



National Empowerment Fund

RFP No: NEF 07 2024 2025

**SUPPLY OF THE IMPAIRMENT MODEL FOR
ACCOUNTING REPORTING PURPOSE GRAP**

CLOSING DATE: 13 March 2025

TIME: 14:00

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS RFP

1. **Proprietary Information:**

The National Empowerment Fund (NEF) considers this **tender** and all related information, either written or verbal, which is provided to the bidders, to be proprietary to the NEF. It shall be kept confidential by the bidders and its officers, employees, agents and representatives. The bidders shall not disclose, publish, or advertise this specification or related information in part or as a whole to any third party without the prior written consent of NEF.

2. **Enquiries**

All communication and attempts to solicit information of any kind relative to these bids should be channeled to names provided below:

Contact persons (all questions should be in writing)

Commercial

Kedibone Mboweni

Supply Chain Management

Tel: +27 11 305 8000

Email: mbowenik@nefcorp.co.za

Technical

Xolelwa Matyila

Finance Manager

011 305 8000

matyilax@nefcorp.co.za

3. **Medium of Communication**

All the documentation submitted in response to this **RFP** must be in English.

4. **Verification of Documents**

Bidders should check the numbers of the pages to satisfy themselves that none are missing or duplicated. The NEF will not be liable for any loss which may occur as a result of any pages or information missing or duplicated from or within the submission.

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS RFP

5. **Validity Period**

Responses to this Request for Proposal received from Bidders will be valid for a period of **150 days**, calculated from the closing date.

6. **Briefing session**

- 6.1 A non-compulsory briefing session will be held electronically on MS Teams. A virtual **non-compulsory** briefing session will be held electronically on MS Teams on **19 February 2025** at 11:00 AM. To join the briefing session, names and email addresses must be submitted to tenders@nefcorp.co.za before **12 noon** on **17 February 2025**.

7. **Submission of Response**

- 7.1 Only properly filled and fully signed documents in line with the RFP requirements must be submitted on PDF format via email to tenders@nefcorp.co.za by no later than 14h00 on **13 March 2025**. No proposals will be accepted after cut-off date and time.
- 7.2 No bids received by telegram, telex, facsimile, hand-delivery, post or any medium other than the above prescribed method will be considered.
- 7.3 Where an RFP document is not received at the time of the RFP closing, such a RFP document will be regarded as a late bid. Late bids will not be considered.
- 7.4 The Bidder is responsible for all the costs that shall be incurred in relation to the preparation and submission of the bid document.
- 7.5 A list of all references (minimum 3) with contact details must be included in the RFP document.
- 7.6 Copies of qualifications, identity documents (IDs) and the curricula vitae (CVs) of persons who will be involved in the execution of this bid should the bidder be successful must be attached to the proposal.
- 7.7 The following information also needs to be provided with the bid document:
- Names and details of senior management
 - Employment equity details of employees at an operational level
 - Percentage of ownership by number of:

- Black ownership
- Black women ownership
- Youth ownership

- 7.8 A valid Tax Status Pin document must be included in the bid document. Failure to submit would render your bid invalid.
- 7.9 Bidders are advised to submit / send its bid responses at least 15 minutes before the deadline to avoid any Information Technology (IT) network congestions or technical challenges in this regard which may result in bid responses being received late. NEF's e-mail servers are configured to receive e-mails with sizes up to **18MB**.
- 7.10 The NEF will not be held responsible for any of the following:
- bid responses sent to the incorrect email address;
 - bid responses being inaccessible due to non-standard electronic file formats being utilised to submit responses by bidders;
 - any security breaches and unlawful interception of tender / bid responses by third parties outside the NEF's IT network domain;
 - bid responses received late due to any IT network related congestions and/or technical challenges; and bid responses with file size limits greater than NEF's e-mail receipt capacity of **18MB**.

