

## **1. Annexure C: Declaration of Interest**

1. Any legal person, including persons employed by the principal, or persons having a kinship with persons employed by the principal, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the principal, 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 and/or take an oath declaring his/her interest, where-

- the bidder is employed by the principal; 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.

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

2.1 Are you or any person connected with the bidder, employed by the principal?  
**YES/NO**

2.1.2 If so, state particulars.....

2.2 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the principal who may be involved with the evaluation and or adjudication of this bid? **YES/NO**

2.2.1 If so, state particulars.....

2.3 Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any person employed by the principal who may be involved with the evaluation and or adjudication of this bid?  
**YES/NO**

2.3.1 If so, state particulars.....

### **DECLARATION**

I, THE UNDERSIGNED  
(NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2.1 TO 2.3.1 ABOVE IS CORRECT. I ACCEPT THAT THE PRINCIPAL MAY 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

## **2. Annexure D: HDI Preference**

### **PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2001**

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF EQUITY OWNERSHIP BY HISTORICALLY DISADVANTAGED INDIVIDUALS (HDIs), AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2001.**

#### **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 R500 000; and
- the 90/10 system for requirements with a Rand value above R500 000.

1.2 The value of this bid is estimated to exceed R500 000 and therefore the 90 / 10 system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) Specific contract participation goals, as specified in the attached forms.

1.3.1 The points for this bid are allocated as follows:

	<b>POINTS</b>
<b>1.3.1.1 PRICE / FUNCTIONALITY</b>	....90.....
<b>1.3.1.2 SPECIFIC CONTRACT PARTICIPATION GOALS</b>	....10....
<b>(a) Historically Disadvantaged Individuals:</b>	
(i) who had no franchise in national elections before the 1983 and 1993 Constitutions	...6....
(ii) who is a female	...1....
(iii) who has a disability	...1....
<b>(b) Other specific goals (goals of the RDP - plus local manufacture)</b>	
(i) Promotion of SMME	...2....

**Total points for Price, HDIs and other RDP-goals must not exceed****100**

**Separate Preference Points Claim Forms will be used for the promotion of the specific goals for which points have been allocated in paragraph 1.3.1.2 (b) above.**

1.4 Failure on the part of a bidder to fill in and/or to sign this form may be interpreted to mean that preference points are not claimed.

1.5. 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. GENERAL DEFINITIONS**

2.1 “**Acceptable bid**” means any bid which, in all respects, complies with the specifications and conditions of bid as set out in the bid document.

2.2 “**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 goods, works or services.

2.3 “**Comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration.

2.4 “**Consortium or joint venture**” means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

2.5 “**Contract**” means the agreement that results from the acceptance of a bid by an organ of state.

2.6 “**Specific contract participation goals**” means the goals as stipulated in the Preferential Procurement Regulations 2001.

2.6.1 In addition to above-mentioned goals, the Regulations [12.(1)] also make provision for organs of state to give particular consideration to procuring locally manufactured products.

2.7 “**Control**” means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

2.8 “**Disability**” means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

2.9 “**Equity Ownership**” means the percentage ownership and control, exercised by individuals within an enterprise.

- 2.10 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen
- (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act No 200 of 1993) (“the interim Constitution”); and/or
  - (2) who is a female; and/or
  - (3) who has a disability:  
  
provided that a person who obtained South African citizenship on or after the coming into effect of the Interim Constitution, is deemed not to be a HDI;
- 2.11 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 2.12 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 2.13 **“Person”** includes reference to a juristic person.
- 2.14 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of bid invitations and includes all applicable taxes and excise duties.
- 2.15 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (No 102 of 1996).
- 2.16 **“Sub-contracting”** means the primary contractor’s assigning or leasing or 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.
- 2.17 **“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.
- 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. ESTABLISHMENT OF HDI EQUITY OWNERSHIP IN AN ENTERPRISE**
- 3.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals classified as HDIs, or in the case of a company, the percentage shares that are owned by individuals classified as HDIs, who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.

- 3.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.

#### **4. ADJUDICATION USING A POINT SYSTEM**

- 4.1 The bidder obtaining the highest number of points will be awarded the contract.
- 4.2 Preference points shall be calculated after prices have been brought to a comparative basis.
- 4.3 Points scored will be rounded off to 2 decimal places.
- 4.4 In the event of equal points scored, the bid will be awarded to the bidder scoring the highest number of points for specified goals.

