



DENEL SOC LTD T/A DENEL LAND SYSTEMS INC MECHEM

TENDER DOCUMENT RULES

1. A **DETAILED QUOTATION** must be handed in with the tender document. **COST BREAKDOWN PER ITEM** must be done. Lead times must be indicated.
2. Please take your time to read through this document and fill it in as **THOROUGHLY** as possible.
3. Documents requested herein and not handed in will lead to disqualification of the tender. All certificates requested in this document must be **VALID**.
4. Make sure that you sign in **ALL** the correct spaces and **NOT ON BEHALF** of sub-contractors, should you use any. If it states **TWO WITNESSES** then two witnesses must sign.
5. All annexures will be uploaded as **SEPARATE** documents on the appropriate websites.
6. Cd's with additional information, i.e. drawings or data packs, must be collected at DLS reception. This will only be handed over after a **SIGNED NDA** was handed in.
7. Tenders handed in after the deadline will not be opened and will be stamped as late and **RETURNED** to the bidder.
8. **ONE** original tender document and **TWO** copies and must be handed in. These must be **CLEARLY MARKED**. Please do not bind the copies.
9. Proof of **REGISTRATION ON CSD** to be attached to this tender document.
10. All the pages in this document are relevant. Do not strike pages through or mark them as **NOT APPLICABLE**.
11. Bidders should provide a **LIST OF PERSONS** and their email addresses who are mandated to negotiate on behalf of their company.



DENEL SOC LTD T/A DENEL LAND SYSTEMS INC MECHEM

REQUEST FOR QUOTATION / INFORMATION / PROPOSAL

FOR

**MANUFACTURE, SUPPLY AND DELIVERY OF MOUNTING PLATE, HATCH, FASTENERS,
FUEL TANK, EQUIPMENT HOLDER, FAN AND COVERS**

APPROVAL SHEET

TITLE: MANUFACTURE, SUPPLY AND DELIVERY OF MOUNTING PLATE,
HATCHES, FUEL TANK EQUIPMENT HOLDER, FAN, FASTENERS AND COVERS

TENDER NUMBER: DLS150619

REVISION: 00

DATE: 15 DECEMBER 2017

DEPARTMENT: ENGINEERING

CLASSIFICATION: RESTRICTED

DISTRIBUTION: VIA TENDER WEBSITE OF NATIONAL TREASURY

<http://www.etenders.gov.za/content/advertised-tenders>


UNDER: Department - Denel (Pty) Ltd

<http://www.denellandsystems.co.za>

UNDER: About Us - Tenders

<http://www.denel.co.za/tenders#>

UNDER: Our Business - Tenders

RECOMMENDED BY:  DATE: 2017/12/14
HEAD OF PROCUREMENT

NAME IN PRINT: WJ RAVEN

APPROVED BY:  DATE: 2017-12-13
TECHNICAL AUTHORITY

NAME IN PRINT: S. Steyn

APPROVED BY:  DATE: 14/12/2017
HEAD OF SUPPLY CHAIN LEGAL COMPLIANCE

NAME IN PRINT: SALMINA MEMA

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TENDER NO: DLS150619

DESCRIPTION: MANUFACTURE, SUPPLY AND DELIVERY OF MOUNTING PLATE, HATCHES, FUEL TANK, EQUIPMENT HOLDER, FAN, FASTENERS AND COVERS

APPLICABLE ANNEXURES TO THE TENDER

- Annexure A – Non-Disclosure Agreement (NDA)
- Annexure B – Standard Procurement Terms and Conditions
- Annexure C – Special Technical and Manufacturing Requirements
- Annexure D – Envelope containing Bill of Materials, QA Requirements (CRL) and CD with detailed specification i.e. Drawings, Surface Treatments (ST), Alternative RSA Materials (see document 925082470200 02)
- Annexure E - Surface Treatments (ST) – Also in the CD
- Annexure F - Alternative RSA Materials – Also in the CD
- Annexure G - COC DLS 92
- Annexure H - Execution Plan

APPLICATION FOR A TAX CLEARANCE CERTIFICATE

<http://www.etenders.gov.za/content/tender-documents>

INVITATION TO BID

BID NUMBER	DLS150619	CLOSING DATE	30 TH January 2018	CLOSING TIME	12.00am
COMPULSORY BRIEFING SESSION		DATE	N/A	TIME	N/A
SESSION WILL BE HELD AT		N/A			

Please note that Bidders who have not attended the compulsory briefing session (if applicable), will not be allowed to tender.