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS RFP

- 7.11 Copy/ies of any affiliations that you may have must be attached to the response to this bid.
- 7.12 Kindly note that the NEF is entitled to amend any RFP conditions, validity period, specifications, or extend the closing date of bids before the closing date. All Bidders, to whom the RFP documents have been issued, will be advised in writing of such amendments within reasonable time after they are made.
- 7.13 The NEF reserves the right not to accept the lowest bid or any bid in part or in whole.
- 7.14 The NEF also reserves the right to award this bid to any party whom it decides as a whole or in part without furnishing reasons. The NEF reserves the right to withdraw this RFP at any stage with or without giving reasons.
- 7.15 The Bidders hereby offers to render all or any of the services described in this RFP document to the NEF on the terms and conditions and in accordance with the specifications stipulated in this RFP document. This RFP document and the bidder's response thereto shall form part of any service level agreement that may be concluded between the NEF and the bidder. In the event of conflict between such documents, the service level agreement shall take precedence over all other documents.
- 7.16 Bids submitted by juristic persons or partnerships must be signed by a person or persons duly authorized thereto by a resolution of a board of such juristic person, a copy of which resolution, duly certified be submitted with the bid.
- 7.17 The Bidders shall prepare for a possible presentation should NEF require such and the Bidders shall be notified thereof no later than 4 (four) days before the actual presentation date.

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS RFP

- 7.18 The Bidders hereby agrees that the offer herein shall remain binding upon him/her and will be open for acceptance by the NEF during the validity period indicated herein.
- 7.19 The Bidders furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her RFP response, that the price(s) and rate(s) quoted cover all the work/item(s) specified in the RFP response documents and that the price(s) and rate(s) cover all his/her obligations under a resulting contract and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.
- 7.20 The Bidders hereby accepts full responsibility for the proper execution and fulfillment of all obligations and conditions devolving on him/her under this bid as the principal(s) liable for the due fulfillment of this bid and any contract that might be concluded pursuant hereto.
- 7.21 The NEF will treat your personal information as confidential and take all necessary steps to protect your information as required by the Protection of Personal Information Act of 2013. The NEF will only process your information (which involves but is not limited to collecting, collating, organising, disseminating, and destroying) in the following circumstances:
- where you have granted the necessary consent;
 - where we are required to do so by law;
 - where processing is necessary to protect our legitimate interests;
 - where it is necessary for the conclusion or performance of a contract to which you are party; or
 - where it is in the public interest to do so.
- 7.22 By signing this RFP document, the bidder hereby consents to the use of their personal information which forms part of the bid process and as may be discovered by the NEF and confirm that the information is supplied voluntarily without undue influence from any party. Bidders acknowledge that they are aware of their right to access the information at a reasonable time for purposes of rectification or object to the processing of the information.
- 7.23 Bidders are required to register on the National Treasury Database as per National Treasury Circular No 3 of 2015/2016 – Central Supplier Database (CSD).

CONDITIONS AND UNDERTAKINGS BY BIDDERS IN RESPECT OF THIS RFP

Name of your Company (in block letters)	
Signature(s) of the Bidders or assignee(s)	
Name of person signing (in block letters)	
Capacity	
Are you duly authorized to sign this bid?	
Company Registration Number	
VAT Registration Number	
Postal address (in block letters)	
Physical address (in block letters)	
Domicillium citandi et executandi in RSA	(full) street address) (in block letters)
Contact Person	
Telephone Number	
Fax Number	
Cell Number	
E-mail	

Section 2

TERMS OF REFERENCE / SCOPE OF SERVICE

2.1 PREAMBLE

The National Empowerment Fund Act No.105 of 1998 established the National Empowerment Fund Trust (NEF), for the purpose of promoting and facilitating economic equality and transformation, by providing development finance for Black empowered South African businesses and by designing investment products in promoting savings and investment activity amongst Black South Africans. The NEF is an agency of the Department of Trade and Industry (**the dti**) and is committed to the implementation of the Broad Based Black Economic Empowerment Act, Act 53 of 2003, and the Codes of Good Practice.