#### **5. POINTS AWARDED FOR PRICE**

##### **5.1 THE 90/10 PREFERENCE POINT SYSTEMS**

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

##### **90/10**

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

Where

$P_s$  = Points scored for price of bid under consideration

$P_t$  = Rand value of bid under consideration

$P_{\min}$  = Rand value of lowest acceptable bid

## 6. Points awarded for historically disadvantaged individuals

- 6.1 In terms of Regulation 13 (2) preference points for HDI's are calculated on their percentage shareholding in a business, provided that they are actively involved in and exercise control over the enterprise. The following formula is prescribed in Regulation 13 (5) (c):

$$NEP = NOP \times \frac{EP}{100}$$

Where

NEP = Points awarded for equity ownership by an HDI

NOP = The maximum number of points awarded for equity ownership by an HDI in that specific category

EP = The percentage of equity ownership by an HDI within the enterprise or business, determined in accordance with the definition of HDI's.

- 6.2 Equity claims for a trust will only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the trust.

- 6.3 Documentation to substantiate the validity of the credentials of the trustees contemplated above must be submitted.

- 6.4 Listed companies and tertiary institutions do not qualify for HDI preference points.

- 6.5 A consortium or joint venture may, based on the percentage of the contract value managed or executed by their HDI-members, be entitled to preference points in respect of an HDI.

- 6.6 A person awarded a contract as a result of preference for contracting with, or providing equity ownership to an HDI, may not subcontract more than 25% of the value of the contract to a person who is not an HDI or does not qualify for the same number or more preference for equity ownership.

## 7. BID DECLARATION

- 7.1 Bidders who claim points in respect of equity ownership must complete the Bid Declaration at the end of this form.

## 8. EQUITY OWNERSHIP CLAIMED IN TERMS OF PARAGRAPH 2.10 ABOVE. POINTS TO BE CALCULATED FROM INFORMATION FURNISHED IN PARAGRAPH 9.8.

	<b>Ownership</b>	<b>Percentage owned</b>	<b>Points claimed</b>
<b>8.1.1</b>	Equity ownership <b>by persons who</b> had no franchise in the national elections (maximum = 7 points)	%	.....
<b>8.1.2</b>	Equity ownership <b>by women</b> (maximum = 1 points)	%	.....
<b>8.1.3</b>	Equity ownership <b>by disabled persons*</b> (maximum = 1 points)	%	.....
<b>8.1.4</b>	Promotion of SMME's (maximum = 1 points)	%	.....

\*If points are claimed for disabled persons, indicate nature of impairment (see paragraph 2.8 above)

.....  
.....

**9 DECLARATION WITH REGARD TO EQUITY**

9.1 Name of firm : .....

9.2 VAT registration number : .....

9.3 Company registration number  
:..... :

**9.4 TYPE OF FIRM**

- Partnership
- One person business/sole trader
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

**9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....  
.....  
.....

**9.6 COMPANY CLASSIFICATION**

- Manufacturer
- Supplier
- Professional service provider



9.10 I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm certify that points claimed, based on the equity ownership, indicated in paragraph 8 of the foregoing certificate, qualifies the firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) The Equity ownership claimed is in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 8, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct.
- (iv) If the claims are found to be incorrect, the purchaser may, in addition to any other remedy it may have -
  - (a) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (b) 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;
  - (c) impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid; and

**WITNESSES:**

1. ....

.....

BIDDER(S)

SIGNATURE(S) OF

2. ....

**ADDRESS:**.....

DATE:.....

.....

.....

.....

### **3. Annexure E: Promotion of Small Businesses**

Tender no: .....(To be inserted by tenderer)

#### **PREFERENCE POINTS CLAIM FORM THE PROMOTION OF SMALL BUSINESS**

##### **1. INTRODUCTION**

In terms of regulation 17 of the preferential procurement regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), it is the Government's intention the promote small businesses by using the preference point system as a mechanism to award points to tenderers.

##### **2. SPECIFIC GOAL**

2.1 The specific goal is the promotion of small businesses as defined in the National Business Act, 1996 (Act 102 of 1996).

2.2 Tenderers who which to claim in respect of this goal must complete either paragraph 3 with regard to being a small business and/or paragraph 4 with regard to the promotion of small business.

2.3 The maximum preference points that can be claimed between paragraphs 3 and 4 below are 2 points.

##### **3. CLAIM WITH REGARD TO BEING A SMALL BUSINESS**

3.1 Tenderers regarding itself as a micro, very small, small or medium enterprise (SMME) as defined by the National Small Business Act, 1996 (Act 102 of 1996) may claim preference points.

3.2 Should the tenderer wish to claim points for being a SMME, then the tenderer must complete the following table.

First select and tick in column (A) the relevant sector or sub-sector your are operating in. Within the chosen sector, select and tick in columns (B), (C) and (D) the relevant block indicating your organisation's position pertaining to employees (B), turnover (C) and assets (D).

See the example in 3.3 below.

