

# REQUEST FOR TENDER

## DENEL OVERBERG TEST RANGE

TENDER NUMBER:	OTT/451/202101
CLOSING DATE:	20 October 2021
CLOSING TIME:	11:00 am
CLOSING DATE FOR ENQUIRIES:	15 October 2021
PERIOD FOR WHICH TENDERS ARE REQUIRED TO REMAIN OPEN FOR ACCEPTANCE:	180 Days
DESCRIPTION OF TENDER:	TRACKING RADAR TRANSMITTER REPLACEMENT
TENDER DOCUMENTS DELIVERY ADDRESS:	Physical Address: Denel Overberg Test Range, Arniston Road, Arniston, Western Cape The tender box is situated in the Reception area of the Security building at the main gate and is accessible all hours of the week.
TENDER ENQUIRY EMAIL ADDRESS:	tenders@denelotr.co.za

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## PART A: INVITATION TO TENDER

THE PURPOSE OF THIS RFT IS TO INVITE SERVICE PROVIDERS TO SUBMIT A PROPOSAL FOR TRACKING RADAR TRANSMITTER REPLACEMENT

Tenderers should ensure that Tenders are delivered timeously and to the correct address (reflected on the cover page of this document). If the Tender is late, it will not be considered for evaluation.

The Tender box is open during the following hours (07h30 to 16H:00) Monday to Friday.

**ALL TENDERS MUST BE SUBMITTED ON THIS DOCUMENT – (NOT TO BE RE-TYPED)**

No Tenders received by facsimile, email or any other similar medium will be considered.

THIS TENDER IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (Refer to Annexure L) AND SPECIAL CONDITIONS SPECIFIED IN THIS RFT, WHICH ARE SET OUT IN PART C OF THIS DOCUMENT.

THE FOLLOWING PARTICULARS MUST BE FURNISHED (FAILURE TO DO SO MAY RESULT IN YOUR TENDER BEING DISQUALIFIED).

NAME OF TENDERER AND EACH ENTITY IN CONSORTIUM:				
POSTAL ADDRESS:				
STREET ADDRESS:				
CONTACT PERSON (FULL NAME):				
EMAIL ADDRESS:				
TELEPHONE NUMBER:				
FAX NUMBER:				
TENDERER REGISTRATION NUMBER OR REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM				
TENDERER VAT REGISTRATION NUMBER OR VAT REGISTRATION NUMBER OF EACH ENTITY IN CONSORTIUM				
TAX CLEARANCE CERTIFICATE SUBMITTED OR PIN?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
B - BBEE CERTIFICATE SUBMITTED?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
REGISTERED WITH THE NATIONAL TREASURY CENTRAL SUPPLIER DATABASE (CSD)	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
FULL NAME OF AUTHORISED REPRESENTATIVE:				

CAPACITY IN WHICH AUTHORISED REPRESENTATIVE SIGNS:	
SIGNATURE OF AUTHORISED REPRESENTATIVE:	
DATE OF SIGNATURE	

## PART B: CHECKLIST OF COMPULSORY

### RETURNABLE SCHEDULES AND DOCUMENTS

Please adhere to the following instructions:

1. Tick in the relevant block below
2. Ensure that the following documents are completed and signed where applicable:
3. Use the prescribed sequence in attaching the annexures that complete the Tender Document

NB: Should all of these documents not be included, the Tenderer may be disqualified on the basis of non-compliance.

YES NO

One (1) original (three (3) hard copies) and one (1) electronic copy on a CD/USB for Qualifying and Functionality Evaluations - (clearly marked as original and copies).

One (1) original (three (3) hard copies) and one (1) electronic copy on a CD/USB for Price and Preferential points.

Each submission must be divided and enclosed into two separate envelopes, one (1) envelope for Qualifying and Functional Evaluations and the other one for Price and Preferential Points (Annexure "A").

Part A: Invitation to Tender (with a signature of an authorised representative of the Tenderer)

Part C: Specifications, Conditions of tender and Undertakings by Tenderer (with a signature of an authorised representative of the Tenderer)

Annexure A: Schedule of Rates/Price Proposal (If applicable)

Annexure B: Executive Summary

Annexure C: SBD 2 - Tax Clearance Certificate Requirement

Annexure D: SBD 4: Declaration of Interest

Annexure E: SBD 6.1 and B-BBEE status level certificate

Annexure F: SBD 8: Declaration of Tenderer's Past Supply Chain Practices

Annexure G: SBD 9: Certificate of Independent Tender Determination

Annexure H: Certified copies of your CIPC company registration documents listing all members with percentages, in case of a close corporation

- Annexure I: Certified copies of latest share certificates, in case of a company.
- Annexure J (if applicable): A breakdown of how fees and work will be spread between members of the Tendering consortium.
- Annexure K: Supporting documents in response to Mandatory Criteria /Requirements
- Annexure L: General Conditions of Contract
- Annexure M: Supporting documents - CSD Registration Summary Report
- Annexure N: Recent references and transactions the Tenderer has handled as specified in this document (If applicable)
- Annexure O: EE report or detailed employee profile report and Transformation Plan (if applicable)
- Annexure P: Proposed Human Resources and Organogram
- Annexure Q: Details of Experience in partnering with companies owned and managed by Black People (If applicable)
- Annexure R: Proposed Network Design Drawing
- Annexure S: ICASA license
- Annexure T: Bidder's network back-bone or SLA with the Tier 1 provider
- Annexure U: Bidder's network topology depicting how the Denel MPLS cloud will be isolated from internet traffic
- Annexure V: The bidder's WAN Cyber-Security Proposal on how the Denel WAN will be protected from security attacks such as flooding, man in the middle, Denial of Services, unauthorized access, tapping and sniffing.
- Annexure W: Traffic flow between Denel divisions.
- Annexure X: Transition plan
- Annexure Y: Telephony network diagram
- Annexure Z: Telephony call rates
- Annexure AA: Telephone number porting
- Annexure AB: Network Management Centre /Network Operating Centre
- Annexure AC: Schedule of rates/ price





## **PART C: SPECIFICATIONS, CONDITIONS OF TENDER AND UNDERTAKINGS BY TENDERER**

### **1 DEFINITIONS**

In this Request for Proposals, unless a contrary intention is apparent:

- 1.1 B-BBEE means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- 1.2 B-BBEE Act means the Broad-Based Black Economic Empowerment Act, 2003 (Act No 53 of 2003);
- 1.3 B-BBEE status level means the B-BBEE status received by a measured entity based on its overall performance used to claim points in terms of Regulation 6 and 7 of the Preferential Procurement Regulations, 2017;
- 1.4 Business Day means a day which is not a Saturday, Sunday or public holiday;
- 1.5 Tender means a written offer in the prescribed or stipulated form lodged by a Tenderer in response to an invitation in this Request for Tender("RFT"), containing an offer to provide goods, works or services in accordance with the Specification as provided in this RFT;
- 1.6 Tenderer means a person or legal entity, or an unincorporated group of persons or legal entities that submit a Tender;
- 1.7 Companies Act means the Companies Act, 2008 (Act No 71 of 2008);
- 1.8 Compulsory Documents means the list of compulsory schedules and documents set out in Part B;
- 1.9 Closing date and time means the Date and time, specified as such under the Clause 3 (Tender Timetable) in this Part C, by which Tenders must be received;
- 1.10 Denel means Denel SOC Ltd, a state-owned company with registration number: 1992/001337/30) or any of its Divisions and Subsidiaries;
- 1.11 Evaluation Criteria means the criteria set out under the Clause 32 (Evaluation Process) of this Part C, which includes the Mandatory Criteria, Functional Criteria (Stage1) and Price and Preferential Points (Stage 2) Assessment;
- 1.12 Functional Criteria means the criteria set out in clause 32.2 referring to the qualify specification of the RFT in accordance with the relevant standards. Refer to Part C of this document;
- 1.13 Includes or including means includes or including without limitation;

- 1.14 Intellectual Property Rights means all rights, title and interests in and to any creation of the mind that is capable of being protected by statute or through common law including, but not limited to, Copyright, Designs, Know-how, Patents and Trademarks and any other ensuing Intellectual Property Rights and interests of a similar nature whether registerable or not;
- 1.15 NKP means an area declared as a National Key Point area in terms of the National Key Point Act, 1980 (Act No 102 of 1980) as amended;
- 1.16 PFMA means the Public Finance Management Act, 1999 (Act No 1 of 1999), as amended;
- 1.17 PPPFA means the Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000) as amended;
- 1.18 PPPFA Regulations means the Preferential Procurement Regulations 2017, published in terms of the PPPFA;
- 1.19 Price and Preferential Points Assessment means the process described in Clause 32.3 of this document in Part C, as prescribed by the PPPFA.
- 1.20 Rand or R is a reference to the lawful currency of the Republic of South Africa;
- 1.21 Request for Tender or RFT means this document (comprising each of the parts identified under Part A, Part B, Part C and Part D) including all annexures and any other documents so designated by Denel;
- 1.22 SARS means the South African Revenue Service;
- 1.23 Services means the services required by Denel, as specified in this RFT Part D;
- 1.24 SLA means Service Level Agreement that will be concluded between Denel and successful Tenderer;
- 1.25 SOC means State Owned Company, as defined by the Companies' Act;
- 1.26 Specification means specification or description of Denel's requirements contained in this RFT;
- 1.27 State means the Republic of South Africa;
- 1.28 Tendering Process means the process commenced by the issuing of this Request for Tenders and concluding upon formal announcement by Denel of the selection of a successful Tenderer(s) or upon the earlier termination of the process;
- 1.29 Website means a website administered by Denel under its name with web address [www.denel.co.za](http://www.denel.co.za);

Note: The term SLA and Contract are used interchangeably in this document.