2.2 PROBLEM STATEMENT

- The new version of GRAP 104, the Generally Recognized Accounting Practice (GRAP) standard for financial instruments, is effective as of April 1, 2025. One of the most significant changes in the revised GRAP 104 on Financial Instruments is the new impairment model for financial assets at amortized cost.
- By its nature, the implementation of revised GRAP 104 is complex.
- The NEF has a number of financial instruments that need to be evaluated for revised GRAP 104 purposes. It is important to ensure that financial instruments are correctly classified and measured to ensure compliance with GRAP requirements
- The NEF will be required to enhance or amend existing systems, databases and related internal controls and implement additional tools to accurately classify and measure financial instruments and to calculate impairments in line with GRAP 104.
- NEF Impairment SOP would have to be updated to ensure GRAP 104 compliance.

2.3 SCOPE OF WORK

The NEF seeks the services of an actuary to calibrate a GRAP 104 (Updated) compliant expected credit loss (ECL) calculation and credit provision tool (ECL tool) the deliverables for ECL tool design includes, but not limited to, the following areas:

- Designing and advising on the guiding principles of the ECL tool to be used internally by the NEF based on the pillars of objectivity and measurability. The tool must be fully compliant with GRAP 104 (Updated)

Accounting Standards, the requirements imposed on the Developmental Financial Institutions (DFI's) practice including:

- A new forward-looking expected credit loss model (ECL) that will require more timely and appropriate recognition of expected credit loss.
- Assisting the NEF in determining criteria for significant increases in credit risk and definition of defaults in accordance with the three-stage model, as well as accounting for expected credit losses from the point where significant deterioration of the credit quality occurs and for the entire remaining time to maturity.
- This single expected credit loss model (ECL) must be applicable to all financial instruments within NEF that is subject to expected credit loss accounting.
- It should be designed for ECL provisioning calculations for the loan portfolio consisting of corporate, project finance, financial institutions as well as for the treasury investment portfolio.
- Based on the probability of default (PD) and Through-the cycle probability of default (TTC PD) and loss given default (LGD) already existing, the tool must include the different macroeconomic scenarios to define the conversion from the TTC PD to the Point-in time probability of default (PIT PD) and it shall include the cash flow simulations (EAD calculation) to calculate the actual amount of the credit provisions needed (ECL calculation and calibration). It should facilitate the internal management reporting of GRAP 104 (updated) provisioning and the GRAP 104 (Updated) disclosure(s) for the Financial Statements.
- The tool must enable NEF to define and adopt a three-stage model for impairment, which encompasses the 12 month ECL computation and a life stage ECL computation. The model must provide for simulation of different stress testing scenarios and sensitivity analysis for the credit portfolio.
- Run, test and calibrate the ECL tool to achieve the result, which is clearly measurable and adheres with GRAP 104 (Updated). The interaction with NEF's existing internal tools for credit portfolio statistics, credit rating definition and for the financial reporting shall be secured. Create the methodology, user manual and the guideline explaining the ECL tool, the definition of each factor and scenario individually and in their combination, as well as calculation methodology for each factor.
- Provide the full and extensive in-house training for the NEF staff including the explanation of the GRAP 104 (Updated) requirements, technical application and measurement as well as its reporting techniques.
- Where relevant and applicable, provide appropriate insight on model adopted by other financial institutions to enable NEF to conduct adequate benchmarking.

- Provide the post implementation support. Facilitate the tool structure change to make it increasingly customized in line with NEFs requirements. Provide tool updates and maintenance regularly (at least for 2 years).
- Provide the appropriate and locally accepted official certification for the ECL tool, it's compliance with the audit requirements and supporting documents (where applicable).
- Ensure, facilitate and help implement any other facilities, tools and documents as would be necessary to build up, implement and maintain the ECL tool.
- Data and assumptions
 - Review of the data and assumptions, the adequacy of the data controls and data governance procedures in place.
 - Identify any implications or limitations of the data used to develop the model, on the ECL model output.
 - Identify all data inputs required to run the GRAP 104 (Updated) models and check if all input requirements and formats are properly documented.
 - Assess and test the Solely Payments of Principal and Interest (SPPI) criteria and classification decision tree.
 - Assess the Credit Ease (CE) automation process for classification of new amortised cost facilities.
 - Assess the criteria for initial staging, the curve used for changes in PD and perform stage test for reasonability; and
 - Assess the qualitative factors used for significant increases in Credit Risk (SICR).
- Review the following in the current impairment model:
 - Assumptions/judgements and methodology used by management to determine the impairment provision, which includes the probability of not defaulting.
 - The impairment formula.
 - The parameter estimates of the provision matrix.
 - Model overrides.
 - Application of collateral in the model.
 - Probability of not Default Matrix.
 - Calculation of the future outstanding capital.
 - Calculation of the impairment.
 - Any other procedures the service provider may deem necessary to conduct a satisfactory validation of the model, if not contained in the requirements above.