Sector or sub-sector in accordance with the Standard Industrial Classification	A	Size or class	Total full time equivalent of paid employees	B	Total annual turnover	C	Total gross asset value (fixed property excluded)	D
					Less than		Less than	
Agriculture		Medium	100		R4.00 m		R4.00 m	
		Small	50		R2.00 m		R2.00 m	
		Very small	10		R0.40 m		R0.40 m	
		Micro	5		R0.15 m		R0.10 m	
Mining and quarrying		Medium	100		R30.00 m		R18.00 m	
		Small	50		R7.50 m		R4.50 m	
		Very small	10		R3.00 m		R1.80 m	
		Micro	5		R0.15 m		R0.10 m	

Sector or sub-sector in accordance with the Standard Industrial Classification	A	Size or class	Total full time equivalent of paid employees	B	Total annual turnover	C	Total gross asset value (fixed property excluded)	D
					Less than		Less than	
<b>Manufacturing</b>		Medium	100		R40.00 m		R15.00 m	
		Small	50		R10.00 m		R3.75 m	
		Very small	10		R4.00 m		R1.50 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Electricity, gas and water</b>		Medium	100		R40.00 m		R15.00 m	
		Small	50		R10.00 m		R3.75 m	
		Very small	10		R4.00 m		R1.50 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Construction</b>		Medium	100		R20.00 m		R4.00 m	
		Small	50		R5.00 m		R1.00 m	
		Very small	10		R2.00 m		R0.40 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Retain and motor trade and repair service</b>		Medium	100		R30.00 m		R5.00 m	
		Small	50		R15.00 m		R2.50 m	
		Very small	10		R3.00 m		R0.50 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Wholesale trade, commercial agents and allied services</b>		Medium	100		R50.00 m		R8.00 m	
		Small	50		R25.00 m		R4.00 m	
		Very small	10		R5.00 m		R0.50 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Catering, accommodation and other trade</b>		Medium	100		R10.00 m		R2.00 m	
		Small	50		R5.00 m		R1.00 m	
		Very small	10		R1.00 m		R0.20 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Transport, storage and communications</b>		Medium	100		R20.00 m		R5.00 m	
		Small	50		R10.00 m		R2.50 m	
		Very small	10		R2.00 m		R0.50 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Finance and business services</b>		Medium	100		R20.00 m		R4.00 m	
		Small	50		R10.00 m		R2.00 m	
		Very small	10		R2.00 m		R0.40 m	
		Micro	5		R0.15 m		R0.10 m	
<b>Community, social and personal services</b>		Medium	100		R10.00 m		R5.00 m	
		Small	50		R5.00 m		R2.50 m	
		Very small	10		R5.00 m		R0.50 m	
		Micro	5		R0.15 m		R0.10 m	

3.3. Tenderers are to claim preference points based on the size or class of enterprise indicated above.

Example

Sector or sub-sector in accordance with the Standard Industrial Classification	A	Size or class	Total full time equivalent of paid employees	B	Total annual turnover	C	Total gross asset value (fixed property excluded)	D
					Less than		Less than	
Agriculture	v	Medium	100		R4.00 m		R4.00 m	
		Small	50		R2.00 m	v	R2.00 m	
		Very small	10		R0.40 m		R0.40 m	v
		Micro	5	v	R0.15 m		R0.10 m	

The annual turnover shall be the factor determining the ultimate classification and hence the points claimable. The company in this example would be classified as a “small” enterprise because of the turnover in lieu of the fact that according to the other parameters, the company could be classified as a “Micro” or “Very small” enterprise

For example: The company in the example will therefore be able to claim a maximum of ,50 points in paragraph 3.4 below

3.4. Insert your claim in the table below based on the information contained in paragraph

Classification	Maximum point	Points claimed
Micro	1	
Very Small	0,75	
Small	0,50	
Medium	0,25	

#### 4. CLAIM WITH REGARD TO THE PROMOTION OF SMALL BUSINESS

4.1 Tenderers that are actively involved in the promotion of small businesses (a SMME cannot claim for promoting its own business), as defined in the National Small Business Act, 1996 (Act 102 of 1996), by subcontracting/outsourcing any of the businesses and/or functions of the company to local small business inter alia manufacturing, packaging, distribution, etc. may claim preference points by completing the table below.

Small business function(s) subcontracted/ outsourced	Name(s) of small business(es) outsourced to	Address and telephone number of small business as well as contact person	Value of outsourced business (a)

		<b>Total Value (a)</b>	

4.2 Tenderers may claim preference points based on business outsourced to SMME enterprises as a percentage of annual turnover for the previous financial year(s) in accordance with the table below:

Total annual turnover for the previous financial year: R ..... (b)

The percentage of turnover should be calculated by dividing the value of outsourced business (a) above by the turnover for the previous financial year (b) multiplied by 100.