CLOSING DATE TO HAND IN SIGNED NDA'S AND RECEIVE DATA PACKS OR CD'S	17 January 2018
CD'S OR DATA PACKS CAN BE COLLECTED AT THE SECURITY COUNTER AT DLS RECEPTION	
CLOSING DATE FOR WRITTEN QUESTIONS	25 TH January 2018
BASE DATE OF QUOTATION	01 December 2017

STATEMENT OF WORK

ITEM NO.	PART NUMBER	DESCRIPTION	SCHEDULE FOR THE CURRENT REQUIREMENT				CURRENT QTY	FUTURE REQ
			2018	2019	2020	2021	TOTAL	DELIVERIES
1	605125	FASTENER, COOLING SYSTEM	36				36	54
2	605226	FASTENER, STEERINGHYDRAULIC PIPE	36				36	54
3	605447	FASTENER	36				36	54
4	610461	FASTENER, WIRE CABLE	36				36	54
5	612935	SUPPORT	36				36	54
6	615536	LATCH, EPSP-HATCH	36				36	54
7	617034	FITTING RING, SUBFRAME	16				16	TBC
8	617795	FASTENER HOOK, FOR CABLES	72				72	108
9	618169	GRIP, TROOP COMPARTMENT	36				36	54
10	620090	FASTENER, BREATHER AND CABLE	36				36	54
11	703098	FASTENER, FLOOR PLATE	180				180	270
12	703144	FASTENING FRAME, SERVICE HATCH	36				36	54
13	703145	FASTENING FRAME, SERVICE HATCH	36				36	54
14	705184	FASTENING FRAME, SERVICE HATCH	36				36	54
15	709821	FASTENER, SCAVENGE FAN	36				36	54
16	711509	MOUNTING PLATE, AIR DUCT	36				36	54
17	715209	BOTTOM PLATE	36				36	54
18	716591	COVERING, EPSP-HATCH	36				36	54
19	716611	COVERING, NBC-HATCH	36				36	54
20	720159	MOUNTING PLATE, UPHOLSTERY	36				36	54
21	723912	FASTENER, CABLE COVER	36				36	54
22	723928	FASTENER, CABLE COVER	36				36	54
23	724139	FASTENER, CABLE COVER	36				36	54
24	726812	FASTENER, TUBE CLAMP	36				36	54
25	727089	COVER	36				36	54
26	723194	FASTENETR, EGR- LIGHT	36				36	54
27	723358	FASTENETR, EGR- LIGHT	36				36	54
28	723305	FASTENETR, EGR- LIGHT	36				36	54
29	734456	FASTENET, EQUIPMENT HOLDER	36				36	54

ITEM NO.	PART NUMBER	DESCRIPTION	SCHEDULE FOR THE CURRENT REQUIREMENT				CURRENT QTY	FUTURE REQ	
			2018	2019	2020	2021	TOTAL	DELIVERIES	
30	734458	FASTENET, EQUIPMENT HOLDER	36				36	54	
31	738131	FASTENER, THERMOSTAT	36				36	54	
32	740897	MOUNTING PLATE, COOLING SYSTEM	36				36	54	
33	751410	INTERFACE, BRACKET, WASHBASIN	52	16	30		98	162	
34	769135	FASTENER, FUEL TANK	36				36	54	
35	769156-A	FASTENER, FUEL TANK	36				36	54	
36	769172	FASTENER, FUEL TANK	36				36	54	
37	769185	FASTENER , FUEL TANK	36				36	54	
38	769209	FASTENER , FUEL TANK	36				36	54	
39	769259	FASTENER , FUEL TANK	36				36	54	
40	769293	FASTENER , FUEL TANK	36				36	54	
41	780172	HANDLE, REAR DOOR	36				36	54	
42	780340-B	MOUNTING PLATE		30	6		36	54	
43	780620	MOUNTING PLATE		30	6		36	54	
44	780633	MOUNTING PLATE		30	6		36	54	
45	2X003471	BRACKET, SBO BRACKET ASSEMBLY	36				36	54	
			Winning Supplier would be required to first manufacture five (5) Pre-Production Models for acceptance before manufacturing and delivery of the rest.						

- Bidders will be required to sign a non-disclosure agreement prior to the day of the briefing session where drawings, control requirement documents and the scope of work will be given to the bidder.
- Denel Land Systems may call for presentations of bidders' offers in between the evaluation process.
- The quantities furnished in the bid document are the total of the estimated requirements for the institutions concerned and no guarantee is given regarding the actual quantities that will be ordered. Quantities could differ according to the requirement received from Denel Land Systems internal client.
- All communication regarding this bid before the closing date and time **MUST BE DONE IN WRITING.**
- Should an untransformed company win the bid, it is expected that 25% of the contract be subcontracted to a transformed company.