Competency and expertise requirements

Qualifying criteria for the project include:

- Service provider with extensive experience (both company and individuals) in an advisory role that encompass the review and calibration of an impairment model, including experience in advising DFI clients in respect of impairment.
- Senior staff members allocated to the project should have appropriate qualifications and have extensive expertise / expert knowledge on GRAP and IFRS.
- Track record in undertaking similar assignments (i.e. review and calibration of impairment model) in the past 10 years by the senior team members.
- Please provide three trade references where review and calibration of impairment model was provided for clients.

Contract Duration

This contract will be for a duration of one (01) year commencing in financial year 2024/25 with training on the model and continuous monitoring of the model for two (02) years.

3. LIST OF RETURNABLES

- Cover Page: (the cover page must clearly indicate the RFP reference number, bid description and the bidder's name)
- A valid Tax Status Pin document
- BBBEE credentials / rating certificate
- The following information also needs to be provided with the RFP document:
 - Shareholders Certificate.
 - ASSA Registration Certificate
 - SAICA Registration Certificate (Where applicable)
 - Detailed Curriculum Vitae of officials to be utilised in the project
- Completed and signed bid document including annexures Pages 25 to 38 – Declarations and Annexures and acceptance of Bid conditions,

- Bidders are advised to submit / send its bid responses at least 15 minutes before the deadline to avoid any Information Technology (IT) network congestions or technical challenges in this regard which may result in bid responses being received late. NEF's e-mail servers are configured to receive e-mails with sizes up to **18MB**.

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4. EVALUATION CRITERIA

Tenders shall be evaluated in terms of the following parameters and shall be scored on the weightings stated below. **Phase 1: Technical:** Bidders will need to score a minimum of **42 points in technical** in order to qualify for further evaluation.

Technical	Points
Registration with relevant professional bodies.	5
Experience of review and calibration of impairment model of large entities/investments and the valuation of investment property. (at least 3 references to be provided)	10
<p>The bidder's key personnel of the proposed team must have relevant qualifications, skills and experience.</p> <p>The key personnel of the proposed team must comprise of the following:</p> <ul style="list-style-type: none"> • Members with relevant professional membership in good standing; • IFRS specialists with expert knowledge on International Financial Reporting Standards and Credit modelling; <p>The bidders must submit, as part of its proposal, the following:</p> <ul style="list-style-type: none"> • The structure and composition of the proposed team, clearly outlining the main disciplines/ specialties of this project and the key personnel responsible for each specialty. • CVs of the key personnel; and the CVs must clearly highlight qualifications, areas of experience/ competence relevant to the tasks and objectives of this project as outlined above 	5
<p>Capability and knowledge of staff to be assigned to the project (qualifications, demonstrated skills and experience)</p> <ul style="list-style-type: none"> • Calculating the estimated impairments under IFRS 9/GRAP 104 in order to assess the possible impact of IFRS 9/GRAP 104. • Indicate what approach/ processes you would follow in this regard. 	5
Knowledge of GRAP/IFRS standards and application thereof in the review and calibration of impairment model.	5
The bidder must demonstrate ability to provide training to the NEF team on the use of the developed model/tool.	5
<p>The bidder must provide a detailed Project/Execution Plan, including:</p> <ul style="list-style-type: none"> • Process flow • Inputs/data requirements • Activities/tasks, roles and responsibilities • Time frames • Deliverables 	5

Ability to calibrate an impairment model for use by NEF for reporting purposes and for independence review by the external auditors – references/confirmations by at least 3 previous clients.	10
Demonstrate that the 3 previous client’s impairment models were accepted by the external auditors (including the method used, assumptions used, sources of information and any judgements used), and there were no audit findings. (at least 3 references to be provided).	10
Clearly indicate the method to be used, assumptions to be used, sources of information and any judgements used in calibrating the model.	10
TOTAL	70