**Example**

Total value of outsourced business R100 000,00 (a)

Turnover for previous financial year R550 000,00 (b)

The percentage will then be R100 000,00 (a), divided by R550 000,00 (b) multiplied by 100 = 18.8%. The preference points that could be claimed are therefore .0,40 . (See table under 4.3 below)

4.3 Please insert your claim in the table below:

<b>Percentage of turnover directed to small business (total of (a) divided by (b) x 100</b>	<b>Points allocated</b>	<b>Points claimed</b>
0 – 9	0,20	
10 – 19	0,40	
20 – 29	0,60	
30 – 39	0,80	
40 and above	1,00	

## 5. DECLARATION

5.1 I/We acknowledge that:

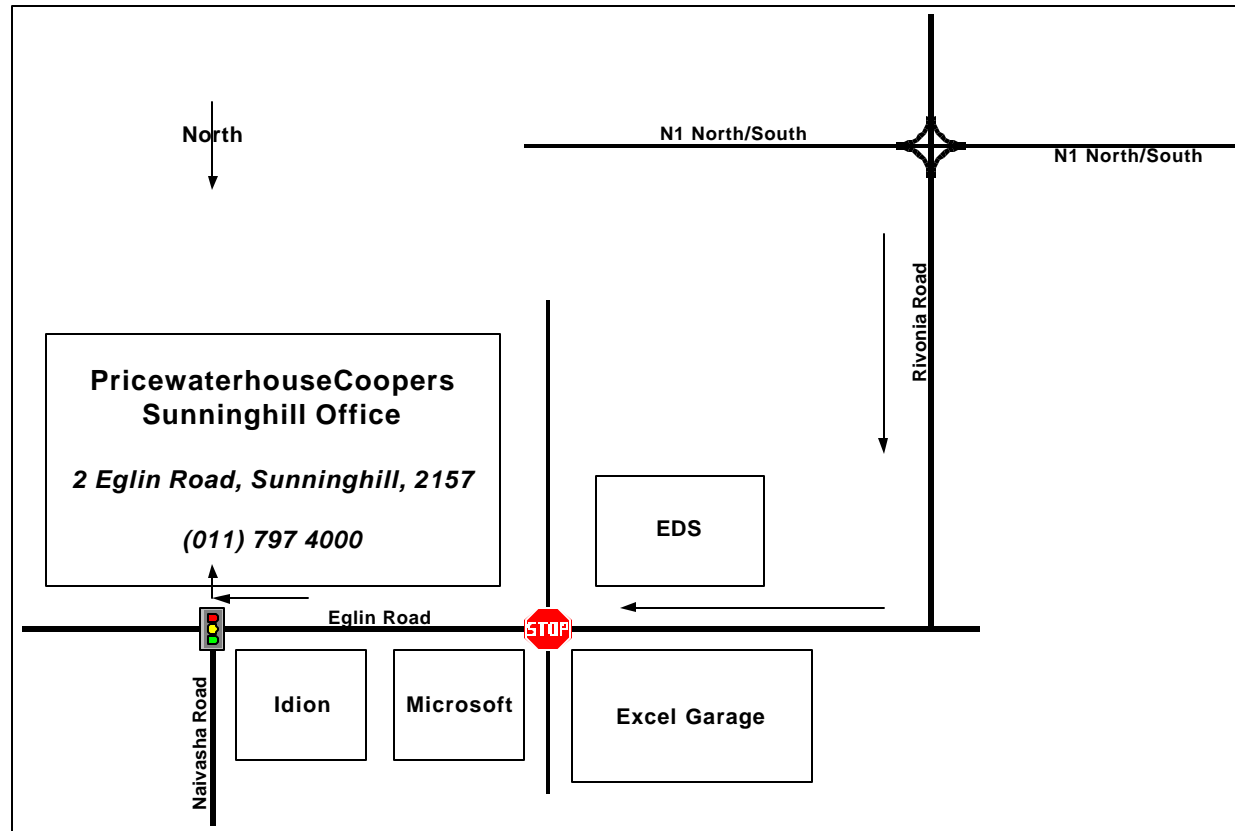
5.1.1 The information is true and correct.

5.1.2 In the event of a contract being awarded as a result of points claimed, the contractor may be required to furnish documentary proof of substantiating external auditor certificate that the claims are correct.

5.1.3 If the claims are found to be incorrect, INSETA may, in addition to any other remedy it may have:

- recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- cancel the contract and claim any damages which it has suffered as a result of having to make a less favourable arrangement due to such cancellation;
- impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the tender; and
- restrict the contractor, its shareholders and directors from obtaining business from INSETA for a period determined by INSETA.

#### 4. Map to PwC (INSETA Programme Office)



(End)