council services and commercial services, the latter of which Pikitup provides in competition with other private waste management companies. The table below categorizes Pikitup's main product/service offerings:

Table 1: Council Services / Commercial Services

Council Services	Commercial Services
Domestic and Business round collected refuse	Collection and disposal of de-listed waste
Litter Bin management	Bulk commercial services
Garden Site operations	Recycling activities
Street cleaning	Special events
Lane flushing	Landfill services
Area cleaning	
Collection and disposal of Animal carcasses in public places	
Collection of illegally dumped waste	
The facilitation of Waste Management and Recycling activities	

For more information on Pikitup business, please visit our website www.pikutup.co.za.

1.4 AREA OF OPERATIONS

Pikutup executes its mandate to the City of Johannesburg and its residents through 11 Depots, 3 Satellite depots, 6 Landfills four (4) operational and two (2) closed, 42 Garden sites and 4 Buy Back Centers.

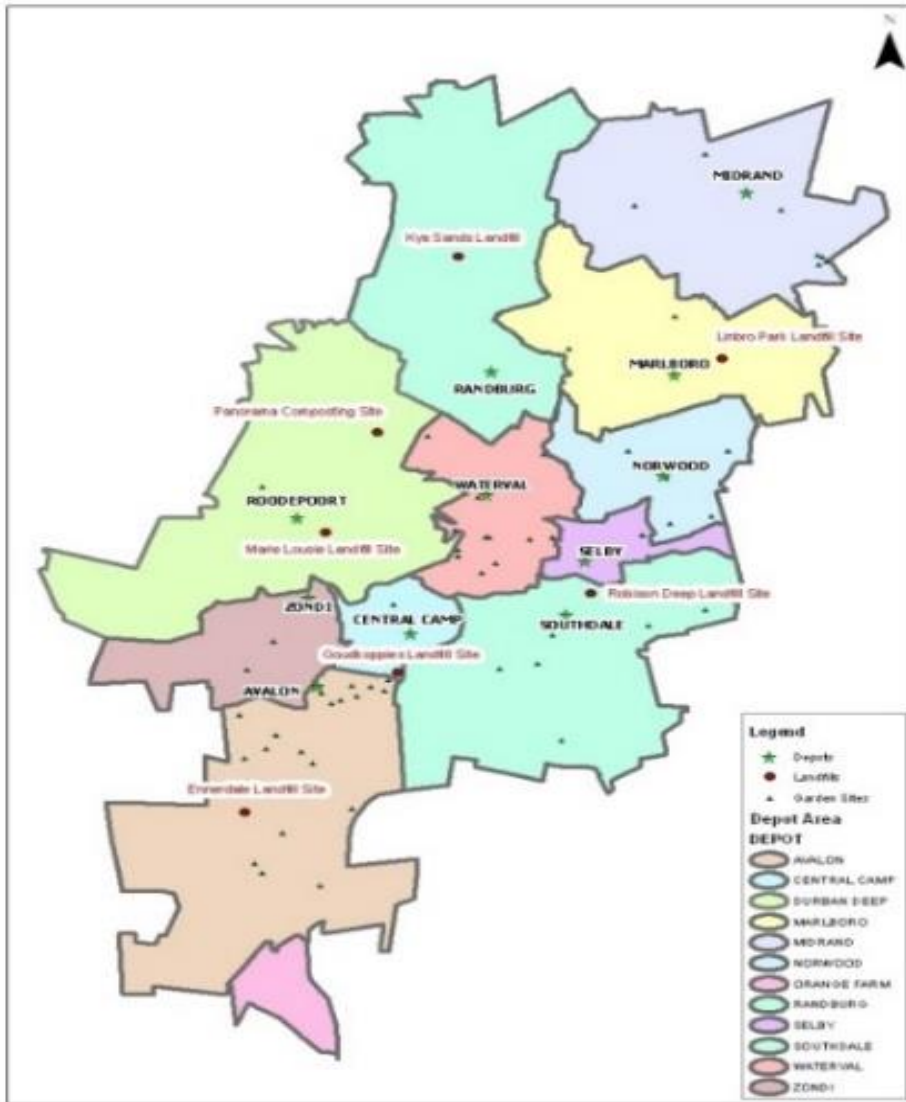


Figure 1: Area of Operations

2. PIKITUP EXPECTATIONS OF THE PROSPECTIVE SERVICE PROVIDER (SCOPE OF WORK)

It is the expectation of Pikitup that the awarded bidder will address the following:

- 1 Evaluate Pikitup's current yellow plant and equipment for operations in the following areas, landfill sites; illegal dumping and garden site as well as fleet requirements in line with Pikitup's new business model.
- 2 Assist Pikitup to provide technical input that can be used in the acquisition of future yellow plant and fleet aligned to its waste minimization strategy and alignment with the Resource Recovery and Logistics Plan with immediate, short (2-5 years) and medium (>5-10 years) term requirements.
- 3 Prepare GAP analysis report between current processes, strategic requirements and tender scope and content
- 4 Prepare final report of recommendations inclusive of risk analysis including risk identification and mitigation

Due to anticipated time constraints the following detailed activities have been excluded from this project

- Physical fleet inspection to determine vehicle condition
- Vehicle selection and standardisation requirements
- Review and upgrade of operating policies, processes and procedures
- Review of staff skills and training requirements
- Impact of future legislation e.g. AARTO and HSE requirements

Pikitup reserves the right to award or not to award in line with the provisions of Supply Chain Management Policy.

2.1 TIMING AND COST

It is anticipated that due to time constraints, discovery and review will be at a “High Level” and lack the detailed review necessary to substantially modify strategy and processes. However, it will have sufficient detail to support the objectives of this project.

Based on the requirements above it is anticipated that the project can be completed in 6 weeks from commitment.

Costs are determined by project scope and time taken, but a cost in excess of R 200,000 incl. VAT is not anticipated for this project.

Deliverable	Price (including VAT)
1 Evaluate Pikitup’s current yellow plant and equipment for operations in the following areas, landfill sites; illegal dumping and garden site as well as fleet requirements in line with Pikitup’s new business model.	
2 Assist Pikitup to provide technical input that can be used in the acquisition of future yellow plant and fleet aligned to its waste minimization strategy and alignment with the Resource Recovery and Logistics Plan with immediate, short (2-5 years) and medium (>5-10 years) term requirements.	
3 Prepare GAP analysis report between current processes, strategic requirements and tender scope and content	
4 Prepare final report of recommendations inclusive of risk analysis including risk identification and mitigation	
TOTAL PROJECT VALUE (INCLUDING VAT)	

3. EVALUATION CRITERIA

- a) Pikitup will establish a Bid Evaluation Committee (BEC) whose responsibility is to make recommendations to the Accounting Officer. Short listed service providers companies will be required to make a presentation to Pikitup’s Bid Evaluation Committee, if Pikitup deems necessary. Compulsory bid information meeting is not required.
- b) Bidders will be evaluated on the information as contained in their submissions, and this may further be supplemented by presentations and clarification information as may be requested from the bidders.
- c) The evaluation of the proposal will be based on pre-compliance, functionality, and lastly price and preference.
- d) Submissions will be adjudicated and the Contract awarded in accordance with the SCM regulations, MFMA, other applicable legislation.

3.1. Pre-compliance criteria

The following are compulsory returnable documents which must be submitted to execute the pre-compliance evaluation:

- Copy of Valid tax clearance certificate and Registration on the CSD
- Completion of required MBD forms

3.2. Functionality

Points will be awarded to Service Providers who in their written submission to Pikitup BEC demonstrates ability to fulfill Pikitup requirements in line with the following points:

Item	Functionality Criterion	Criterion Weighting
1.	<p>Qualification and experience in respect of the Service Provider.</p> <ul style="list-style-type: none"> • Service Provider with five years or more experience in provision of yellow plant and fleet logistics advise: 10 points <ul style="list-style-type: none"> ○ CV indicating more than 5 years’ experience - 5 ○ CV indicating less than 5 years’ experience – 0 • The Service Provider must provide at least three (3) written positive references, including a contact person and contact details, for provision of yellow plant and fleet of similar nature from their previous Clients not older than 3 years: 10 points <ul style="list-style-type: none"> ○ letters and more – 5 ○ letters – 3 ○ letter – 1 ○ o letter – 0 • The Service Provider must provide proof, a schedule of completed projects of similar nature and contactable references: 30 points <ul style="list-style-type: none"> ○ projects and more – 5 ○ 	50

	<ul style="list-style-type: none"> ○ to 4 projects – 4 ○ to 3 projects – 3 ○ to 2 projects – 2 ○ o project completed - 0 	
	<p>Lead delivery time of the project from award of tender in line with the indicative timelines in this tender document. 5 points</p> <ul style="list-style-type: none"> ● Within 6 weeks and below – 5 ● More than 6 weeks - 0 	5
	<p>A draft project implementation plan must be included: 5 points</p> <ul style="list-style-type: none"> ● Detailed project plan linked to tasks/activities – 5 ● Insufficient project plan or not submitted – 0 	5
	<p>Experience of the Project Leader, project related: 15 points</p> <ul style="list-style-type: none"> ● 5 years and above – 5 ● 3 to 4 years – 4 ● 2 to 3 years – 3 ● 1 to 2 years – 2 ● No experience – 0 	15
	<p>Qualifications of the Project Leader: 15 points</p> <ul style="list-style-type: none"> ● MSc / M Tech. Fleet Logistics- 5 ● B Degree / BTech. Fleet Logistics – 3 ● Below the above – 0 	15
	<p>Location of the Office: 10 points</p> <ul style="list-style-type: none"> ● CoJ - 5 ● Gauteng - 4 ● South Africa - 3 ● Southern Africa - 2 ● International - 1 	10
	Total	100

Bidders who score a minimum threshold of 75% (75 out of 100) for functionality evaluation will qualify to be further evaluated on price and preference.