Phase 2: Presentation: Bidders will need to be scored a minimum of 18 points in order to be evaluated further

Presentation	30 Points
*Only shortlisted entities will be provided a sample for presentation.	
Knowledge of the DFI environment and the mandate of the NEF trust and financial sector.	5
Summary of impairment methodology including draft impairment approach; proposed response and modular where the impairment will be run.	5
Ability to address demonstrate understanding of GRAP 104/IFRS 9.	5
Ability to demonstrate the impairment methodology in line with GRAP 104/IFRS9	5
Ability to demonstrate the methodology to group the loan balances into stages using loan performance.	5
Demonstrate ability to assist in reviewing the impairment model to aid the completion of the audit within deadlines.	5

The NEF may conduct site visits with only shortlisted companies.

Phase 3: 80/20 Preference Point System

All tenders that will achieve the minimum qualifying score for technical will be evaluated further in terms of the preference point system as follows:

CRITERIA	POINTS
PRICE	80
SPECIFIC GOALS	20
TOTAL	100 points

NATIONAL EMPOWERMENT FUND – SPECIFIC GOALS	NUMBER OF POINTS FOR (80/20 PREFERENCE SYSTEM)
<ul style="list-style-type: none">• 51% and above Black ownership	10
<ul style="list-style-type: none">• 30% and above Black Women’s Ownership	5
<ul style="list-style-type: none">• Any % of ownership by Black Designated Groups >0	1
<ul style="list-style-type: none">• Reconstruction Development Programme Objective: Promotion of SMMEs (Entities that are EME or QSE)	2
<ul style="list-style-type: none">• Youth ownership	2
Total Points	20

PRICING

**(Please complete below pricing schedule),
stating all pricing information including levels
of seniority, hourly rates, costs, fees
including and excluding vat and annual
escalation)**

Cost Proposal

1 Please indicate your total bid price here (please see section 8.2 “total bid price”): R.....(VAT Excl.)

2 **NOTE: All prices must be VAT exclusive and must be quoted in South African Rand (ZAR).**

3 Are the rates quoted firm for the full period of the contract?

YES	NO
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Important: If not firm for the full period, provide details of the basis on which price adjustments shall be applied e.g. CPI etc.

4 All additional costs associated the bidder’s offer must be clearly specified and included in the Total Bid Price.

5

Is the proposed bid price linked to the exchange rate?	Yes	No
<i>If yes, the bidder must indicate CLEARLY which portion of the bid price is linked to the exchange rate:</i>		

6

Payments will be linked to specified deliverables after such deliverables have been approved by the NEF. Payments will be made within 30 days from date of invoice.	Comply	Not Comply
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7

The NEF reserves the right to consider the guidelines on consultancy rates as set out in the National Treasury Instruction 01 of 2024/2025: Cost Containment Measures which took effect from 01 September 2024, where relevant.	Comply	Not Comply
The bidder must indicate if their proposed rates are in line with the provisions of the referenced National Treasury Instruction: Cost Containment Measures.		
Substantiate / Comments		

8 COSTING MODEL

8.1 Scope of Work

Activity/ Deliverable	Resource(s)	Rate/Hour per resource	Number of hours	Cost (VAT Excl.)
Establish the accounting treatment and measurement of NEF’s financial instruments for the First-time Adoption of GRAP 104 UPDATED				

Activity/ Deliverable	Resource(s)	Rate/Hour per resource	Number of hours	Cost (VAT Excl.)
Conduct a gap analysis between NEF's current impairment methodologies and the requirements in IFRS 9/GRAP 104, to identify the shortcomings of existing systems and models from an IFRS 9/GRAP 104 UPDATED perspective:				
Conduct an impact analysis comparing impairments under GRAP 104 UPDATED and impairments under the current impairment policy/methodology i.e. the calculation of indicative impairments for the financial year ending 31 March 2024/2025 based on IFRS 9/GRAP 104 UPDATED principles:				
Identify the information requirements for an IFRS 9/GRAP 104 UPDATED compliant system:				
Review and update the Valuation and Impairment Policy for the NEF, in line with IFRS 9/GRAP 104 UPDATED:				
Development of Impairment Calculation Models/Tools for the NEF and enhancement of existing models/systems/tools, in line with IFRS 9/GRAP 104 UPDATED:				

Activity/ Deliverable	Resource(s)	Rate/Hour per resource	Number of hours	Cost (VAT Excl.)
Disbursements				
Sub-Total (8.1) (VAT Excl.)				