After the contract is awarded the successful bidder will be required to fill in and sign a written Contract Form (SBD 7.1).

DELIVERY OF TENDERS

Tender Box
G6 Building (Security Office)
368 Selbourne Avenue
Lyttelton
Centurion

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

The bid box is generally open 24 hours a day, 7 days a week.

DELIVERY ADDRESS OF DELIVERABLES:

Groenkloof Store
368 Selborne Avenue
Lyttelton
Centurion

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

This bid is subject to the Preferential Procurement Policy Framework Act and the Preferential Procurement Regulations 2011, Denel SOC Standard Terms and Conditions for Procurement (available on request) and, if applicable, any other special conditions of contract.

BIDDERS REQUIREMENTS

1. EXPERIENCE AND COMPETENCY

- a. Previous experience of providing similar work or services. The bidder must attach two letters of referral from previous clients.
- b. Must demonstrate the capacity to handle a project of this magnitude in terms of human resource, financials and equipment.
- c. Must demonstrate that you are familiar with all regulatory framework that relates to this project including but not limited to, occupational Health and Safety Act.

2. COMPLIANCE REQUIREMENTS

Bidders shall comply with the following requirements. Failure to comply may lead to disqualification.

- a. Complete and sign the Tender Forms of Denel Land Systems with the Annexures. Complete in black ink.
- b. Submit Certified copy of Company Registration Document that reflects Company Name, Registration number, date of registration and active Directors or Members.
- c. Certified copy of Shareholders' certificates.
- d. Certified copy of ID documents of the Directors or Members.
- e. Letter of Good Standing - Compensation for Occupational Injuries and Diseases (COID).
- f. Proof of banking details (stamped letter issued by the Bank not older than 3 months).
- g. Company Profile.

3. LEGAL COMPLIANCE

- a. Bidders must ensure that they comply with all the requirements of the RFQ and if Bidders fail to comply with such requirements it shall be at the sole discretion of Denel Land Systems either to allow the Bidder to comply or disqualify the Bidder.
- b. The premises/factory of the bidder or contractor should be open for inspection by a representative from Denel Land Systems and/or its approved institution.

4. OWNERSHIP OF DESIGN

The drawings and design developed and to be provided by Denel Land Systems shall at all times remain the property of DLS.

5. **VALIDITY PERIOD**

- a. The RFQ shall be valid for 120 days calculated from closing date.
- b. Before any manufacturing and/or delivery of any product on this contract is conducted, the contractor must be in possession of an **official order** issued by an authorized official of Denel Land Systems.

**NON SUBMISSION OF THE MANDATORY DOCUMENTS WILL RESULT IN
AUTOMATIC DISQUALIFICATION**

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

CSD Nr of Bidder	
Name of Bidder	

Postal Address	
Street Address	

Telephone Number	Code		Number	
Cellphone Number				
Fax Number	Code		Number	
Email Address				
VAT Registration Nr				

Has an original and valid tax clearance certificate been submitted? (SBD 2)

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

Has a BBB-EE status level verification certificate been submitted? (SBD 6.1)

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

If Yes, who was the certificate issued by **[Tick Applicable Box]**

An Accounting Officer as Contemplated in The Close Corporation Act (CCA)

A verification agency accredited by the South African Accreditation System (SANAS)

A Registered Auditor

Sworn Affidavit

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.

Are you the accredited representative in South Africa for the goods / services / works offered?

[If YES enclose proof]

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

Signature of Bidder	
Date	
Capacity under which this bid is signed	
Total Bid Price INCLUDING VAT	
Total Number of Items Offered	

Any enquiries regarding the **bidding procedure** may be directed to:

Email Address	Tenders@dlsys.co.za
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Any enquiries regarding **technical information** may be directed to:

Email Address	Tenders@dlsys.co.za
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TAX CLEARANCE CERTIFICATE REQUIREMENTS

<http://www.etenders.gov.za/content/tender-documents>

PLEASE MAKE SURE THAT CERTIFICATES ATTACHED HAVE NOT EXPIRED.

PRICING SCHEDULE – FIXED PRICES (PURCHASES)

NOTE: Only fixed prices will be accepted. Firm prices (including prices subject to rates of exchange variations) will not be considered.

In cases where different delivery points influence the pricing, a separate pricing schedule must be submitted for each delivery point.

Name of Bidder	
Bid Number	
Closing Time	
Closing Date	

OFFER TO BE VALID FOR **120 DAYS** FROM THE CLOSING DATE OF BID.

PRICE ESCALATIONS MUST BE IN LINE WITH THE SEIFSA ESCALATION FORMULA

Note:

All delivery costs must be **INCLUDED** in the bid price, for delivery at the prescribed destination.

With the exception of basic prices, where required, **ALL PRICES SHALL BE QUOTED IN SOUTH AFRICAN CURRENCY.**

All drawings and control requirement documents will be handed out at the compulsory briefing session (if applicable).

The bid prices shall be given in the units shown.

<i>ITEM NO</i>	<i>PART NO</i>	<i>DESCRIPTION</i>	<i>QUANTITY</i>	<i>UNIT PRICE INCLUDING VAT</i>	<i>TOTAL PRICE INCLUDING VAT</i>	<i>UNIT PRICE EXCLUDING VAT</i>	<i>TOTAL PRICE EXCLUDING VAT</i>	<i>LEAD TIMES</i>

IMPORTANT NOTICE: PLEASE ENSURE THAT THE PRICES QUOTED FOR IS ACCORDING TO THE DRAWING AND LEAD TIMES MUST BE INDICATED. IF QUOTED INCORRECTLY THE BID WILL BE DISQUALIFIED.

Required By	
At	
Brand and Model	
Country of Original	

Does the offer comply with the specification(s)? *

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

If not to specification, indicate deviation(s)

--

Period required for delivery	
------------------------------	--

* Delivery: Fixed/Firm

Delivery Basis	
----------------	--

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

* Delete if not applicable

PRICING SCHEDULE – FIRM PRICES

(PURCHASES)

NOTE: Price adjustments will be allowed at the periods and times specified in the bidding documents.

In cases where different delivery points influence the pricing, a separate pricing schedule must be submitted for each delivery point.

Name of Bidder	
Bid Number	
Closing Time	
Closing Date	

OFFER TO BE VALID FOR **120 DAYS** FROM THE CLOSING DATE OF BID.

PRICE ESCALATIONS MUST BE IN LINE WITH THE SEIFSA ESCALATION FORMULA

Note:

All delivery costs must be **INCLUDED** in the bid price, for delivery at the prescribed destination.

With the exception of basic prices, where required, **ALL PRICES SHALL BE QUOTED IN SOUTH AFRICAN CURRENCY.**

All drawings and control requirement documents will be handed out at the compulsory briefing session (if applicable).

The bid prices shall be given in the units shown

<i>ITEM NO</i>	<i>PART NO</i>	<i>DESCRIPTION</i>	<i>QUANTITY</i>	<i>UNIT PRICE INCLUDING VAT</i>	<i>TOTAL PRICE INCLUDING VAT</i>	<i>UNIT PRICE EXCLUDING VAT</i>	<i>TOTAL PRICE EXCLUDING VAT</i>	<i>LEAD TIMES</i>

IMPORTANT NOTICE: PLEASE ENSURE THAT THE PRICES QUOTED FOR IS ACCORDING TO THE DRAWING AND LEAD TIMES MUST BE INDICATED. IF QUOTED INCORRECTLY THE BID WILL BE DISQUALIFIED.

Required By	
At	
Brand and Model	
Country of Original	

Does the offer comply with the specification(s)? *

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

If not to specification, indicate deviation(s)

--

Period required for delivery	
------------------------------	--

Delivery: *Fixed/Firm

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

*Delete if not applicable

PRICE ADJUSTMENTS

A FIRM PRICES SUBJECT TO ESCALATION

1. In cases of period contracts, firm prices will be adjusted (loaded) with the assessed contract price adjustments implicit in fixed prices when calculating the comparative prices
2. In this category price escalations will be considered in terms of the following formulae, or a formulae as agreed between the buyer and the seller:

$$Pa = (1 - V)Pt \left(D1 \frac{R1t}{R1o} + D2 \frac{R2t}{R2o} + D3 \frac{R3t}{R3o} + D4 \frac{R4t}{R4o} \right) + VPt$$

Where:

- Pa = The new escalated price to be calculated.
- (1-V)Pt = 100% of the original bid price. Note that Pt must always be the original bid price and not an escalated price.
- D1, D2.. = Each factor of the bid price eg. labour, transport, clothing, footwear, etc. The total of the various factors D1, D2...etc. must add up to 100%.
- R1t, R2t = Index figure obtained from new index (depends on the number of factors used).
- R10, R20 = Index figure at time of bidding.
- VPt = 0% of the original bid price. This portion of the bid price remains firm i.e. it is not subject to any price escalations.