3.3. Price and Preference (BBBEE)

Price and preference will account for 100 Points with the ratio between price and preference being 80:20

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state¹.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:

3.2 Identity Number:

3.3 Position occupied in the Company (director, trustee, hareholder²):

3.4 Company Registration Number:

3.5 Tax Reference Number:

3.6 VAT Registration Number:

3.7 The names of all directors / trustees / shareholders members, their individual identity Numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....

¹MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of 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);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) An employee of Parliament or a provincial legislature.

² Shareholder" means a person who owns shares in the company and is actively involved in the

management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons
In the service of the state and who may be involved with
The evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between
Any other bidder and any persons in the service of the state who
May be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company's directors, trustees, managers,
Principle shareholders or stakeholders in service of the state? **YES / NO**

3.12.1 If yes, furnish particulars.

.....

.....

3.13 Are any spouse, child or parent of the company's directors?
Trustees, managers, principle shareholders or stakeholders
In service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....

.....

3.14 Do you or any of the directors, trustees, managers,
Principle shareholders, or stakeholders of this company
Have any interest in any other related companies or
Business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

.....

.....

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

Full Name	Identity Number	State Employee Number

.....
Signature

.....
Date

.....
Capacity

.....
Name of Bidder

MBD 8

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities 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 rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. Been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 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	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>Audi alter am partum</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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)? The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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 of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)
**CERTIFY THAT THE INFORMATION FURNISHED ON THIS
DECLARATION FORM 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

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ 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 *per se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD 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 (MBD 9) must be completed and submitted with the bid:

MBD 9

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 Municipality / Municipal Entity)

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 consortium³ 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.

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

MBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

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, 2011.

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 R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to **exceed/not exceed** R1 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

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

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

1.5 Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE 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) **“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- (b) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

- (c) **“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
 - (d) **“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 services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
 - (e) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) as amended by Act No 46 of 2013;
 - (f) **“comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
 - (g) **“consortium or joint venture”** 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;
 - (h) **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
 - (i) **“EME”** means an Exempted Micro Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
 - (j) **“Firm price”** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
 - (k) **“functionality”** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
 - (l) **“non-firm prices”** means all prices other than “firm” prices;
 - (m) **“person”** includes a juristic person;
 - (n) **“QSE”** means a Qualifying Small Enterprise as defines by Codes of Good Practice issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
 - (o) **“rand value”** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
 - (p) **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
 - (q) **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
 - (r) **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
3. **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
4. **ADJUDICATION USING A POINT SYSTEM**
- 4.1 The bidder obtaining the highest number of total points will be awarded the contract.

- 6.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 6.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 6.6 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 6.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 6.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

7. BID DECLARATION

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

8. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 5.1

8.1 B-BBEE Status Level of Contribution: = (maximum of 10 or 20 points)
 (Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit.

9. SUB-CONTRACTING

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

(Tick applicable box)

YES		NO	
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9.1.1 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.

(Tick applicable box)

YES		NO	
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10. DECLARATION WITH REGARD TO COMPANY/FIRM

10.1 Name of company/firm:.....

10.2 VAT registration number:.....

10.3 Company registration number:.....

10.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

10.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

10.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

10.7 MUNICIPAL INFORMATION

Municipality where business is situated:

Registered Account Number:

Stand Number:

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

10.9 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 contribution indicated in paragraph 7 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 paragraph 7, 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 contribution 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) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
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<p>..... SIGNATURE(S) OF BIDDERS(S)</p> <p>DATE:</p> <p>ADDRESS</p> <p>.....</p> <p>.....</p>

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

I, the undersigned,

Full name & Surname	
Identity number	

1. I hereby declare under oath as follows:

- That the contents of this statement are to the best of my knowledge a true reflection of the facts.
- That I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:

- The enterprise is _____ % black owned;
- The enterprise is _____ % black woman owned;
- Based on the management accounts and other information available on the _____ financial year, the income did not exceed R10, 000,000.00 (ten million rands);

Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of the DTI Codes of Good Practice.

5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.

6. The sworn affidavit will be valid for a period of 12 months from the date signed by Commissioner.

Respondents Signature: _____	Date: _____
Commissioner of Oaths Signature & Stamp _____	