8.2 Ad-hoc Support Services

The bidder will be required to provide support following the IFRS 9/GRAP 104 UPDATED implementation for a maximum of 2 years on a needs basis. The table below reflects the indicative number of man-hours that may be used on a need basis over the contract period. Support services will be billed for based on actual number of hours used. The bidder will be required to use a blended rate for support services as the support may require different resources.

Cost Component		Number of Hours	Blended Hourly Rate	Total Cost (VAT Excl.)
Implementation Support Services	Year 1			
	Year 2			
Sub-Total (8.2)				

Total Bid Price (8.1 + 8.2) (VAT Excl.)	
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Notes on pricing:

- Disbursements (incidental expenses other than costs specified above e.g. travel and accommodation, printing costs, venue hire, and equipment hire etc.) must be clearly defined, outlining all assumptions. It is of utmost importance to submit clear and comprehensive cost proposals to allow the NEF to fairly compare bid price / cost proposals. If there is no additional fee envisaged for Disbursements, then the bidder must clearly indicate “No Charge / Free of Charge”. Failure to clearly indicate this, would result in NEF penalising your bid response by taking the cost of the highest bidder and adding 50% thereto and apply this rate for purposes of price comparisons. Bidders are therefore requested to respond clearly and comprehensively on this aspect of their bid response.

- The bidder must provide a detailed breakdown of the Disbursements as follows:

Cost Element	Cost (VAT Excl.)
Total Disbursements	

9 SUMMARY OF THE PROPOSAL

DESCRIPTION	BIDDER'S PROPOSAL
Number of resources (personnel)	
Project duration (in hours)	
Project duration (in months)	
Commencement Date	

SPECIFIC GOALS

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Specific goals.

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS AND DEFINITIONS

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); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.21.2

- a) The value of this bid is estimated to **not exceed** R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or
- b) Either the 80/20 preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and Specific goals must not exceed	100

1.5 Failure on the part of a bidder to submit the required documents to substantiate the points claimed with the bid, will be interpreted to mean that points for specific goals are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to specific goals in any manner required by the purchaser.

2. DEFINITIONS

(a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

(b) **“Specific goals”** means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development

Programme as published in *Government Gazette* No. 16085 dated 23 November 1994

- (c) **“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 or services, through price quotations, advertised competitive bidding processes or proposals.
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
- 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1 POINTS AWARDED FOR PRICE (the 80/20 or 90/10 preference point systems)

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

$$P_s = 8888 \left(1 - \frac{P_t - P_{min}}{P_{min}}\right) \quad \text{or} \quad P_s = 9988 \left(1 - \frac{P_t - P_{min}}{P_{min}}\right)$$

Where

- P_s = Points scored for price of bid under consideration
 P_t = Price of bid under consideration
 P_{min} = Price of lowest acceptable bid

3.2 FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT.

3.2.1 POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ P_s = \mathbf{8888} \left(1 + \frac{P_t - P_{max}}{P_{max}}\right) & \mathbf{or} & P_s = \mathbf{9988} \left(1 + \frac{P_t - P_{max}}{P_{max}}\right) \end{array}$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{max} = Price of highest acceptable bid

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1 In terms of Regulation 3 (1) an organ of state must, in the tender documents, stipulate the specific goal in the invitation to submit the tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of the claim for such goal.

