

TERMS OF REFERENCES AND SPECIAL CONDITIONS OF THE BID

GAAL/091/2025/2026

**PROVISION OF SHORT-TERM AVIATION INSURANCE SERVICES FOR A
PERIOD OF THREE (3) YEARS.**

CLOSING DATE AND TIME OF BID

18 JULY 2025 AT 11H00

BID VALIDITY PERIOD: 150 DAYS FROM THE CLOSING DATE

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

INVITATION FOR PROVISION OF SHORT-TERM AVIATION INSURANCE SERVICES FOR A PERIOD OF THREE (3) YEARS AT POLOKWANE INTERNATIONAL AIRPORT.

1. INTRODUCTION

Gateway Airport Authority Limited (GAAL) invites qualified and experienced insurance service providers to submit bids for the provision of short-term insurance services for a period of three years.

2. SERVICES REQUIRED

The successful bidder will be required to provide comprehensive short-term insurance coverage, which includes but not limited to:

- 2.1 Airport Liability.
- 2.2 Assets Insurance (e.g, buildings, equipment, furniture, etc)
- 2.3 Motor Vehicles Insurance
- 2.4 General Liability Insurance
- 2.5 Public Liability Insurance
- 2.6 Directors' and officers' liability
- 2.7 Inclusion of SASRIA

The following are the assets and their cost value.

No.	ASSET CATEGORY	COST
	Buildings	R 122, 936, 822,34
	Runway Airfield Equipment	R 8, 219, 754.00

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

	Electrical Equipment	R 18, 232, 950.14
	Motor Vehicle	R 14, 423, 999.37
	Baggage Handling Equipment's	R 2, 809, 194.18
	Computer Equipment	R 2, 909, 773.83
	Furniture and Fittings	R 5, 254, 454.28
	Office Equipment	R 1,863, 273.11
	Plant and Machinery	R 3, 399, 266.98
	Roads	R 179, 544, 672.07
	Other Infrastructure	R 405, 220.00
	TOTAL	R 359,999,380.92

Investment Property = R 36,900,000.00

Aviation (airport owner's liability) value = R 1000,000,000.00

Public Liability = R 12,000,000.00

Directors Liability = R 10,000,000.00

Claim made basis = R 250, 000.00

Claims against GAAL

Theft = R 40,000.00

Damage to property = R 90,000.00

On all sections SASRIA should be quoted separately

3. EVALUATION CRITERIA

All bids will be evaluated in terms of administrative requirements, functionality and preference point system.

Administrative (mandatory) Criteria (Gate 0)	Functionality Evaluation Criteria (Gate 1)	Price and Specific Goals Evaluation Criteria (Gate 2)
Suppliers must submit all documents as outlined in paragraph 3.1 (Table 1) below. Only bidders that comply with all these criteria will proceed to Gate 1.	Supplier(s) are required to achieve a minimum of 80 points out of 100 points to proceed to Gate 2 (Price and Specific Goals).	Supplier(s) will be evaluated on price (weighted price) as per scope of work and specific goals claimed points as stipulated on SBD 6.1 (paragraph 4.2).

3.1 Gate 0: Administrative (mandatory) requirements

Supplier (s) must submit the documents listed in **Table 1** below. All documents must be completed and signed in black ink by the duly authorised representative of the prospective bidder(s). Correction fluid is not allowed and any cancellation on the bid document must be initialled by the authorized signatory. During this phase, Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) quotation will be disqualified for non-submission of any of the documents.

Table 1: Documents that must be submitted for administrative/mandatory requirements.

Document that must be submitted	Non-submission will result in disqualification.	
Invitation to Bid – SBD 1	YES	Complete and sign the supplied pro forma document with a fixed physical address for

		their business operations for in-loco inspection.
Pricing Schedule – SBD 3.1	YES	Complete and sign the supplied pro forma document.
Declaration of Interest – SBD 4	YES	Complete and sign the supplied pro forma document.
Preference Point Claim Form – SBD 6.1	YES	Non-submission of below documents/information for verification will lead to a zero (0) score on Specific goals. ▪ Full CSD Report ▪ Medical certificate for disability ▪ Proof of address not older than three months.
Proof of registration with the Financial Service Board (FSB)	YES	Bidder must be registered by the Financial Service Board (FSB)
Proof of registration with the South African Insurance Association (SAIA)	YES	Bidder must submit Proof of registration with the South African Insurance Association (SAIA), as required by the Insurance Act 18 of 2017.
Proof of registration on Central Supplier Database (CSD) (detailed CSD report) or MAAA.... on SBD1	YES	Supplier must be registered as a service provider on the Central Supplier Database (CSD).
Pricing Schedule / Quotation	YES	Pricing structure must be completed in full for all service quotation. Where bidder has omitted to put price for certain price categories the price offer will not be accepted and will be disqualified as it will not be comparable with

		others who have quoted for all service categories.
--	--	--

3.2 Gate 1: Functionality Evaluation Criteria

All suppliers are required to respond to the functionality evaluation criteria. A brief description of the scoring system is given below. A tabulated score sheet which will be used in the evaluation is as shown below.