3. The following SEIFSA index/indices must be used to calculate your bid price:

Index		Dated	
Index		Dated	
Index		Dated	
Index		Dated	

4. Furnish a breakdown of your price in terms of above-mentioned formula. The total of the various factors must add up to 100%.

B PRICES SUBJECT TO RATE OF EXCHANGE VARIATIONS

1. Please furnish full particulars of your financial institution, state the currencies used in the conversion of the prices of the items to South African currency, which portion of the price is subject to rate of exchange variations and the amounts remitted abroad.

PARTICULARS OF FINANCIAL INSTITUTION	ITEM NO	PRICE	CURRENCY	RATE	PORTION OF PRICE SUBJECT TO ROE	AMOUNT IN FOREIGN CURRENCY REMITTED ABROAD
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		
				ZAR=		

2. Adjustments for rate of exchange variations during the contract period will be calculated by using the average monthly exchange rates as issued by your commercial bank for the periods indicated hereunder: (Proof from bank required)

AVERAGE MONTHLY EXCHANGE RATES FOR THE PERIOD	DATE DOCUMENTATION MUST BE SUBMITTED TO THIS OFFICE	DATE FROM WHICH NEW CALCULATED PRICES WILL BECOME EFFECTIVE	DATE UNTIL WHICH NEW CALCULATED PRICE WILL BE EFFECTIVE

DECLARATION OF CONFLICT OF INTEREST

Any legal person, including persons employed by the state¹, 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 quotation, 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.

1 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

1.1 Full Name of bidder or his or her representative:

1.2 Identity Number:

1.3 Position occupied in the Company (director, trustee, shareholder²):

Company Registration Number	
Tax Reference Number	
VAT Registration Number	

1.3.1 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.

¹"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.

2"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	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

1.3.2 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:

1.3.3 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	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

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

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

1.3.4 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	
-----	--	----	--

1.3.5 If so, furnish particulars:

1.4 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	
-----	--	----	--

1.4.1 If so, furnish particulars.

1.5 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	
-----	--	----	--

1.5.1 If so, furnish particulars.

1.6 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	
-----	--	----	--

1.6.1 If so, furnish particulars:

1.6.2 Full details of directors / trustees / members / shareholders

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

2 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

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

<http://www.etenders.gov.za/content/tender-documents>

Your Industrial Participation Declaration must be handed in together with the quotation,
WHETHER IT IS APPLICABLE OR NOT.

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 The value of this bid is estimated to exceed/not exceed R50 000 000 (**all applicable taxes included**) and therefore the **80/20** system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

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

1.4 The Functionality element will be determined as follows:

Relevant Capability & Experience	20	Is this the Supplier's core business?
Interpretation of the brief	30	Does the quotation fully satisfy our requirement?
Capacity	20	Does the supplier have the capacity to execute the requirement?
Lead-time	15	Does Supplier's lead-time comply with the requirement?
Quality	15	Does the supplier produce quality in line with the requirements?
Functionality Score	100%	Total Functionality Score
Qualifying Functionality Threshold:	70	Minimum functionality score required by supplier

Bids that fail to score a minimum of 80 points out of a possible 100 points for functionality will not be eligible for further consideration.

The second stage will evaluate the price and preference points of those bids that meet the minimum threshold for functionality.

Sufficient information must be provided to allow the Evaluation Panel to score bids against all these criteria.

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

	Points
Price	
BBB-EE Status Level Of Contribution	
Total points for Price and BBB-EE must not exceed	100

1.6 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.

1.7 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.

1.8 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 tender;**
- 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 tender;**
- 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 tender .**

2. DEFINITIONS

2.1 **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

2.2 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

2.3 **"BBB-EE status level of contributor"** means the BBB-EE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

- 2.4 **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 **"comparative price"** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 **"consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
- 2.8 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 **"EME"** means any enterprise with an annual total revenue of R5 million or less .
- 2.10 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 **"functionality"** means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 **"non-firm prices"** means all prices other than "firm" prices;
- 2.13 **"person"** includes a juristic person;
- 2.14 **"rand value"** means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

2.18 **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

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:

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

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = 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 (90/10 SYSTEM)	NUMBER OF POINTS (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 1.5 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:

(i) what percentage of the contract will be subcontracted?

	%
--	---

(ii) the name of the sub-contractor?

--

(iii) the BBB-EE status level of the sub-contractor?