## 2 TENDER OFFICE

DENEL – Procurement

For any enquiries, kindly forward your queries to the tenders@denelotr.co.za. No questions will be answered telephonically.

Kindly note that it is the sole responsibility of the Tenderer, to ensure they attend the Compulsory Briefing. The briefing will be used to clarify any issues in this tender document. (If applicable)

Denel will not be held liable/responsible in the event that Tenderers do not view responses to questions/queries/comments which were posted on the e-Tender portal.

No canvassing of any Denel employee will be tolerated and that will result in an immediate disqualification of the Tenderer.

## 3 TENDER TIMETABLE

This timetable is provided as an indication of the timing of the tender process. Tenderers are to submit Tenders that will allow achievement of the intended commencement date.

Activity	Date
Advertisement of tender	21 September 2021
RFT document available	21 September 2021 On <a href="http://www.etender.gov.za">www.etender.gov.za</a> and <a href="http://www.denelotr.co.za">www.denelotr.co.za</a> or on request
Closing date and time	20 October 2021 11h00 a.m.
Intended completion of evaluation of tenders	
Intended formal notification of successful Tenderer(s)	
Signing of Service Level Agreement	
Effective date	

## 4 SUBMISSION OF TENDERS

4.1 Hardcopies and electronic copies of Tenders are to be submitted to:

Physical Address of Tender Box	Denel Overberg Test Range, Arniston Road, Arniston, Western Cape  The tender box is situated in the Reception area of the Security building at the main gate and is accessible all hours of the week.
Hours of access to Tender Box	07H30 to 16H00 only
Information to be marked on package containing Tender Envelope System Indicate whether each envelope pertains to Envelope 1: 'Qualifying and Functional Evaluation' and Envelope 2: 'Price and Preference Points'	Kindly ensure correct submission

Note: Return address must be reflected at the back of the package containing the tender.

Kindly ensure all submissions are duly authorised. If the Tenderers are submitting more than one (1) Tender regarding the functions explained in the cover page and Part D of this RFT, then these should be submitted as separate submissions and indicated on the cover page of the Tender.

4.2 Tenderers are requested to initial each page of the tender document on the bottom right hand corner.

## **5 RULES GOVERNING THIS RFT AND THE TENDERING PROCESS**

5.1 Participation in the tender process is subject to compliance with the rules, terms and conditions contained in Part C of this RFT.

5.2 All persons (irrespective of whether they are participants in this tender process) who obtained or received this RFT may only use it, and the information contained herein, in compliance with the rules, terms and conditions contained in this RFT.

5.3 All Tenderers are deemed to accept the rules, terms and conditions contained in Part C of this RFT.

5.4 The rules, terms and conditions contained in this RFT apply to:

5.4.1 The RFT and any other information given, received, or made available about this RFT, and any revisions or annexures;

5.4.2 The Tendering Process; and

- 5.4.3 Any communications (including any briefings, presentations, meetings, and negotiations) relating to the RFT or the Tendering Process.

## **6 STATUS OF REQUEST FOR TENDER**

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

## **7 ACCURACY OF THE RFT**

- 7.1 Whilst all due care has been taken in connection with the preparation of this RFT, Denel makes no representations or warranties that the content in this RFT or any information communicated to or provided to Tenderers during the Tendering Process is, or will be, accurate, current or complete. Denel, and its officers, employees and advisors will not be liable with respect to any information communicated which is not accurate, current or complete.
- 7.2 If a Tenderer finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this RFT or any other information provided by Denel (other than minor clerical matters), the Tenderer must promptly notify Denel in writing of such discrepancy, ambiguity, error or inconsistency in order to afford Denel an opportunity to consider what corrective action is necessary (if any).
- 7.3 Any actual discrepancy, ambiguity, error or inconsistency in this RFT or any other information provided by Denel will, if possible, be corrected and provided to all Tenderers without attribution to the Tenderer who provided the written notice

## **8 ADDITIONS AND AMENDMENTS TO THE RFT**

- 8.1 Denel reserves the right to change any information in, or to issue any addendum to this RFT before the Closing Date and Time. Denel and its officers, employees and advisors will not be liable in connection with either the exercise of, or failure to exercise this right.
- 8.2 If Denel exercises its right to change information in terms of Clause 8.1, it may seek amended Tenders from all Tenderers.

## **9 REPRESENTATIONS**

No representations made by or on behalf of Denel in relation to this RFT will be binding on Denel unless that representation is expressly incorporated into the contract ultimately entered into between Denel and the successful Tenderer.

## **10 CONFIDENTIALITY**

All persons (including all Tenderers) obtaining or receiving this RFT and any other information about this RFT or the Tendering Process must keep the contents of the RFT and other such information confidential, and not disclose or use the information except as required for the purpose of developing a Tender in response to this RFT.

## **11 UNAUTHORISED COMMUNICATIONS**

11.1 Communication (including promotional or advertising activities) with staff of Denel or their Denel assisting with the Tendering Process is not permitted during the Tendering Process. Nothing in this Clause 11 is intended to prevent communications with staff of, or advisors to, Denel to the extent that such communication is not related to this RFT or the Tendering Process.

11.2 Tenderers must not otherwise engage in any activities that may be perceived as, or that may have the effect of, influencing the outcomes of the Tendering Process in any way.

## **12 IMPROPER ASSISTANCE, FRAUD AND CORRUPTION**

12.1 Tenderers may not seek or obtain the assistance of employees of Denel in the preparation of their tender responses.

12.2 Denel may in its absolute discretion, immediately disqualify a Tenderer that it believes has sought or obtained such improper assistance.

12.3 Tenderers are to be familiar with the implications of contravening the Prevention and Combating of Corrupt Activities Act, 2004 and any other relevant legislation.

12.4 Any improper communication, canvassing, or engagement with any Denel people/person/representative will result in immediate disqualification from the RFT process

## **13 ANTI-COMPETITIVE CONDUCT**

13.1 Tenderers and their respective officers, employees, agents, and advisors must not engage in any collusion, anti-competitive conduct or any other similar conduct with any other Tenderer or any other person(s) in respect of this Tendering Process, including during the:

- a. Preparation or lodgement of their tender;
- b. Evaluation and clarification of their tender; and
- c. Negotiations with Denel.



- 13.2 For the purposes of this Clause 13, collusion, anti-competitive conduct or any other similar conduct may include disclosure, exchange, and clarification of information whether or not such information is confidential to Denel or any other Tenderer or any other person or organisation.
- 13.3 In addition to any other remedies available to it under law or contract, Denel may, in its absolute discretion, immediately disqualify a Tenderer that it believes has engaged in any collusive, anti-competitive conduct or any other similar conduct during or before the Tendering Process.

## **14 COMPLAINTS ABOUT THE TENDERING PROCESS**

- 14.1 Any complaint about the RFT or the Tendering Process must be submitted to the Tender Office via the Tender Response email address, by email only, immediately upon the cause of the complaint arising or becoming known to the Tenderer.
- 14.2 The written complaint must set out:
- 14.2.1 the basis for the complaint, specifying the issues involved;
  - 14.2.2 how the subject of the complaint affects the organisation or person making the complaint;
  - 14.2.3 any relevant background information; and
  - 14.2.4 the outcome desired by the person or organisation making the complaint.
- 14.3 If the matter relates to the conduct of an employee of Denel, the complaint should be addressed in writing marked for the attention of the Chief Executive Officer of Denel, and delivered to the physical address of Denel, as notified.

## **15 CONFLICT OF INTEREST**

- 15.1 A Tenderer must ensure that its officers, employees, agents and advisors do not place themselves in a position that may give rise to actual, potential or perceived conflict of interest between the interests of Denel and the Tenderer's interests during the Tender Process.
- 15.2 The Tenderer is required to provide details of any interests, relationships or clients which may or do give rise to a conflict of interest in relation to the supply of the products/services under any contract that may result from this RFT. If the Tenderer submits its Tender and a subsequent conflict of interest arises, or is likely to arise, which was not disclosed in the Tender, the Tenderer must notify Denel immediately in writing of that conflict.
- 15.3 Denel may immediately disqualify a Tenderer from the Tendering Process if the Tenderer fails to notify Denel of the conflict of interest as required.

## **16 LATE TENDERS**

- 16.1 Tenders must be delivered by the Closing Date and Time. The Closing date and time may be extended by Denel in its absolute discretion by providing written notice to Tenderers.
- 16.2 Tenders delivered after the Closing date and Time or lodged at a location or in a manner that is contrary to that specified in this RFT will be disqualified from the Tendering Process and will be ineligible for consideration. No Late Tenders will be accepted.
- 16.3 The determination by Denel as to the actual date and time that a Tender is submitted is final.

## **17 TENDERER'S RESPONSIBILITIES**

- 17.1 Tenderers are responsible for:
  - 17.1.1 examining this RFT and any documents referenced or attached to this RFT and any other information made or to be made available by Denel to Tenderers in connection with this RFT;
  - 17.1.2 fully informing themselves in relation to all matters arising from this RFT, including all matters regarding Denel's requirements for the provision of the Services;
  - 17.1.3 ensuring that their Tenders are accurate and complete;
  - 17.1.4 making their own enquiries and assessing all risks regarding this RFT, and fully considering and incorporating the impact of any known and unknown risks into their Tender;
  - 17.1.5 ensuring that they comply with all applicable laws with regards to the Tendering Process particularly as specified by National Treasury Regulations, Guidelines, Instruction Notes and Practice Notes and other relevant legislation as published from time to time in the Government Gazette; and
  - 17.1.6 submitting all Compulsory Documents.
- 17.2 Tenderers with annual total revenue of R10 million or less qualify as Exempted Micro Enterprises (EMEs) in terms of the B-BBEE Act and must submit a certificate issued by a registered, independent auditor (who is not the Tenderer or a partner to the Tenderer) or an accredited verification agency.
- 17.3 Tenderers other than Exempted Micro-Enterprises (EMEs) must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE status. The submission of such certificates must comply with the requirements of instructions and guidelines issued by National Treasury and must be in accordance with the applicable notices published by the Department of Trade and Industry in the Government Gazette.

## **18 PREPARATION OF TENDERS**

18.1 Tenderers must ensure that:

18.1.1 Their Tender is submitted in the required format as stipulated in this RFT; and

18.1.2 All the required information fields in the Tender are completed in full and contain the information requested by Denel.

18.2 Denel may in its absolute discretion reject a Tender that does not include the information requested or is not in the format required.

18.3 Unnecessarily elaborate responses or other representations beyond that which is sufficient to present a complete and effective Tender is not desired or required. Elaborate and expensive visual and other presentation aids are not necessary.

18.4 Where the Tenderer is unwilling to accept a specified condition, the non-acceptance must be clearly and expressly stated. Prominence must be given to the statement detailing the non-acceptance. It is not sufficient that the statement appears only as part of an attachment to the Tender, or be included in the general statement of the Tenderer's usual operating conditions.

18.5 An incomplete Tender may be disqualified or assessed solely on the information completed or received with the Tender.

## **19 ILLEGIBLE CONTENT, ALTERATION AND ERASURES**

19.1 Denel may disregard any content in a Tender that is illegible and will be under no obligation whatsoever to seek clarification from the Tenderer.

19.2 Denel may permit a Tenderer to correct an unintentional error in its Tender where that error becomes known or apparent after the closing time, but in no event, will any correction be permitted if Denel reasonably considers that correction would materially alter the substance of the Tender or affect the fairness of the tendering process.

## **20 OBLIGATION TO NOTIFY ERRORS**

If, after a Tenderer's Response has been submitted, the Tenderer becomes aware of an error in its Response (including an error in pricing, but excluding clerical errors which would have no bearing on the evaluation of the Tender), the Tenderer must promptly notify Denel of such error before closing date and time of the tender.

## **21 RESPONSIBILITY FOR TENDERING COSTS**

21.1 The Tenderers participation or involvement in any stage of the Tendering Process

is at the Tenderers sole risk, cost and expense. Denel will not be held responsible for, or pay for, any expense or loss that may be incurred by Tenderers in relation to the preparation or lodgement of their Tender.

21.2 Denel is not liable to the Tenderer for any costs on the basis of any contractual, promissory or restitution grounds whatsoever as a consequence of any matter relating to the Tenderer's participation in the Tendering Process, including without limitation, instances where:

21.2.1 the Tenderer is not engaged to perform under any contract; or

21.2.2 Denel exercises any right under this RFT or at law.

## **22 DISCLOSURE OF TENDER CONTENTS AND TENDER INFORMATION**

22.1 All Tenders received by Denel will be treated as confidential. Denel will not disclose contents of any Tender and Tender information, except:

22.1.1 as required by law;

22.1.2 for the purpose of investigations by other government authorities having relevant jurisdiction;

22.1.3 to external consultants and advisors of Denel engaged to assist with the Tendering Process; or for the general information of Tenderers required to be disclosed as per National Treasury Regulations, Guidelines, Instruction Notes or Practice Notes.

## **23 USE OF TENDERS**

23.1 Upon submission in accordance with the requirements relating to the submission of Tenders, all Tenders submitted become the property of Denel. Tenderers will retain all ownership rights in any intellectual property contained in the Tenders.

23.2 Each Tenderer, by submission of their Tender, is deemed to have licensed Denel to reproduce the whole, or any portion, of their Tender for the sole purposes of enabling Denel to evaluate the Tender.

## **24 TENDER ACCEPTANCE**

All Tenders received must remain open for acceptance for a minimum period of 180 (One hundred and eighty) days from the Closing Time. This period may be extended by written mutual agreement between Denel and the Tenderer.

## **25 CHANGES TO PRICE PROPOSALS**

Changes by the Tenderers to submitted Tenders will not be considered after the closing date and time.

## **26 DENEL PROCUREMENT PHILOSOPHY**

It is the policy of Denel, when purchasing products, services and works, to follow a course of optimum value and efficiency by adopting best purchasing practices in Supply Chain Management, ensuring where possible that open and fair competition has prevailed, with due regard to the importance of:

26.1 The PFMA and the PPPFA;

26.2 Preferential Procurement Regulations 2017;

26.3 Relevant Legislation; and

26.4 In its quest to advance Black-owned companies and individuals, Denel will actively support and give preference to companies with one or a combination of the following transformation profiles:

- a. At least 51% Black owned ;
- b. At least 51% Black Youth owned ;
- c. At least 51% Black Women owned ;
- d. At least 51% Black People With Disabilities owned ;
- e. At least 51% owned by Black People Living in Rural or Underdeveloped areas or Townships;
- f. At least 51% owned by Black People who are Military Veterans as defined in the B-BBEE Act.

Note: 1. As a SOC and mandated to give preference to B-BBEE compliant and transformed companies. Bidders that do not meet the above mentioned transformation levels must submit a Transformation Plan outlining steps to address shortcomings in their current status.

2. The transformation plan must be submitted as part of the original bid submission.

## **27 BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS**

27.1 As explained in more detail in the BBBEE Preference Points Claim Form and as prescribed in terms of the Preferential Procurement Policy Framework Act, 2000

(PPPFA), (Act No 5 of 2000) and its Regulations, Tenderers are to note that Denel will award preference points to companies who provide valid proof of their B-BBEE status using either the latest version of the generic Codes of Good Practice or Sector Specific Codes (if applicable).

- 27.2 Denel shall use the lowest acceptable Tender to determine the applicable preference point system that is either 80/20 point system as per the PPPFA Regulations.
- 27.3 Tenderers are required to complete the B-BBEE Preference Point Claim Form and submit it together with valid proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.
- 27.4 Tenderers are required at all times to comply with the latest B-BBEE legislation and/or instruction notes as issued from time to time by the Department of Trade and Industry.

Note: Failure to submit a valid and original or a certified copy of the Tenderer's B-BBEE certificate as stipulated in this document (the B-BBEE Preference Points Claim Form) at the Closing Date and Time of this RFT, will result in a score of zero being allocated for B-BBEE.

## **28 B-BBEE JOINT VENTURES OR CONSORTIUMS**

- 28.1 Tenderers who wish to respond to this RFT as a Joint Venture [JV] or consortium with other entities, must state their intention to do so in their RFT submission.
- 28.2 Such Tenderers must also submit a signed JV or consortium agreement between the parties clearly stating the percentage [%] split of business and the associated responsibilities of each party. If such a JV or consortium agreement is unavailable, the partners must submit confirmation in writing of their intention to enter into a JV or consortium agreement should they be awarded business by Denel through this RFT process.
- 28.3 This written confirmation must clearly indicate the percentage [%] split of business and the responsibilities of each party. In such cases, award of business will only take place once a signed copy of a JV or consortium agreement is submitted to Denel.
- 28.4 Tenderers are to note the requirements for B-BBEE compliance of JVs or consortiums as required in the B-BBEE Preference Point Claim Form and submit it together with proof of their B-BBEE Status as stipulated in the Claim Form in order to obtain preference points for their B-BBEE status.

Note: Failure to submit a valid and original B-BBEE certificate for the JV or a certified copy thereof at the Closing Date and Time of this RFT, will result in a score of zero being allocated for B-BBEE.

## **29 NATIONAL TREASURY'S CENTRAL SUPPLIER DATABASE**

Tenderers are required to self-register on National Treasury's Central Supplier Database (CSD) which has been established to centrally administer supplier information for all organs of state and facilitate the verification of certain key supplier information. Denel is required to ensure that price proposals are invited and accepted from prospective Tenderers listed on the CSD. A Tender may not be awarded to a Tenderer who has failed to register on the CSD. Only foreign suppliers with no local registered entity need not register on the CSD. The CSD can be accessed at <https://secure.csd.gov.za/>. Respondents are required to provide the following to Denel in order to enable it to verify information on the CSD:

Supplier Number:                      unique registration reference number:

## **30 Tax Compliance**

- 30.1 A Tenderer must be compliant when submitting a proposal to Denel and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- 30.2 It is a condition of this RFT that the tax matters of the successful Tenderer are in order, or that satisfactory arrangements have been made with the South African Revenue Service (SARS) to meet the Tenderer's tax obligations.
- 30.3 Tenderers are required to be registered on the Central Supplier Database and the National Treasury shall verify the Tenderer's tax compliance status through the Central Supplier Database.
- 30.4 It is a requirement that a Tenderer grant a written confirmation when submitting a Tender that SARS may on an on-going basis during the tenure of the contract disclose the Tenderer's tax compliance status and by submitting this Tender such confirmation is deemed to have been granted.
- 30.5 Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database

## **31 New Tax Compliance Status (TCS) System**

- 31.1 SARS has implemented a new Tax Compliance Status (TCS) system in terms of which a taxpayer is now able to authorize any 3rd party to verify its compliance status in one of two ways: either through the use of an electronic access PIN or through the use of a Tax Clearance Certificate obtained from the new TCS system.

31.2 Tenderers are required to provide the following to Denel in order to enable it to verify their tax compliance status:

Tax reference number:

Tax Clearance Certificate & TCC Number:                      and PIN:                      .

**32 EVALUATION CRITERIA**

The Tenders will be evaluated and adjudicated as follows:

32.1 ADMINISTRATIVE COMPLIANCE

32.1.1 Only those Tenderers which comply to the administrative compliance may be eligible to participate further in the Tendering Process.

32.1.2 Tenderers are required to complete the table below by indicating whether they comply with the requirement or not, by marking the appropriate column with an 'X'. Tenderers are required to submit as Annexure K to their Tenders supporting documentation to confirm their compliance with each requirement, where applicable.

REQUIREMENT	COMPLIANT	NON-COMPLIANT	N/A
1. Tenderer is a South African-owned company (Submit Certified ID Copies of the Shareholders and Directors)			
2. The Tenderer must have the necessary infrastructure and capacity to meet Denel requirements.			
3. Valid Tax Clearance Certificate or an access Pin to SARS e-Filing.  Or			
4. Non-South African Companies must obtain SARS Tax Clearance Certificate from SARS (www.sars.gov.za)			
5. Valid B-BBEE Certificate( but non submission won't result in disqualification, instead a Tenderer will be scored zero)			



REQUIREMENT	COMPLIANT	NON-COMPLIANT	N/A
6. Central Supplier database proof of registration (submit supporting documentation).			
7. Certified copy of the Company Registration with CIPC			
8. Current Banking Details on letter from the Bank issued on a bank letterhead with stamp.			
9. Certified copies of all share holder certificates (Detailed breakdown of shareholding)			
10. A copy of the shareholder agreement (if there is more than one shareholder)			
Note: Failure to meet the above requirements may result in automatic disqualification			

## 32.2 First stage – Functional Evaluation

32.2.1 Tenderers are evaluated based on the functional criteria set out in this RFT. Only those Tenderers which score seventy (70) points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Tender.

32.2.2 The Functional Evaluation that will be used to assess the capability and capacity of the tenderers will be as follows: Refer to Part D: Statement of work for the full evaluation Criteria

## 32.3 SECOND STAGE – PRICE AND PREFERENTIAL POINTS ASSESSMENT

32.3.1 Subsequent to the evaluation of Mandatory Criteria and Functional criteria, the second stage of evaluation of the Tenders will be in respect of price and B-BBEE status only. Points will be allocated to Tenderers at this stage of the evaluation in accordance with the PPPFA Regulations, as follows:

- Price points 80      or      Price point 90
- B-BBEE 20            B-BBEE 10

NB: The 80/20 formula applies to tenders with a Rand value equal to or above R30 000 and up to a Rand value of R50 million inclusive of all applicable taxes and 90/10 formula applies to tenders with a Rand value above R50 million inclusive of all applicable taxes.

32.3.2 The successful Tenderer will typically be the Tenderer that scores the highest number of points in the second stage of the Tender evaluation. However, DENEL may exercise its right to cancel the RFT or may award the tender to a company that did not obtain the highest score based on objective business criteria or transformation requirements.

Note: Denel reserves the right to demand an Action Plan that addresses shortcomings in the successful Tenderer’s transformation status.

32.3.3 Price points

The following formula will be used to calculate the points for price:

$$Ps = 80(1-(Pt-Pmin)/Pmin) \quad \text{or} \quad Ps=90(1-(Pt-Pmin)/Pmin)$$

Where:

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

32.3.4 Preferential procurement points

A maximum of 20 may be awarded in respect of preferential procurement, which points must be awarded to a tenderer for attaining their B-BBEE Status Level in accordance with the table below:

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

B-BBEE Status Level of Contributor	Number of points (90/10 System)
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

A 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 Tender.

#### 32.3.5 Total

The total points scored by each Tenderer will be calculated by adding the points scored for price (out of 80 or 90) to the points scored for B-BBEE level (out of 20 or 10) respectively.

The successful Tenderer will be the Tenderer which has the highest total points (out of 100) for both price and preferential procurement (unless there is a basis for selecting a different successful Tenderer in accordance with section 2(1) (f) of the PPPFA.

### 33 STATUS OF TENDER

33.1 Each Tender constitutes an irrevocable offer by the Tenderer to Denel to provide the Products/Services required and otherwise to satisfy the requirements of the Specification as set out in this RFT.

33.2 A Tender must not be conditional on:

- a. the Board approval of the Tender or any related governing body of the Tenderer being obtained;
- b. the Tenderer conducting due diligence or any other form of enquiry or investigation on Denel;

- c. the Tenderer (or any other party) obtaining any regulatory approval or consent;
- d. the Tenderer obtaining the consent or approval of any third party; or
- e. The Tenderer stating that it wishes to discuss or negotiate any commercial terms of the contract.

33.3 Denel may, in its absolute discretion, disregard any tender that is, or is stated to be, subject to any one or more of the conditions detailed above (or any other relevant conditions).

33.4 Denel reserves the right to accept a Tender in part or in whole or to negotiate with a Tenderer in accordance with the provisions of this RFT and the applicable laws and regulations.

#### **34 CLARIFICATION OF TENDERS**

34.1 Denel may seek clarification from and enter into discussions with any or all of the Tenderers in relation to their Tender. Denel may use the information obtained when clarification is sought or discussions are held in interpreting the Tender and evaluating the cost and risk of accepting the Tender. Failure to supply clarification to the satisfaction of Denel may render the Tender liable to disqualification.

34.2 Denel is under no obligation to seek clarification of anything in a Tender and reserves the right to disregard any clarification that Denel considers to be unsolicited or otherwise impermissible or irrelevant in accordance with the rules set out in this RFT.

#### **35 DISCUSSION WITH TENDERERS**

Denel is under no obligation to discuss the outcome of the tender process with any of the Tenderers.

#### **36 SUCCESSFUL TENDERS**

36.1 Selection as a successful Tenderer does not give rise to a contract (express or implied) between the successful Tenderer and Denel for the supply of Products / Services until such time that Denel and the successful Tenderer conclude the SLA.

36.2 The Tenderer is bound by its Proposal and all other documents forming part of its Response, and Denel will not entertain any material deviation from the original offer.

## **37 NO OBLIGATION TO ENTER INTO CONTRACT**

Denel is under no obligation to appoint a successful Tenderer(s) (as the case may be), or to enter into a contract and/or SLA with a successful Tenderer or any other person, if it is unable to identify a Tender that complies in all relevant respects with the requirements of Denel, or if due to changed circumstances, there is no longer a need for the Services requested, or if funds are no longer available to cover the total envisaged expenditure. For the avoidance of any doubt, in these circumstances Denel will be free to proceed via any alternative process.

## **38 TENDERER WARRANTIES**

38.1 By submitting a Tender, a Tenderer warrants that:

38.1.1 It did not rely on any express or implied statement, warranty or representation, whether oral, written, or otherwise made by or on behalf of Denel, its officers, employees, or advisers other than any statement, warranty or representation expressly contained in the RFT;

38.1.2 it did not use the improper assistance of Denel's employees or information unlawfully obtained from them in compiling its Tender;

38.1.3 it is responsible for all costs and expenses related to the preparation and submission of its Tender, and any future process connected with or relating to the Tendering Process;

38.1.4 it accepts and will comply with the terms set out in this RFT; and

38.1.5 It will provide additional information in a timely manner as requested by Denel to clarify any matters contained in the Tender.

## **39 DENEL'S RIGHTS**

39.1 Notwithstanding anything else in this RFT, and without limiting its rights at law or otherwise, Denel reserves the right, in its absolute discretion at any time, to:

39.1.1 Cease to proceed with, or suspend the Tendering Process prior to the execution of a formal written contract and/or SLA;

39.1.2 Alter the structure and/or the timing of this RFT or the Tendering Process;

39.1.3 Amend any tender condition, tender validity period, RFT specifications or extend the tender closing date, all before the tender closing date:

39.1.4 Terminate the participation of any Tenderer or any other person in the Tendering Process;

- 39.1.5 Request additional relevant information, agreements and other documents to verify information provided in the tender response or request clarification from any Tenderer or any other person;
- 39.1.6 Provide additional information or clarification;
- 39.1.7 Negotiate with any one or more Tenderer's;
- 39.1.8 Call for new Tenders;
- 39.1.9 Reject any Tender that does not comply with the requirements of this RFT.
- 39.1.10 Disregard the lowest priced tender or any tender in part or in whole
- 39.1.11 Categorise the tenders into different areas of expertise
- 39.1.12 Conduct site visits at the Tenderers Offices or at Client's Site or office if so required
- 39.1.13 Consider the guidelines and prescribed hourly remuneration rates for consultants as provided for in the National Treasury Instruction 01 of 2013\2014: Cost Containment Measures, where relevant.

#### **40 GOVERNING LAWS**

- 40.1 This RFT and the Tendering Process are governed by the laws of the Republic of South Africa.
- 40.2 All Tenders must be completed using the English language and
- 40.3 All costing must be in South African Rand.

## PART D: STATEMENT OF WORK

### SPECIFICATIONS FOR DENEL OVERBERG TEST RANGE TRACKING RADAR TRANSMITTER REPLACEMENT

#### 1 BACKGROUND

1.1 DENEL Overberg Test Range, a division of the South African industrial group Denel, is a well-established, fully integrated multipurpose test facility near the southernmost tip of Africa, with its core business the in-flight testing of advanced guided and aviation systems for the local and international aerospace industries - the premier facility of its kind in Africa.

1.2 It has three instrumentation radar systems which provide the Test Range's primary real-time tracking capability. Located at strategic positions, effective coverage of the entire test arena is ensured. The mono-pulse systems operating in C-band were designed for a variety of applications. These applications encompass general test range work, including missile and ammunition evaluation, and aircraft performance tests.

1.3 The instrumentation radars are used for the following:

- Long range radar tracking using a transponder
- Coherent measurement providing direct measurement of target radial velocity
- State vector input to backup safety display
- Recording of this data for off-line processing
- EW testing

1.4 The radars have a nominal transmission power of 70kW. This is obtained utilising a single Traveling Wave Tube (TWT). The transmitters are obsolete and a replacement is required. As part of the preventative maintenance plan of the radars a suitable and compatible replacement is required. The requirement is for a solution that includes the necessary subsystems to provide a turnkey replacement.

1.5 Figure 1 shows the transmission path of the radar. Only the transmitter is being replaced.

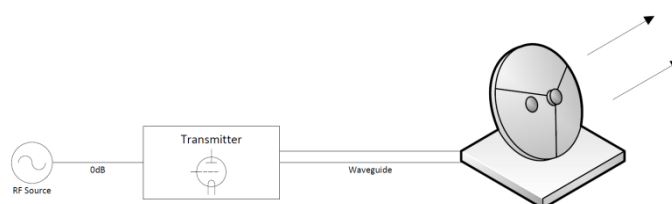


Figure 1

- 1.6 Denel Overberg Test Range intends to replace all radar systems' transmitters and procure spare units over a period of 5 years, subject to the availability of sufficient funding. One transmitter will be procured during the current financial and one per financial year thereafter (Total number of Transmitters required = 3 (three)).
- 1.7 Please note that Denel Overberg Test Range reserves the right to verify potential suppliers' proven experience in the industry relating to Radar Transmitters before the detailed specification will be provided. The bidder shall be required to sign a Non-Disclosure Agreement.

The responsibilities of the Bidder:

- a) The bidder must arrange the necessary permits for both import and export.
- b) The bidder must arrange for own Freight forwarder.
- c) The bidder must provide Warranty options available.
- d) The bidder must provide guarantee and preferably from/on delivery.
- e) The bidder must provide after sales support offered and outline in detail how this will unfold.
- f) The specification will be on request by the bidder where a non-disclosure will be signed-off.

## **2 REQUIRED DELIVERY DATE**

- 2.1 The bidder must deliver within a maximum of 12 months, if the timeline cannot be met by the bidder, an alternative timeline must be provided with supporting reasons.
- 2.2 The Radar Transmitter must be delivered to OTR premises in Waenhuiskrans, Arniston, Western Cape, South Africa.
- 2.3 First stage – Functional Evaluation
- 2.3.1 Tenderers are evaluated based on the functional criteria set out in this RFT. Only those Tenderers which score seventy (70) points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Tender.
- 2.3.2 The Functional Evaluation that will be used to assess the capability and capacity of the tenderers will be as follows:



**SCORING MATRIX**

Score	Classification	Definition
0	No response and/or complete non-compliance	No response at all or insufficient information provided in the response such that the methodology is incomprehensible – e.g. required minimum specifications not met, required delivery date(s) not met, after sales support offered not acceptable, etc.
1	Unsatisfactory response (potential for some compliance but very major areas of weakness)	Substantially unacceptable submission which fails in several significant areas to set out a methodology that addresses and meets inherent requirements: little or no detail may (and, where evidence is required or necessary, no evidence) have been provided to support and demonstrate that the bidder will be able to provide the services, considerable reservations as to the bidder's proposals in respect of relevant ability, understanding, expertise, skills and/or (financial) resources to deliver the required services. Would represent a very high risk solution.
2	Partially acceptable response (one or more areas of major weakness)	Weak submission which does not set out a methodology that fully addresses and meets the requirements: response may be basic/ minimal with little or no detail (and, where evidence is required or necessary, with insufficient evidence) provided to address the requirements and demonstrate that the bidder will be able to provide the services, some reservations as to the bidder's proposal in respect of understanding, expertise, skills and/or resources to deliver the required services. May represent a high risk solution.

Score	Classification	Definition
3	Satisfactory and acceptable response (substantial compliance with no major concerns)	Submission sets out a methodology that largely addresses and meets the requirements, with some detail (or, where evidence is required or necessary, some relevant evidence) provided to support the solution; minor reservations or weakness in a few areas of the methodology Medium, acceptable risk solution.
4	Fully satisfactory /very good response (fully compliant with requirements).	Submission sets out a robust methodology that fully addresses and meets the requirements, with full details aligned to specifications (and, where evidence is required or necessary, full and relevant evidence) provided to support the solution; provides full confidence as to the relevant ability, understanding, expertise, skills and/or resources to deliver the required services. Low/no risk solution.

#### 4 **FUNCTIONAL CRITERIA**

<b>NO.</b>	<b>CRITERIA:</b>	<b>POINTS</b>
1.	<p>The proposed solution must be aligned to the specification</p> <p>This section measures the bidder's approach to deliver the required services as outlined within the RFT document. The bid content must be fully aligned to the specifications. The value-added by the bidders will be considered to ascertain the competitive edge of the bidder.</p> <p>As a minimum the following must be provided: Detailed specification of the product proposed; Designated technical support available in South Africa for service, repairs, etc.;</p> <p>Operator training and/or orientation provided; Warranty offered and extended warranty options available;</p>	30 Points

<b>NO.</b>	<b>CRITERIA:</b>	<b>POINTS</b>
	<p>After sales support offered;</p> <p>Time to delivery;</p> <p>Delivery arrangements.</p> <p>Bidders who omitted to submit the required information and achieved a score of less than 3 will not be further evaluated for the remaining criteria.</p> <p>Score    Criteria for awarding score</p> <p>0        Bid significantly fails to demonstrate relevant capability to meet the standards required, contains significant shortcomings and/or information is inconsistent throughout the proposal. Not able to measure bidder’s capability to deliver the services according to specification requirements.</p> <p>1        Bid falls short to demonstrate relevant capability of achieving expected standards in a number of identifiable aspects.</p> <p>2        Bid demonstrates relevant capability to partially meet the required standards, but is lacking or inconsistent with advertised requirements.</p> <p>3        Bid demonstrates relevant capability to largely meet the required standard in all measurable aspects.</p> <p>4        Bid demonstrates relevant capability to meet the required standard in all measurable respects and exceeds some or all of the major requirements.</p>	
2.	<p>The Bidder’s relevant capability to render the services required</p> <p>The proposal is evaluated on how well it addresses the solution proposed on the requirements outlined in the tender, and whether the bidder has the technical ability/capability to provide an acceptable</p>	20 Points

<b>NO.</b>	<b>CRITERIA:</b>	<b>POINTS</b>
	<p>solution. The bidder must provide a project and implementation plan demonstrating their understanding in relation to the project and other requirements as outlined in the Statement of Work. The bidder's capability to provide the required service utilizing own resources (in house) vs. relying largely on services and/or products acquired from third parties must be also be considered.</p> <p>Score      Criteria for awarding score</p> <p>0            The bidder significantly fails to demonstrate relevant capability to meet the standards required, contains significant shortcomings and/or information is inconsistent throughout the proposal. Not able to measure bidder's capability to deliver the services according to specification requirements.</p> <p>1            The bidder falls short to demonstrate relevant capability of achieving expected standard in a number of identifiable aspects.</p> <p>2            The bidder demonstrates relevant capability to partially meet the required standards, but is lacking or inconsistent with statement of work/specification requirements.</p> <p>3            The bidder demonstrates relevant capability to largely meet the required standard in all measurable aspects.</p> <p>4            The bidder demonstrates relevant capability to meet the required standard in all measureable aspects and exceeds some or all of the major requirements.</p>	
3.	<p>Bidder's relevant experience in the Radar industry</p> <p>The Bidders must possess the relevant experience in the Radar Industry in relation to the required services (company profile and additional information)</p>	20 Points

<b>NO.</b>	<b>CRITERIA:</b>	<b>POINTS</b>
	<p>The Bidder must have extensive and proven experience in the Radar industry.</p> <p>Score      Criteria for awarding score</p> <p>0            The bidder has no experience in conducting a project of this nature.</p> <p>1            The bidder submitted a company profile that has no relevance in confirming the company's experience in delivering the required services within the industry.</p> <p>2            Relevant experience of the company cannot be confirmed in the proposal submitted.</p> <p>3            The bidder's proposal meets required standards; the demonstrated projects or previous experience in providing services of this nature is not extensive.</p> <p>4            The proven experience of the bidder is clearly indicated in the proposal and company profile. The company's core business is aligned to inherent requirement, and the bidder has done extensive work within the industry and conducted numerous projects of this nature.</p>	
4.	<p>The bidder must provide contactable references.</p> <p>The bidder's demonstrated experience as per above criterion (3) must be confirmed by relevant references. This will be verified.</p> <p>Details of at least three (3) projects (with scope of work similar or strongly related to the statement of work/specification) and successfully delivered in the last ten (10) years,</p> <p>This must be supported by testimonial letters on the client's letter head.</p>	15 Points

<b>NO.</b>	<b>CRITERIA:</b>	<b>POINTS</b>
	<p>Score      Criteria for awarding score</p> <p>0            The bidder provided no acceptable references from clients to whom similar or related services were recently delivered.</p> <p>1            The bidder provided poor references from clients to whom similar or related services were recently delivered. No references detailing similar or related services delivered in past ten (10) years were provided.</p> <p>2            The bidder provided acceptable references from clients to whom similar or related services were recently delivered. One (1) references detailing similar or related services delivered in past ten (10) years.</p> <p>3            The bidder provided good references from clients to whom similar services were recently delivered. At least two (2) references detailing similar services delivered in past ten (10) years.</p> <p>4            The bidder provided outstanding references from clients to whom similar services were recently delivered. Three (3) or more references detailing similar services delivered in past ten (10) years.</p>	
5.	<p>The Bidder's capacity to render the services and the composition of the project team.</p> <p>The bidder must provide as much supporting information and documentation of the project team i.e. skills, competencies and capacity. The proposed team must be able to manage the Denel account and be capable and experienced to execute the scope of work required...</p> <p>Score      Criteria for awarding score</p>	15 Points

NO.	CRITERIA:	POINTS
0	The bidder project team has no experience in conducting a project of this nature.	
1	The bidder's project team has some form of experience, however, limited information is provided of all personnel to be part of the execution process.	
2	The bidder's project team has sufficient experience, however, limited information is provided of all personnel to be part of the execution process.	
3	The bidder's project team has proven industry related experience.	
4	The bidder's project team has extensive, proven industry related experience. The proposal demonstrates skills of project team, and projects of this nature have been undertaken previously.	

**5 PRICE PROPOSAL**

Tenderers must complete the table for the Schedule of Rates below and submitted as a pricing proposal. Failure to submit this document will result in the Tenderer's submission being disqualified.

**6 CURRENCY**

All prices must be quoted in South African Rand on a fixed price basis, with all applicable taxes included.

**7 PRICES SUBJECT TO CONFIRMATION**

Prices quoted which are subject to confirmation will not be considered.

**8 BINDING OFFER**

Any tender furnished pursuant to this RFT shall be deemed to be an offer. Any exceptions to this statement must be clearly and specifically indicated.

## 9 DISCLAIMERS

Tenderers are hereby advised that Denel is not committed to any course of action as a result of its issuance of this RFT and/or its receipt of Tenders. In particular, please note that Denel reserves the right to:

- 9.1 Modify the RFT's requirements and request Tenderers to re-tender on any changes;
- 9.2 Reject any Tender which does not conform to instructions and specifications which are detailed herein;
- 9.3 Not necessarily accept the lowest priced Proposal or an alternative Tender;
- 9.4 Reject all Tenders/Proposals, if it so decides;
- 9.5 Award only a portion of the proposed product(s)/service(s) which are reflected in the scope of this RFT;
- 9.6 Split the award between more than one enterprise/organisation should it at Denel's discretion be more advantageous in terms of, amongst others, cost or developmental considerations; or make no award at all;
- 9.7 Validate any information submitted by Tenderers in response to this Tender. This would include, but is not limited to, requesting the Tenderers to provide supporting evidence. By submitting a tender, Tenderers hereby irrevocably grant the necessary consent to Denel to do so;
- 9.8 Request audited financial statements or other documentation for the purposes of a due diligence exercise;
- 9.9 Award the Tender to the next highest ranked Tenderer, should the preferred Tenderer fail to sign or commence with the contract within a reasonable period after being requested to do so, provided that the preferred Tenderer is still prepared to provide the required goods at the quoted price. Under such circumstances, the validity of the tenders of the next ranked Tenderer(s) will be deemed to remain valid, irrespective of whether the next ranked Tenderer(s) were issued with a Letter of Regret. Tenderers may therefore be requested to advise whether they would still be prepared to provide the required goods at their quoted price, even after they have been issued with a Letter of Regret;
- 9.10 Cancel the contract and/or place the Tenderer on Denel's list of Restricted Suppliers, should a contract be awarded on the strength of information furnished by the Tenderer, which after award of the contract, is proven to have been incorrect;
- 9.11 Award Tender to the highest scoring Tenderer(s) unless objective criteria justifies the award to another Tenderer.



Note: Denel will not reimburse any tenderer for any preparatory costs or other work performed in connection with its Proposal, whether or not the Tenderer is awarded a contract.

**10 PAYMENT TERMS**

The service provider shall note and accept Denel's payment terms as stipulated in the SLA and/or contract.

**11 SCHEDULE OF RATES/PRICE**

Potential suppliers must note that the suggested project delivery and payment milestones will be as follows (subject to negotiations):

<b>MILESTONE</b>	<b>DESCRIPTION</b>	<b>PAYMENT % OF TOTAL PRICE</b>	<b>PRICE</b>
1	Evaluation of OTR TWT (if applicable) by the Supplier and detailed technical information exchange between OTR and the Supplier	20%	
2	Start Manufacturing of the Product.	40%	
3	Factory Acceptance of Product	20%	
4	Successful Delivery and Receipt of Product at OTR premises in Waenhuiskrans, Arniston, Western-Cape, South Africa.	15%	
5	Installation, Commissioning and Acceptance of Product	5%	

Note: This Annexure must be put in the Envelope for 'Price and Preference' as prescribed in Clause 4.1 above.

## DECLARATION OF CONFLICT OF INTEREST

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

- the bidder is employed by the state; and/or
  - the legal person on whose behalf the bidding document is signed, has a relationship with persons/a person who are/is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.
- a. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

Full Name of bidder or his or her representative:

--

Identity Number:

--

Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):

--

Company Registration Number	
Tax Reference Number	
VAT Registration Number	

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

<sup>1</sup>"State" means –

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

<sup>2</sup>"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise. Are you or any person connected with the bidder presently employed by the state?

YES		NO	
-----	--	----	--

ii. If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

--

Name of state institution at which you or the person connected to the bidder is employed:

--

Position occupied in the state institution:

--

Any other particulars:


iii. If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector?

YES		NO	
-----	--	----	--

If yes, did you attached proof of such authority to the bid document?

YES		NO	
-----	--	----	--

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

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


iv. Did you or your spouse, or any of the company's directors / trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?

YES		NO	
-----	--	----	--

v. If so, furnish particulars:


b. Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

YES		NO	
-----	--	----	--

If so, furnish particulars.

--

--

- c. Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between any other bidder and any person employed by the state who may be involved with the evaluation and or adjudication of this bid?

YES		NO	
-----	--	----	--

If so, furnish particulars.


- d. Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other related companies whether or not they are bidding for this contract?

YES		NO	
-----	--	----	--

If so, furnish particulars:


Full details of directors / trustees / members / shareholders

FULL NAME	IDENTITY NUMBER	PERSONAL TAX REFERENCE NUMBER	STATE EMPLOYEE NUMBER / PERSAL NUMBER

- e. Declaration

I, the undersigned (name)

--

certify that the information furnished in paragraph 1 above is correct.

I accept that the state may reject the bid or act against me in terms of paragraph 23 of the General Conditions of Contract should this declaration prove to be false.

SIGNATURE	DATE

--	--

POSITION	NAME OF BIDDER
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## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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

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

### 1. GENERAL CONDITIONS

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

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

1.2 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) BBB-EE Status Level of Contribution.

If **Local Content** was not indicated in **Annexure C, and attached to the tender document**, the proposal will be **DISQUALIFIED. No further adjudicated will take place.**

### 2. EVALUATION CRITERIA

The Proposals will be evaluated and adjudicated as follows:

#### 2.1 MANDATORY EVALUATION CRITERIA

2.1.1 Only those Bidders which satisfy all of the Mandatory Criteria will be eligible to participate further in the Bidding Process.

2.1.2 Bidders are required to complete the table below by indicating whether they comply with the requirement or not, by marking the appropriate column with an 'X'.

REQUIREMENT	COMPLIANT	NON-COMPLIANT	N/A
1. Bidder is a South African-owned company (Submit Certified ID Copies of the Shareholders and Directors)			
2. The Bidder must have the necessary infrastructure and capacity to meet Denel requirements.			
3. Valid BBBEE Certificate (but won't result in disqualification, instead a Bidder will be scored zero)			
4. Central Supplier database proof of registration (submit supporting documentation).			
5. Certified copy of the Company Registration with CIPC			

REQUIREMENT	COMPLIANT	NON-COMPLIANT	N/A
<p><b>6. Financial Health and Stability:</b> Provide latest audited or independently reviewed financial statements.</p> <p>If the audited or independently reviewed financial statements are older than 6 months, provide latest management accounts as well.</p>			
7. Certified copies of all share holder certificates ( <b>Detailed breakdown of shareholding</b> )			
8. A copy of the shareholder agreement ( <b>if there is more than one shareholder</b> )			
9. Applicable Regulatory Body certificates (if applicable)			
10. Others			
<b>Note: Failure to meet the above requirements will result in automatic disqualification.</b>			

## 2.2 FIRST STAGE – FUNCTIONAL EVALUATION

2.2.1 Bidders are evaluated based on the functional criteria set out in this RFT. Only those Bidders which score seventy (70) points or higher (out of a possible 100) during the functional evaluation will be evaluated during the second stage of the Proposal.

2.2.2 Minimum Supplier Capability

A successful Bidder should have at least 70% in-house manufacturing, machining and measuring capability.

2.2.3 The Functional Evaluation that will be used to assess the capability and capacity of the Bidders will be as follows:

- a. The RFT must include a requirement to comply with the minimum threshold for local content as designated by DTI. If bidders cannot meet the minimum threshold for local content, they must apply for exemption to DTI and provide DLS with proof of exemption for local content.
- b. Non Compulsory briefing session will be held.
- c. A Non-Disclosure Agreement (NDA) shall be signed by the bidder as a pre-requisite to receipt of DLS tender documentations.
- d. In the event of Joint Ventures (JVs) or Consortiums, the details of the participating businesses shall be furnished to DLS for approval and signing of the DLS NDA by the third party as a pre-requisite for the third party to receive or have insight in the applicable DLS data-packs.
- e. In the event of Joint Ventures (JVs) or Consortiums, the financials of the leading party shall be evaluated.
- f. The company (DLS) reserves the right to verify any of the above elements.

## 2.3 SECOND STAGE – PRICE AND PREFERENTIAL POINTS ASSESSMENT

2.3.1 Subsequent to the evaluation of Mandatory Criteria and Functional criteria, the second stage of evaluation of the Proposals will be in respect of price and B-BBEE status only. Points will be allocated to Bidders at this stage of the evaluation in accordance with the PPPFA Regulations, as follows:

- **Price points 80**
- **B-BBEE 20**

**NB:** The 80/20 formula applies to proposals with a Rand value equal to or above R30 000 and up to a Rand value of R50 million inclusive of all applicable taxes and 90/10 formula applies to proposals with a Rand value above R50 million inclusive of all applicable taxes.

2.3.2 The successful Bidder will typically be the Bidder that scores the highest number of points in the second stage of the Proposal evaluation. However, DENEL may exercise its right to cancel the RFT or may award the proposal to a company that did not obtain the highest score.

**Note:** Denel reserves the right to demand an Action Plan that addresses shortcomings in the successful Bidder's transformation status.

2.3.3 Price points

The following formula will be used to calculate the points for price:

$Ps = 80 (1-(Pt-Pmin)/Pmin)$  or  $Ps=90 (1-(Pt-Pmin)/Pmin)$  Where:

Ps = Points scored for comparative price of proposal or offer under consideration; Pt = Comparative price of proposal or offer under consideration; and

Pmin = Comparative price of lowest acceptable proposal or offer.

2.3.4 Preferential Procurement Points

A maximum of 20 or 10 points may be awarded in respect of preferential procurement, which points must be awarded to a bidder for attaining their B-BBEE Status Level in accordance with the table below:

A 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 Proposal.

2.3.5 Total

The total points scored by each Bidder will be calculated by adding the points scored for price (out of 80 or 90) to the points scored for B-BBEE level (out of 20 or 10) respectively.

The successful Bidder will be the Bidder which has the highest total points (out of 100) for both price and preferential procurement (unless there is a basis for selecting a different successful Bidder in accordance with section 2(1) (f) of the PPPFA).

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

	Points
Price	[ ]
BBB-EE Status Level Of Contribution	[ ]
Total points must not exceed	100

2.5 Failure on the part of a bidder to submit proof of BBB-EE 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 an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for BBB-EE status level of contribution are not claimed.

2.6 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.

**2.7 If the price offered by a Bidder scoring the highest points is above the project budget or not market related the Buyer may:**

- a. Negotiate a market related price with the Bidder scoring the highest points or cancel the proposal;



- b. If the bidder does not agree to the market-related price, negotiate a market related price with the Bidder scoring the second highest points or **cancel the proposal**;
- c. If the Bidder scoring the second highest points does not agree to a market-related price, negotiate a market-related price with the Bidder scoring the third highest points or **cancel the proposal**.

**3. ADJUDICATION USING A POINT SYSTEM**

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

**4. POINTS AWARDED FOR PRICE**

4.1 The 80/20 Or 90/10 Preference Point Systems

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

80/20or 90/10

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \text{ OR } P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

- Ps = Points scored for comparative price of bid under consideration
- Pt = Comparative price of bid under consideration
- Pmin = Comparative price of lowest acceptable bid

**5. POINTS AWARDED FOR BBB-EE STATUS LEVEL OF CONTRIBUTION**

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

BBB-EE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS	NUMBER OF POINTS
	(90/10 SYSTEM)	(80/20 SYSTEM)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the BBB-EE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with BBB-EE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid BBB-EE status level verification certificate or a certified copy thereof, substantiating their BBB-EE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their BBB-EE status level as a legal entity, provided that the entity submits their BBB-EE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their BBB-EE status level as an unincorporated entity, provided that the entity submits their consolidated BBB-EE scorecard as if they were a group structure and that such a consolidated BBB-EE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their BBB-EE status level certificates in terms of the specialized scorecard contained in the BBB-EE Codes of Good Practice.
- 5.7 A person will not be awarded points for BBB-EE 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.
- 5.8 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 BBB-EE 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.

**6. BID DECLARATION**

6.1 Bidders who claim points in respect of BBB-EE Status Level of Contribution must complete the following:

6.1.1 BBB-EE status level of contribution claimed in terms of paragraphs 1.4 and 5.1

6.1.2 BBB-EE 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 BBB-EE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

**7 SUB-CONTRACTING**

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

YES		NO	
-----	--	----	--

**(tick applicable box)**

7.1.1 If yes, indicate:

what percentage of the contract will be subcontracted?

%
---

the name of the sub-contractor?

--

the BBB-EE status level of the sub-contractor?

--

whether the sub-contractor is an EME or QSE?

YES		NO	
-----	--	----	--

**(tick applicable box)**

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

<b>DESIGNATED GROUP EME OR QSE WHICH IS AT LEAST 51% OWNED BY:</b>	<b>EME ✓</b>	<b>QSE ✓</b>
Black people		
Black people who are youth		
Black people who are woman		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
<b>OR</b>		
Any EME		
Any QSE		

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

8.1 Name of company/firm:

8.2 VAT registration number:

8.3 Company registration number:

8.4 Type Of Company/ Firm [**Tick applicable box**]

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

8.5 Describe Principal Business Activities


8.6 Company Classification [**Tick applicable box**]

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- a. The information furnished is true and correct;
- b. The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- c. 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;
- d. If the BBB-EE 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 –
  - i disqualify the person from the bidding process;
  - ii recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - iii 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;
  - iv. 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 forward the matter for criminal prosecution.

Signature(s) of Bidder(s)

Date:

Address:


Witnesses:

1.	
----	--

2.

Date:

## DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

### 1. General Conditions

- 1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such proposals with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for proposals referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) on the date of advertisement of the bid as indicated in paragraph 3.1 below.

**The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.**

- 1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;
- 2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

PART NUMBER	DESCRIPTION	STIPULATED MINIMUM THRESHOLD %

3. Does any portion of the goods or services offered have any imported content?

**(Tick applicable box)**

YES		NO	
-----	--	----	--

- 3.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.reservebank.co.za](http://www.reservebank.co.za)

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

CURRENCY	RATES OF EXCHANGE
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

- 4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the Dti must be informed accordingly in order for the Dti to verify and in consultation with the Accounting Officer/Accounting Authority provide directives in this regard.**

## LOCAL CONTENT

Bids pertaining to relevant designated Sector are subject to local content requirements with effect from as indicated in relevant instruction note in accordance terms of Regulation 8. 1(a) of the Preferential Procurement Regulations, 2017.

The SBD/MBD 6.2 and Declaration forms for Local Content (Annexes C, D, & E) must be completed with minimum Local Content threshold for the specified items listed in the RFT document.

### 1. LOCAL CONTENT REQUIREMENTS

#### a) Stipulated Minimum Threshold

The stipulated minimum threshold percentage for local production and content of Steel Products is 100%, thus only locally produced or locally manufactured products from local raw materials in accordance with the required threshold values will be considered.

- To ensure that local production and content is discharged on manufacturing activities, please find attached Treasury instruction note with the minimum threshold for Steel Products. Also refer to this link: <http://www.treasury.gov.za/divisions/ocpo/sc/PracticeNotes/default.aspx>.

#### b) In cases where raw materials or components are not available locally

- If the quantity of materials and/or required products cannot be wholly sourced from South African (SA) based manufacturers and/or the designated local content threshold at any particular time, **bidders should obtain written exemption from the Dti** to supply the remaining portion at a lower local content threshold. The Dti, in consultation with the procuring organ of state, will grant exemption on a case by case basis and consider the following:
  - Required volumes in the particular bid;
  - Available collective SA industry manufacturing capacity at the time;
  - Delivery time;
  - Availability of input materials and component;
  - Technical considerations including operating conditions; and
  - Materials
- **For further information, bidders and organs of state may contact the Industrial Procurement Unit within the Dti at telephone 012 394 1421/5598/1664/5279/3500 or email Dr Tebogo Makube [TMakube@thedti.gov.za](mailto:TMakube@thedti.gov.za)**

#### c) Calculation of The Local Content

- The South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 will be used to calculate local content.
- The Declaration Certificate for Local Production and Content (MBD 6.2 – Annexure B) together with Annexure C (Local Content Declaration: Summary Schedule) must be completed, duly signed and submitted by the bidder at the closing date and time of the bid.
- The SABS approved technical specification and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annexure C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annexure C) and E (Local Content Declaration: Supporting Schedule to Annexure C)] are accessible to all potential bidders on the DTI's official website [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp) at no cost.
- The local content (LC) expressed as a percentage of the bid price will be calculated in accordance with the following formula:
  - $LC = (1 - x/y) * 100$

Where



- x is the imported content in Rand
- y is the bid price in Rand excluding value added tax (VAT)
- Prices referred to in the determination of x will be converted to Rand (ZAR) by using the exchange rate published by the SARB at 12:00 on the date that the bid has been advertised.

## 2. BID EVALUATION

- This bid will be evaluated in two stages: first stage will be **based on Local Content;**
- And the second stage in accordance with the **Preference Point system.**
- **First Stage of Evaluation:** All responses that do not meet the required minimum threshold for local content as stipulated in the specification **will be disqualified.**
- **Second Stage of Evaluation:** The 90/10 or 80/20 preference point system in terms of the Preferential Procurement Policy Framework Act (PPPFA) and Preferential Procurement Regulations, 2017 shall apply in the adjudication process of this bid. Preference points will be allocated in accordance with the formula and applicable points as provided for in the Regulations.

## LOCAL CONTENT DECLARATION

(REFER TO ANNEXURE B OF SATS 1286:2011)

**LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)**

**IN RESPECT OF BID NO.** \_\_\_\_\_

**ISSUED BY:** (Procurement Authority / Name of Institution):

---

### **NB !!**

- 1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
- 2 Guidance on the **Calculation of Local Content** together with **Local Content Declaration Templates** (Annex C, D and E) is accessible on [http://www.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.gov.za/industrial_development/ip.jsp). Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, \_\_\_\_\_ (full names), do hereby declare, in my capacity as \_\_\_\_\_

of \_\_\_\_\_ (name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:  
the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y) R \_\_\_\_\_

Imported content (x), as calculated in terms of SATS 1286:2011 R \_\_\_\_\_

Stipulated minimum threshold for local content (paragraph 3 above) \_\_\_\_\_

Local content %, as calculated in terms of SATS 1286:2011 \_\_\_\_\_

**If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.**

**The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 3.1 above and the information contained in Declaration D and E.**

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: \_\_\_\_\_

WITNESS No. 1 \_\_\_\_\_ DATE: \_\_\_\_\_

WITNESS No. 2 \_\_\_\_\_ DATE: \_\_\_\_\_

## DECLARATION OF BIDDER'S PAST SUPPLY CHAIN PRACTICES

- 1 This Standard Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by institutions in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be disregarded if that bidder, or any of its directors have-
  - a. abused the institution's supply chain management system;
  - b. committed fraud or any other improper conduct in relation to such system; or
  - c. failed to perform on any previous contract.
- 4 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

ITEM	QUESTION	YES	NO
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of <b>Restricted Suppliers</b> 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 alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</p>		
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for <b>Proposal Defaulters</b> in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Proposal Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</p>		
4.2.1	If so, furnish particulars:		
4.3	<p>Was the bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for <b>fraud or corruption</b> during the past five years?</p>		
4.3.1	If so, furnish particulars:		
4.4	<p>Was any contract between the bidder and any organ of state terminated during the past five years on account of <b>failure to perform</b> or comply with the contract?</p>		
4.4.1	If so, furnish particulars:		

## CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
3. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
4. This SBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
5. In order to give effect to the above, the attached Certificate of Bid Determination (SBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price proposals, advertised competitive bids, limited bids and proposals.

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

I,

the undersigned, in submitting the accompanying bid:

(Bid Number and Description) in response to the invitation for the bid made by:

(Name of Institution)

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

I certify, on behalf of (Name of Bidder)

that:

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;

4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - a. has been requested to submit a bid in response to this bid invitation;
  - b. could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - c. provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> 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. price
  - 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.
 

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.
10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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SIGNATURE

DATE

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POSITION

NAME OF BIDDER