CRITERIA	POINTS	SCORING CRITERIA
Company Experience The bidder should demonstrate experience in providing short-term Insurance brokerage services – attach contactable reference letters, stipulating years of experience)	30	Less than 1 year = 0 1 – 3 year(s) = 10 >3 – 5 years = 20 >5 years = 30
Number of Completed Project The bidder should provide reference from previous clients providing short-term Insurance brokerage services – attach reference letters.	30	No project = 0 1 – 3 project(s) = 10 4 – 5 project(s) = 20 6 and more projects = 30
Key Personnel Experience Experience of a broker in managing contracts of corporate insurance portfolios – attach details of the individual's CV illustrating experience.	20	Below 1 year = 0 1 – 5 years = 5 >5 – 10 years = 10 >10 years = 20
Company Demographic address/Company's proof of address/residence (e.g. Municipal bill	20	Capricorn District = 20 Outside Capricorn District = 10 Outside of Limpopo Province = 5

document for rates and taxes, letter from traditional council/Chief authority/lease agreement or any other valid proof of address.		
TOTAL	100	
Minimum threshold (failure to meet this threshold your bid will not be evaluated further)	80	

The maximum points that can be scored on functionality equals 100. Suppliers scoring less than 80 points will be disqualified.

3.3 Gate 2: Preference Point System,

Preference Points System where the 80 points are awarded for the price and the 20 points are awarded for specific goals as follows.

FINAL EVALUATION CRITERIA	POINTS
Price	80
Specific goals	20
TOTAL	100

4. BID SUBMISSION

All bids and supporting documents must be placed or couriered in the bid box located at Polokwane International Airport, Admin Block on or before the stipulated closing date and time as indicated in the SBD1.

Bids will only be considered if received by the entity on or before the closing date and time.

Bidders are required to submit their bids and supporting documents in a clearly marked envelopes as follows: -

REQUIRED DOCUMENTS	PRICE & SPECIFIC GOALS
Exhibit 1: Administrative and mandatory documents <i>(Refer to Section 3.1 - Gate 0: Administrative requirements (Table 1))</i>	Exhibit 4: General Conditions of Contract (GCC)
Exhibit 2: Functionality Responses and Bidder Compliance Checklist for Technical Evaluation. Supporting documents for technical responses. <i>(Refer to Section 3.2 - Gate 1: Functionality Evaluation Criteria)</i>	Exhibit 5: • Company Profile • Any other supplementary information
Exhibit 3: Pricing Schedule/Bid offer	Exhibit 6: Electronic submission (USB/Memory card/External hard drive) – clearly marked.

SPECIAL CONDITIONS OF BIDDING AND BID SUBMISSION REQUIREMENTS

5.1. Terms and conditions:

5.1.1. The individuals proposed for professional work on the project shall remain on the project unless the airport grants permission to change the proposal. Such permission will only be granted in exceptional circumstances.

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

5.1.2. No material or information derived from the provision of the services under the Contract may be used for any purposes other than those of the airport, except where authorized in writing to do so. All information will be held strictly confidential. The successful service provider will be required to sign a confidentiality agreement with the airport.

5.1.3. Copyright of all documents and electronic aids, software programmes prepared or developed in terms of the appointment, shall vest in the airport.

5.1.4. The airport reserves the right to amend, modify or withdraw this TOR document or amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without prior notice except where required by law, and without liability to compensate or reimburse any Prospective service providers.

5.1.5. Any briefing notes which may be issued by the airport to the Bidder/s should be considered as part of this TOR. Furthermore, in the event that the negotiations between the airport and the preferred Bidder/s fail with regard to the conclusion of a Service Level Agreement, the airport reserves its right not to appoint the Preferred Bidder/s without incurring any liability to compensate or reimburse the Preferred Bidder/s.

5.1.6. Neither the airport, nor any of its respective officers, or employees may make any representation or warranty, expressed or implied in this TOR document. And nothing contained herein is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

5.1.7. A proposal submitted by a company, close corporation or other legal person must be accompanied by a resolution or agreement of the directors or members and be signed by a duly authorized person.

5.1.8. A proposal submitted by a partnership must be accompanied by a written partnership agreement.

5.1.9. A proposal submitted by a consortium of two or more parties must be accompanied by a signed memorandum of understanding between the parties to such consortium indicating:

- a) the conditions under which the consortium will function;
- b) Its period of duration;
- c) The persons authorized to represent it;
- d) The participation of the several parties forming the consortium;
- e) The benefits that will accrue to each party;
- f) Any other information necessary to permit full appraisal of its functioning.

5.1.10. The costs of preparing proposals and of negotiating the contract will not be reimbursed.

5.1.11. The preferred Bidder will be required to enter into a Service Level Agreement (SLA) prior to appointment.

5.1.12. The airport is not bound to accept any of the proposals submitted and reserves the right to call for best and final offers from short-listed bidders before final selection. The airport also reserves the right to call interviews with short-listed bidders before final selection, and to negotiate price.

5.1.13. Bidders may ask for clarification on this TOR or any of its Annexures up to close of business seven (7) working days before the deadline for the submission of bids. Any request for clarification must be submitted by email to the contact person. Copies of questions and answers will be published on the entity's website, without revealing the identity of the source of the questions.

5.1.14. Bidders may not contact the airport on any matter pertaining to their bid from the time when bids are submitted to the time the contract is awarded. Any effect by the bidder to influence bid evaluation, bid comparisons or award decisions in any manner, may results in rejection of the bid concerned.

5.1.15. Bid submission requirements must be completed in sections and appendices provided in the bid document.

PART A
INVITATION TO BID

SBD1

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	GAAL/091/2025/2026		CLOSING DATE:	18 JULY 2025	
			CLOSING TIME:	11:00	
DESCRIPTION	PROVISION OF SHORT-TERM AVIATION INSURANCE SERVICES FOR A PERIOD OF THREE YEARS AT POLOKWANE INTERNATIONAL AIRPORT.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
ADMIN BLOCK					
N1 NORTH TO MAKHADO					
GATEWAY WEG					
POLOKWANE, 0700					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	JULIUS RAMATJIE		CONTACT PERSON	DAVID MAPHOLO	
TELEPHONE NUMBER	087-291-1088		TELEPHONE NUMBER	087-291-1054	
FACSIMILE NUMBER	015-288-0125		FACSIMILE NUMBER	015-288-0122	
E-MAIL ADDRESS	scmgroupp@gaal.co.za		E-MAIL ADDRESS	david.mapholo@gaal.co.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

☐ YES ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

☐ YES ☐ NO

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:.....
(Proof of authority must be submitted e.g. company resolution)

DATE:.....

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

SBD 3.1

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-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: GAAL/091/2025/2026
Closing Time 11:00	Closing date: 18 JULY 2025

OFFER TO BE VALID FOR **150 DAYS** FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
----------	----------	-------------	---

- | | | |
|---|--|-----------------------------------|
| - | Required by: | |
| - | At: | |
| - | Brand and model | |
| - | Country of origin | |
| - | Does the offer comply with the specification(s)? | *YES/NO |
| - | If not to specification, indicate deviation(s) | |
| - | Period required for delivery |
*Delivery: Firm/not firm |
| - | Delivery basis | |

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

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

** "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

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Sweepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

BIDDER'S DISCLOSURE

SBD 4

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 in respect of employees of the State

- 2.1 Is the bidder, or any of the directors / trustees / shareholders / members / partners of the bidder employed by the state? **YES/NO**

If so, furnish particulars of the names, individual identity numbers, in table below.

Full Name	Identity Number	Name of State institution

3. Bidders' disclosure in respect of independent bidding

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

I, the undersigned, 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 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.
- 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.
- 3.5 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.
- 3.6 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.
- 3.7 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 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 state for a period not exceeding 10 years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

I CERTIFY THAT THE INFORMATION FURNISHED ABOVE IS CORRECT AND ACCEPT
THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS
INFORMATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position/ Designation

.....
Name of bidder

SBD 6.1

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

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

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- 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).

1.2 To be completed by the organ of state

a) The applicable preference point system for this tender is the **80/20** preference point system.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and Specific Goals	100

1.5 Failure on the part of a tenderer to submit proof or documentation required in

terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20	or	90/10
$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$	or	$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$
Where		

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmin = Price of lowest acceptable tender

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:

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 \\
 Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) & \text{or} & Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)
 \end{array}$$

Where

Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest

acceptable tender will be used to determine the applicable preference point system; or

- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Enterprises with ownership of 51% or more by person/s who are black	10	
Enterprises with ownership of 51% or more by person/s who are women	4	
Enterprises with ownership of 51% or more by person/s who are youth	2	
Enterprises with ownership of 51% or more by person/s with disability	2	
Enterprises located in rural or townships areas	2	
Total	20	

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name _____ of
company/firm.....

4.4. Company _____ registration _____ number:
.....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I 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 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

Directors: Mr V Xaba (Chairperson). Mr E Ramutanda. Ms S Phayane. Mr N Mangena. Adv. E Lambani. Ms S Mabilane. Mr S Maharaj. Dr N Skeepers. Mrs M Matli (CEO). Mr J Khuloane (CFO).
Adv. K Sebola (Company Secretary)

- (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted 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, if deemed necessary.

	
	SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:	
DATE:	
ADDRESS:	
	
	
	