--

(iv) whether the sub-contractor is an EME or QSE?

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

(tick applicable box)

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

DESIGNATED GROUP	EME	QSE
EME OR QSE WHICH IS AT LEAST 51% OWNED BY:	✓	✓
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		
OR		
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	<input type="checkbox"/>
Supplier	<input type="checkbox"/>
Professional service provider	<input type="checkbox"/>
Other service providers, e.g. transporter, etc.	<input type="checkbox"/>

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 tenders 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 tenders 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:

DESCRIPTION OF SERVICES, WORKS OR GOODS	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.resbank.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 AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION

(REFER TO ANNEX 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. 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:

- (i) 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: _____

CONTRACT FORM - SALE OF GOODS/WORKS - PART 1

(TO BE FILLED IN BY THE BIDDER)

This form must be filled in duplicate by both the successful bidder (part 1) and the purchaser (part 2). Both forms must be signed in the original so that the successful bidder and the purchaser would be in possession of originally signed contracts for their respective records.

1. I

hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents from (name of institution)

in accordance with the requirements stipulated in (bid number) at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.

2. The following documents shall be deemed to form and be read and construed as part of this agreement:

a. Bidding documents, *viz*

- Invitation to bid;
- Tax clearance certificate;
- Pricing schedule(s);
- Declaration of interest;
- Declaration of bidder's past SCM practices;
- Special Conditions of Contract;

b. General Conditions of Contract; and

c. Other (specify)

3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) cover all my obligations and I accept that any mistakes regarding price(s) and calculations will be at my own risk.

4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.

- 5. I undertake to make payment for the goods/works as specified in the bidding documents.
- 6. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 7. I confirm that I am duly authorised to sign this contract.

Signed at On

Name	
Capacity	
Signature	
Name of Firm	
Date	

Witnesses:

1	
2	
Date	

Official Stamp

4. I confirm that I am duly authorised to sign this contract.

Signed at On

Name	
Capacity	
Signature	
Name of Firm	
Date	

Witnesses:

1	
2	
Date	

Official Stamp

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT 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 <i>Restricted Suppliers</i> 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(www.treasury.gov.za) 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 Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>The Register for Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</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 fraud or corruption 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 failure to perform on or comply with the contract?</p>		
4.4.1	If so, furnish particulars:		

CERTIFICATION

I, the undersigned (full name)

--

certify that the information furnished on this declaration form is true and correct.

I accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

--	--

SIGNATURE

DATE

--	--

POSITION

NAME OF BIDDER

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Standard Bidding Document (SBD) must form part of all bids¹ invited.
2. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *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:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² 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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - a. 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.

³ 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.

--	--

SIGNATURE

DATE

--	--

POSITION

NAME OF BIDDER

INDUSTRIAL PARTICIPATION

VERY IMPORTANT NOTE:

Bidders and/or potential sub-contractors, which might supply products and/or services with a foreign content, to Denel SOC Ltd t/a Denel Land Systems incorporating Mechem (DLS), need to complete this document as part of its offer/proposal to DLS.

BACKGROUND

The Defence industrial Participation (DIP) programme is an integral part of the Department of Defence policy and complements the Department of Trade and Industry's National Industrial Participation (NIP) programme. In terms of these requirements, DIP and NIP obligations will be applicable in all procurement purchases which might contain foreign content placed by DLS on a sub-contractor in accordance with the DIP and NIP thresholds and guidelines (as may be amended from time-to-time) determined by the Department of Defence and the Department of Trade and Industry respectively.

I/We the undersigned, therefore and hereby confirm as follows:

Company name :

Address:

.....

Contact person:

Tel number:

Email:

1. COMMITMENT WITH REGARDS TO DEFENCE INDUSTRIAL PARTICIPATION:

1.1. It is clearly understood that the Defence Industrial Participation (DIP) Obligation will be **at least 50%** of the total foreign content value of the contract/sub-contract.

1.2. It is therefore clearly understood that the total DIP Obligation will be discharged through a combination of one or more of local work share, co-development, co-production, R&D, technology transfer, skills development and training, establishment of

MRO capabilities, foreign direct investment, jigs, tooling, test equipment, and the export of defence-related products.

1.3. All DIP activities contemplated will be recorded and subsequently discharged in accordance with the prescribed DIP business plan format.

1.4. All DIP business plans, and correspondence in relation to the DIP obligation and its subsequent reporting, claims and discharge will be channelled through DLS. Note that all decisions with regard to the approval of DIP business plans and awarding of DIP credits lie solely with Armscor's DIP Division.

2. COMMITMENT WITH REGARDS TO NON-DEFENCE INDUSTRIAL PARTICIPATION:

2.1. It clearly understood that the Non-Defence Industrial Participation (NIP) Obligation will be **at least 30%** of the total foreign content value of the contract/sub-contract

2.2. It is thus clearly understood that the NIP Obligation Business Plan will be recorded and subsequently discharged in accordance with the NIP guidelines of the Department of Trade and Industry (DTI).

2.3. All NIP business plans and correspondence in relation to the NIP obligation and its subsequent reporting, claims and discharge will be channelled through DLS. Note that all decisions with regard to the awarding of NIP credits lie solely with the DTI's Industrial Participation (IP) Control Committee.

3. GENERAL DIRECTIVES RELATED TO THIS DIP AND NIP UNDERTAKING AND SUBSEQUENT COMMITMENT:

3.1 Excess credits earned and awarded can be banked. Banked credits may be offered as a part discharge of the obligation in accordance with the rules of Armscor and the DTI.

3.2 It is further required that foreign sub-contractors engage with and place contracts with suitably qualified local Broad Based Black Economic Empowerment (BBBEE) category entities. Contracts to the value of at least 25% of the DIP commitment and 20% of the NIP commitments must be placed upon the latter.

3.3 Separate prescribed bank guarantees acceptable to Denel, will be issued in accordance with the Industrial Participation (IP) sub-agreement to be signed with DLS or its holding company. The value of the bank guarantees will be at least 5% of the commitment on DIP (50%) and at least 5% of the commitment on NIP (30%).

- 3.4 A DIP proposal must not include any civilian/non-defence related projects or services, except DUAL-USE products/ services as provided by a local company, subject to prior approval by ARMSCOR. "Dual-use" shall mean those products, technologies supplied and/or services rendered by a company and where such products, technologies and/or services could be used for either defence or non-defence related purposes. The NIP commitment must not duplicate any DIP-related activities.
- 3.5 No multipliers whatsoever will be considered by ARMSCOR in determining any form of DIP credit or in assessing the value of DIP activities as committed in my/our business plan, especially in the case of proposed technology transfers.
- 3.6 Limited levels of multipliers are used by the DTI in determining NIP credits.

4. DISCLAIMER

It is the bidder/sub-contractors sole responsibility to ensure that it is fully familiar with all the terms and conditions of DLS, Armscor and the DTI as related to both DIP and NIP obligations and by signing this confirmation, it acknowledges that it has read and fully understands these terms and conditions.

5. CONFIDENTIALITY

The signatory to this document shall take note not to reveal or disseminate any information as contained in this and subsequent documentation (as related to DIP and NIP), to any party, person or entity outside DLS, the South African Ministry of Defence, the Defence Secretariat, the SANDF, ARMSCOR or the DTI, without the written and express consent of DLS. In the event that such information is disseminated prior to the official awarding of the tender, such an event could lead to the disqualification of the tender response/proposal.

6. I/We hereby state that the selection of local suppliers and the choice of business activities are my/our company's own decision and was not made under duress or undue influence of any person or entity in Denel, ARMSCOR, DTI, the DOD and/or the SANDF.

This confirmation is completed and signed by duly authorized person(s), as per attached proxy/power of attorney, to act for and **on behalf of the sub-contractor** at (place) on this day of (month) (year) without favour or under influence or duress.

WITNESSES

BIDDER

- | | | |
|----|--------------------|--------------------------------------|
| 1. |
Signature |
Signature/Name and Capacity |
| 2. |
Signature |
Signature/Name and Capacity |

WITNESSES

ON BEHALF OF SUB-CONTRACTOR

- | | | |
|----|--------------------|--------------------------------------|
| 1. |
Signature |
Signature/Name and Capacity |
| 2. |
Signature |
Signature/Name and Capacity |

CONDITIONS TO BE OBSERVED WHEN BIDDING

1 COMPLIANCE WITH COMPLETION OF BID

- 1.1 The bid forms should not be retyped or redrafted but photocopies may be prepared and used.
- 1.2 Bid forms must be signed in the original form; in black ink and forms with photocopied signatures or other such reproduction of signature will be rejected.
- 1.3 Bidders shall check the numbers of the pages and satisfy themselves **THAT NONE ARE MISSING OR DUPLICATED**. No liability shall be accepted in regard to claims arising from the fact that pages are missing or duplicated. Incomplete bids will result in disqualification.

2 COMPLIANCE WITH TECHNICAL SPECIFICATIONS

Unless a departure is clearly stated by the Bidder at the time of bidding, the works shall be taken as complying in detail with the Technical Specifications, and the Bidder shall be held liable on all the terms and conditions of the contract as if this bid contained no departures. Technical specifications contained in any brochures or any other descriptions submitted shall apply for acceptance test purposes.

3 WARRANTY

If there are any defects arising from failure of goods to meet the specifications within the period specified in the contract, the Bidder shall replace the defective items at his expense or shall refund Denel Land Systems such costs as Denel Land Systems may incur in replacing such defective item. The Bidder shall also bear the cost of transporting replaced/repaired items to the place of destination.

4 INSPECTION

The Bidder shall permit and assist Denel Land Systems representatives in carrying out any inspections that are called for in the bid or specifications.

5 RISK

The Bidder will be responsible for losses that Denel Land Systems incurs due to Bidder's negligence or intention and Bidder must provide Liability Insurance. This will be a condition of contract.

6 PAYMENT

Payment, in currency other than South African Rand, will be made by means of a telegraphic or wired bank transfer. The Bidder must provide:

- Name and address of their bank.

- Company account number to be credited.
- Sort/swift code of bank.

Denel Land Systems standard payment terms are 60 days from date of Invoice.

7 ASSIGNMENT OF CONTRACT

The Bidder shall not have the right to cede any right or delegate any obligation in terms of this contract to any third party unless with the prior written approval of Denel Land Systems.

8 COMMISSION

Denel Land Systems shall not in any way be responsible or liable for payment of the commission due on this contract as far as the total contract amount would be exceeded by any addition of such commission. The payment of commission shall be the exclusive liability of the Bidder, which indemnifies Denel Land Systems hereby against agent's claims for commission of any nature.

9 PUBLICATIONS

The Bidder shall not permit or allow any information regarding the contract works to be published in any scientific, engineering or other newspaper, periodical or publication without first obtaining the consent of Denel Land Systems thereto.

10 LAW APPLICABLE

Irrespective of where this contract happens to be finally concluded, it shall be consistently deemed to have been entered into in the Republic of South Africa whose law and courts' jurisdiction shall prevail throughout.

11 PROPOSALS/BIDS ARE CONSIDERED TO BE BINDING ON THE BIDDERS

Representations made in the bid, including claims made in respect of commitments to dates of delivery, shall be considered binding on the Bidder on acceptance of the bid by Denel Land Systems and same will be form part of the contract to be concluded, unless specifically noted by the Bidder in the bid that same maybe subject to change.

12 FAILURE TO COMPLY WITH THESE CONDITIONS

These conditions form part of the bid and failure to comply therewith may invalidate a bid.

13 RFP/RFB SCHEDULE

Bidders will be contacted as soon as practicable with a status update. At this time, short-listed Bidders may be asked to meet with Denel Land Systems representatives. Bidders

should provide a list of persons and their contact details who are mandated to negotiate on behalf of their company.

14 ADDITIONAL NOTES

- 14.1 All returnable documents as indicated in the bid form must be returned with the response.
- 14.2 Bidders are to note that bids in which firm prices are quoted for the duration of any resulting contract may receive precedence over prices which are subject to adjustment.
- 14.3 Changes by the Bidder to his/her submission will not be considered after the closing date.
- 14.4 The person or persons signing the bids must be legally authorized by the Bidder to do so.
- 14.5 Denel Land Systems reserves the right to undertake post-bid negotiations with the preferred Bidder or any number of short-listed Bidders.

FAILURE TO OBSERVE ANY OF THE ABOVEMENTIONED REQUIREMENTS MAY RESULT IN THE BID BEING OVERLOOKED.

15 DISCLAIMERS

- 15.1 Bidders are hereby advised that Denel Land Systems is not committed to any course of action as a result of its issuance of this BID and/or its receipt of a bid in response to it. In particular, please note that Denel Land Systems may:
- change all services on bid and to have Supplier re-bid on any changes
 - reject any bid which does not conform to instructions and specifications issued herein
 - disqualify bids after the stated submission deadline
 - not necessarily accept the lowest priced bid
 - reject all bids, if it so decides
 - award a contract in connection with this bid at any time
 - award only a portion as a contract
 - split the award of the contract to more than one Supplier
 - make no award of a contract.
- 15.2 Kindly note that Denel Land Systems will not reimburse any Bidder for any preparation costs or other work performed in connection with this bid, whether or not the Bidder is awarded a contract.

ALL ANNEXURES WAS PUBLISHED AS SEPARATE DOCUMENTS