NATIONAL EMPOWERMENT FUND – SPECIFIC GOALS	NUMBER OF POINTS FOR (80/20 PREFERENCE SYSTEM)	NUMBER OF POINTS (90/10 PREFERENCE SYSTEM)
• Black ownership > 51%	10	N/A
• 30% Black Women’s Ownership	5	N/A
• Any % of ownership by Black Designated Groups >0	1	N/A
• Reconstruction Development Programme Objective:Promotion of SMMEs (Entities that are EME or QSE)	2	N/A
• Youth ownership	2	N/A
Total Points	20	N/A

5. BID DECLARATION

5.1 Bidders who claim points in respect of specific goals must complete the following:

SPECIFIC GOAL	NUMBER OF POINTS FOR (80/20 PREFERENCE SYSTEM)	NUMBER OF POINTS (90/10 PREFERENCE SYSTEM)
1. Black ownership > 51%		N/A
2. > 30% Black Women’s Ownership		N/A
3. Any % of ownership by Black Designated Groups >0		N/A
4. Reconstruction Development Programme Objective: Promotion of SMMEs (Entities that are EME or QSE)		N/A
5. Youth ownership.		N/A
Total Points		N/A

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 3.1

6.1 Specific goals: = (maximum of 10 or 20 points)
(Points claimed in respect of paragraph 6.1 must be in accordance with the table reflected in paragraph 3.1 and must be substantiated by submitting the required documents.)

7. DECLARATION WITH REGARD TO COMPANY/FIRM

7.1 Name of company/firm:.....

7.2 VAT registration number:.....

7.3 Company registration number:.....

7.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

7.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

7.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

7.8 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 specific goals indicated in paragraphs 1.4 and 5.1 of the foregoing certificates, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 5.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct.
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution.

<p>WITNESSES</p> <p>1.</p> <p>2.</p>
--

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

I, the undersigned, certify that the information contained in this document is accurate and correct. I am fully responsible for any misrepresentation in this document and am aware of the repercussions that may arise as a result of such a misrepresentation.

Name: _____ ID Number/Passport Number: _____

Signed: _____ Date: _____

Position: _____

Annexure 1: Acceptance of Bid Conditions and Bidder's Details

Request for Proposal No: _____

Name of Bidder: _____

Authorised signatory: _____

Name of Authorised Signatory _____

Position of Authorised Signatory _____

By signing above the bidder hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under this RFB.

[Note to the Bidder: The Bidder must complete all relevant information set out below.]

CENTRAL SUPPLIER DATABASE (CSD) INFORMATION

Bidders are required to be registered on the Central Supplier Database (CSD) of National Treasury. Failure to submit the requested information may lead to disqualification. Bidders are therefore required to submit as part of this proposal both their CSD supplier number and CSD unique registration reference numbers below:

Supplier Number	
Unique registration reference number	

REQUIRED INFORMATION

If Individual Bidder:	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	

If Joint Venture or Consortium, indicate the following for each partner:	
Partner 1	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Scope of work and the value as a % of the total value of the contract	
Partner 2	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Scope of work and the value as a % of the total value of the contract	

Annexure 2: Tax Compliance Requirements

1. TAX COMPLIANCE REQUIREMENTS		
1.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
1.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
1.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
1.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
1.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.	
1.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
2. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS		
2.1	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	YES NO
2.2	DOES THE BIDDER HAVE A BRANCH IN THE RSA?	YES NO
2.3	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	YES NO
2.4	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	YES NO
<p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 1.3 ABOVE.</p>		
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:	

Annexure 3: Bidder's Disclosure

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest ¹ in the enterprise,

employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

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

3 DECLARATION

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

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature	Date

.....
Position	Name of bidder

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

Annexure 4: Shareholders and Directors Information

[Note to the bidder: the bidder must complete the information set out below. If the bidder requires more space than is provided below it must prepare a document in substantially the same format setting out all the information referred to below and return it with Returnable Schedule 2.]

4.1 Shareholders/ Members

Name of the shareholder	ID Number	Race	Gender	% Shares

Note: The bidder must also attach the detailed Company/ Group Structure where relevant.

4.2 Black Shareholders/ Members as per the B-BBEE Certificate

Name of the shareholder	ID Number	Race	Gender	% Shares
Total Black Shareholding % as per the current and valid B-BBEE Certificate				

4.3 Directors

Name of the shareholder	ID Number	Race	Gender

I, THE UNDERSIGNED NAME.....

CERTIFY THAT THE INFORMATION FURNISHED ABOVE IS CORRECT.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder