

Approved By
26/07/2023



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

TENDER: HP23/007GS

RETURNABLE DOCUMENTS

AND

SPECIFICATIONS

**REQUEST FOR PROPOSALS (RFP) FOR THE PROVISION OF
FINANCIAL SERVICES TO BENEFICIARIES IN SMME
DEVELOPMENT PROGRAMMES THROUGH THE
DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE.**

**YOU ARE HEREBY INVITED TO BID TO THE GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA**

PLEASE TAKE NOTE

BID NUMBER: HP23/007GS

CLOSING TIME: SHARP 11:00 CLOSING DATE: 22 AUGUST 2023

BIDS RECEIVED AFTER THE CLOSING TIME AND DATE ARE LATE AND WILL, AS A RULE NOT BE ACCEPTED FOR CONSIDERATION

BID DOCUMENTS MAY BE POSTED TO

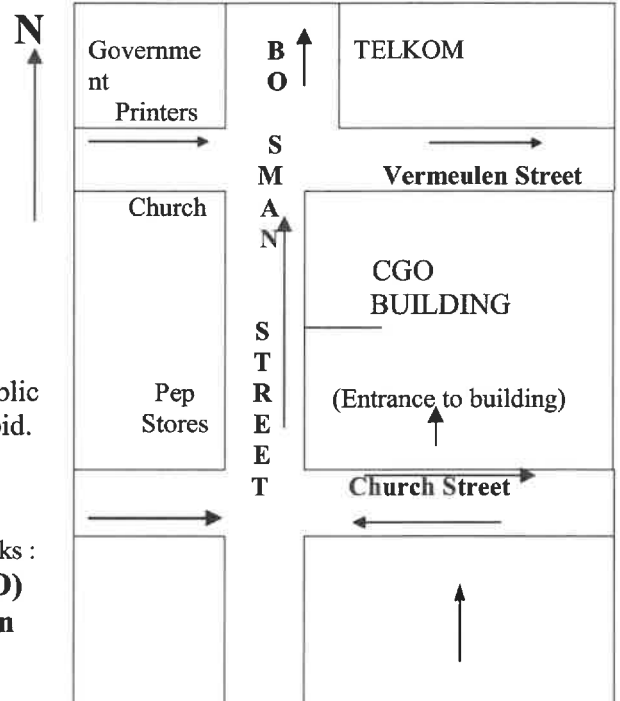
**DIRECTOR-GENERAL
Department of Public Works
Private Bag X65
PRETORIA
0001**

**ATTENTION: TENDER SECTION:
Central Government office: Room 121**

Bid documents that are posted must reach the Department of Public Works: Tender section, before 08:00 on the closing date of the bid.

OR

The bid documents may be deposited at the Department of Public Works :
Head Office: **Room 121, Central Government Office (CGO)
c/o Bosman and Vermeulen Street.(Entrance Vermeulen
Street) Pretoria,0001**



The Head Office of the Department of Public Works is open **Mondays to Fridays**
07:30 – 12:30 / 13:30 – 15:30. However, if the bid is late, it will, as a rule not be accepted for consideration.

Bidders should ensure that bids are delivered timeously to the correct address.

SUBMIT ALL BIDS ON THE OFFICIAL FORMS - DO NOT RETYPE.

Bids by telegram, facsimile or other similar apparatus will not be accepted for consideration.

**SUBMIT EACH BID IN A SEPARATE SEALED ENVELOPE,
INDICATING THE TENDER NR, CLOSING DATE AND YOUR COMPANY NAME**

The Government Tender Bulletin is available on the Internet on the following web sites:

1. <http://www.treasury.gov.za>
2. <http://www.info.gov.za/documents/tenders/index.htm>

CONTENTS OF BID DOCUMENT

Project title:	REQUEST FOR PROPOSALS (RFP) FOR THE PROVISION OF FINANCIAL SERVICES TO BENEFICIARIES IN SMME DEVELOPMENT PROGRAMMES THROUGH THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE		
Project Leader:	Them bani Makaukau	Bid / no:	HP23/005GS

SECTIONS IN BID DOCUMENT

Bidders are to ensure that they have received all pages of the bid document, which consists of the following sections:

Bid Document Name:	Number of Pages:
Cover page	1 Page
Content page	1 Page
Map of closing address	1 Page
PA-04(GS): Notice and invitation to tender	9 Pages
PA-09 (GS): List of returnable document	1 Page
PA-10: General Conditions of contract (GCC)	10 Pages
PA-11: Bidder's disclosure	3 Pages
PA-15.1 Resolution of Board of Directors	2 Pages
PA-15.2: Resolution of Board of Directors to enter into Consortia or Joint Ventures	2 Pages
PA-15.3: Special Resolution of Consortia or Joint Venture	3 Pages
PA-40: Declaration of designated groups for preferential procurement	2 Pages
Terms of reference	19 Pages

PA-04 (GS): NOTICE AND INVITATION TO BID

THE DEPARTMENT OF PUBLIC WORKS INVITES BIDDERS FOR THE PROVISION OF

Project title:	REQUEST FOR PROPOSALS (RFP) FOR THE PROVISION OF FINANCIAL SERVICES TO BENEFICIARIES IN SMME DEVELOPMENT PROGRAMMES THROUGH THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE
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Bid no:	HP23/007GS		
Advertising date:	26 July 2023	Closing date:	22 August 2023
Closing time:	11:00 am	Validity period:	N/A days

2.1 Substantive responsiveness criteria

Only tenderers who are responsive to the following substantive responsiveness criteria are eligible to submit tenders. Failure to comply with the criteria stated hereunder shall result in the tender offer being disqualified from further consideration:

1	<input checked="" type="checkbox"/>	Only those tenderers who satisfy the eligibility criteria stated in the Tender Data may submit tenders.
2	<input checked="" type="checkbox"/>	Tender offer must be properly received on the tender closing date and time specified on the invitation, fully completed either electronically (if issued in electronic format), or by writing legibly in non-erasable ink. (All as per Standard Conditions of Tender).
3	<input checked="" type="checkbox"/>	Use of correction fluid is prohibited.
4	<input checked="" type="checkbox"/>	Submission of (PA-32): Invitation to Bid
5	<input checked="" type="checkbox"/>	Registration on National Treasury's Central Supplier Database.
6	<input checked="" type="checkbox"/>	Submission of record of attending compulsory virtual bid clarification / site inspection meeting.
7	<input type="checkbox"/>	The tenderer shall submit his fully priced Bills of Quantities / Lump Sum Document (complete document inclusive of all parts) together with his tender.
8	<input type="checkbox"/>	The tenderer shall submit his fully priced and completed sectional summary- and final summary pages with the tender.
9	<input checked="" type="checkbox"/>	All parts of tender documents submitted must be fully completed in ink and signed where required
10	<input checked="" type="checkbox"/>	<p>RESOURCES REQUIRED AND ALLOCATED FOR EXECUTION OF THE PROJECT</p> <p>Personnel with relevant experience must be allocated for execution of the project:</p> <p>a. Head Office (Central)</p> <p>i. Project Team Leader, based at head office (minimum 10 years relevant experience). ii. Credit Assessment Manager, based at head office (minimum 10 years relevant experience). iii. National Project Manager, based at head office (minimum 10 years relevant experience).</p> <p>b. Regional Office</p> <p>Regional Capacity, at least 1 person per province (minimum 5 years relevant experience).</p> <p>None of the above resources listed under a. and b. can be responsible for 2 positions. The bidder must allocate an individual for each position.</p>

11	<input checked="" type="checkbox"/>	<p>Proof of registration as a financial service provider in terms of the following:</p> <p>i. a Bank registered in terms of the Banks Act, 1990;</p> <p>ii. a Financial Service Provider registered in terms of the Financial Advisory and Intermediary Services Act 37, 2002;</p> <p>iii. a Public Entity in terms of Schedule 2 of the Public Finance Management Act No.1 of 1999 (PFMA);</p> <p>iv. an Agency/Trading Entity within the Department of Trade, Industry and Competition (DTIC) that accounts to the executive authority of the Department of Trade, Industry and Competition and is governed by the Public Finance Management Act; or</p> <p>v. a Mutual Bank registered in terms of Mutual Banks Act No. 124 of 1993.</p>
12	<input checked="" type="checkbox"/>	The Financial Service Provider must provide electronic banking that allows for 2 step authorisation, with the contractor initiating and mentor approving each transaction.

2.2 Administrative responsiveness criteria

The Employer reserves the right to request further information regarding the undermentioned criteria. Failing to submit further clarification and/or documentation within seven (7) calendar days from request or as specifically indicated, will disqualify the tender offer from further consideration.

1	<input checked="" type="checkbox"/>	Any correction to be initialled by the person authorised to sign the tender documentation as per PA 15.1 or PA 15.2 resolution of board/s of directors / or PA15.3 Special Resolution of Consortia or JV's .
2	<input checked="" type="checkbox"/>	Submission of applicable (PA-15.1, PA-15.2, PA-15.3): Resolution by the legal entity, or consortium / joint venture, authorising a dedicated person(s) to sign documents on behalf of the firm / consortium / joint venture.
3	<input checked="" type="checkbox"/>	Submission of (PA-09 (GS)): List of Returnable Documents
4	<input checked="" type="checkbox"/>	Submission of (PA-11): Bidder's disclosure.
5	<input checked="" type="checkbox"/>	Submission of (PA-16): Preference Points Claim Form in terms of the Preferential Procurement Regulations 2022.
6	<input checked="" type="checkbox"/>	Submission of (PA 40): Declaration of Designated Groups for Preferential Procurement.
7	<input checked="" type="checkbox"/>	Submission of proof of Registration on National Treasury's Central Supplier Database (CSD).
8	<input type="checkbox"/>	The tenderer shall submit his fully priced Bills of Quantities (complete document inclusive of all parts) within 14 days from request.
9	<input type="checkbox"/>	Upon request, submission of fingerprints obtainable from local SAPS including any other additional documentation and information required for vetting purposes.
10	<input type="checkbox"/>	Upon request, submission of a fully completed security clearance application form with supporting documentation and information as required. The security clearance form will be provided by the Employer for projects requiring a security clearance.
11	<input checked="" type="checkbox"/>	Submission of a signed copy, with each page initialed, of the Terms of Reference for Provision of Financial Services to SMME Development Programmes through the Department of Public Works and Infrastructure.
12	<input type="checkbox"/>	
13	<input type="checkbox"/>	
14	<input type="checkbox"/>	
15	<input type="checkbox"/>	

3. Method to be used to calculate points for specific goals



Notice and Invitation to Bid: PA-04 (GS)

For procurement transaction with rand value greater than R2 000, 00 and up to R1 Million (Inclusive of all applicable taxes) the specific goals listed below are applicable.

Serial No	Specific Goals	Preference Points Allocated out of 20	Documentation to be submitted by bidders to validate their claim
1.	An EME or QSE which is at least 51% owned by black people.	10	ID Copy. or SANAS Accredited BBBEE Certificate/ Sworn Affidavit. or CSD Report. or CIPC (Company registration)
2.	Located in a specific Local Municipality or District Municipality or Metro or Province area for work to be done or services to be rendered in that area.	2	Office Municipal Rates Statement. or Permission to occupy from local chief in case of rural areas (PTO). or Lease Agreement
3.	An EME or QSE which is at least 51% owned by women.	4	ID Copy or CSD Report or CIPC (Company Registrations)
4.	An EME or QSE which is at least 51% owned by people with disability.	2	Medical Certificate or South African Social Security Agency (SASSA) Registration or National Council for Persons with Physical Disability in South Africa registration (NCPDPSA)
5.	An EME or QSE which is at least 51% owned by youth.	2	ID Copy or CSD Report Or CIPC

For procurement transaction with rand value greater than R1 Million and up to R50 Million (Inclusive of all applicable taxes) the specific goals listed below are applicable.

Serial No	Specific Goals	Preference Points Allocated out of 20	Documentation to be submitted by bidders to validate their claim
1.	An EME or QSE which is at least 51% owned by black people.	10	ID Copy. or SANAS Accredited BBBEE Certificate/ Sworn Affidavit. or CSD Report. or CIPC (Company registration)
2.	Located in a specific Local Municipality or District Municipality or Metro or Province area for work to be done or services to be rendered in that area.	2	Office Municipal Rates Statement. or Permission to occupy from local chief in case of rural areas (PTO). or Lease Agreement
3.	An EME or QSE which is at least 51% owned by women	4	ID Copy or CSD Report or CIPC (Company Registrations)
4.	An EME or QSE which is at least 51% owned by people with disability.	2	Medical Certificate or South African Social Security Agency (SASSA) Registration or National Council for Persons with Physical Disability in South Africa registration (NCPDPSA)
5.	An EME or QSE which is at least 51% owned by youth.	2	ID Copy or CSD Report or CIPC

For procurement transaction with rand value greater than R50 Million (Inclusive of all applicable taxes) the specific goals listed below are applicable.

Serial No	Specific Goals	Preference Points Allocated out of 10	Documentation to be submitted by bidders to validate their claim
1.	An EME or QSE which is at least 51% owned by black people.	4	ID Copy. or SANAS Accredited BBBEE Certificate/ Sworn Affidavit. or CSD Report. or CIPC (Company registration)
2.	Located in a specific Local Municipality or District Municipality or Metro or Province area for work to be done or services to be rendered in that area.	2	Office Municipal Rates Statement. or Permission to occupy from local chief in case of rural areas (PTO). or Lease Agreement
3.	An EME or QSE which is at least 51% owned by women	2	ID Copy or CSD Report or CIPC (Company Registrations)
<input type="checkbox"/>	4. <input type="checkbox"/> An EME or QSE which is at least 51% owned by people with disability.	2	Medical Certificate or South African Social Security Agency (SASSA) Registration or National Council for Persons with Physical Disability in South Africa registration (NCPDOSA)
<input type="checkbox"/>	5. <input type="checkbox"/> An EME or QSE which is at least 51% owned by youth. NB. (The use of this goal is mandatory however the BSC must select either one of the two and not both)		ID Copy or CSD Report Or CIPC

**4. The following evaluation method for responsive bids will be applicable:
(Where functionality is applicable, it will be applied as a pre-qualification)**

<input type="checkbox"/> 80/20 Preference points scoring system	<input type="checkbox"/> 90/10 Preference points scoring system	<input type="checkbox"/> Either 80/20 or 90/10 Preference points scoring system
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In case where below/above R 50 000 000 is selected, the lowest acceptable tender will be used to determine the applicable preference point system.

5. Note: Functionality will be applied as a prequalification criterion. Such criteria is used to establish minimum requirements where after bids will be evaluated solely on the basis of price and preference.

Functionality criteria:	Weighting factor:
<p>1) PROVISION OF BRIDGING FINANCE AT A COMPETITIVE RATE</p> <p>SCORING</p> <p>a) Prime +0.1% to 0.99% = 5 points b) Prime +1% to 1.99% = 4 points c) Prime +2% to 2.99% = 3 points d) Prime +3% to 3.99% = 2 points e) Prime +4% to 4.99% = 1 points f) Prime +5% and above = 0</p>	25%
<p>2) PROVISION OF FINANCE FOR BUSINESS ASSETS (VEHICLE, PLANT, MACHINERY, PROPERTY, ETC.). LOAN REPAYMENT LINKED DURATION OF PROJECT OR PROGRAMME.</p> <p>SCORING</p> <p>a) Prime +0.1% to 0.99% = 5 points b) Prime +1% to 1.99% = 4 points c) Prime +2% to 2.99% = 3 points d) Prime +3% to 3.99% = 2 points e) Prime +4% to 4.99 = 1 points f) Prime +5% and above = 0</p>	10%
<p>3) FINANCIAL CONTRIBUTION TO MENTORSHIP PER SMME</p> <p>a) R7000 and above = 5 points b) R5000 to R6999 = 4 points c) R4000 to R4999 = 3 points d) R3000 to R3999 = 2 points e) R2000 to R2999 = 1 points f) Less R2000 = 0</p>	20%

<p>4) TYPES OF TRAINING (ACCREDITED OR NON-ACCREDITED) IN FINANCIAL MANAGEMENT AND OTHER FIELDS RELEVANT TO SMME DEVELOPMENT</p> <p>Types of training to be offered:</p> <p>a) Investments b) Ethics c) Insurance Products d) Risk Management e) Financial Management</p> <p>SCORING</p> <p>i. Five of the above = 5 points ii. Four of the above = 4 points iii. Three of the above = 3 points iv. Two of the above = 2 points v. One of the above = 1 point vi. No training = 0</p>	<p>10%</p>
<p>5) GUIDANCE AND OVERSIGHT FROM FINANCIAL AND RELATIONSHIP MANAGERS</p> <p>SCORING - A bidder will score a point for listing each of the following:</p> <p>a) Clear and definite turnaround times for bridging or vehicle and asset finance applications b) Cash Flow Analysis/Prompt Early Warning Signs c) Credit Management Model (Consistency of Pre-entry and pre-funding credit worthiness assessment) d) Stakeholder Management, communicate matters that need resolution by party(ies) involved. E.g. providing responses to issues that need resolution.</p> <p>SCORING</p> <p>i. Four of the above = 5 points ii. Three of the above = 3 points iii. 2 of the above or Less = 0</p>	<p>15%</p>

<p>6) PRESENTATION (SECOND STAGE OF FUNCTIONALITY)</p> <p>Bidders who meet the minimum score of 48 points out of possible 80 points from criteria 1 to 5 (1st Stage of Functionality) will be requested to compile a proposal. The must clearly outline a proposed banking solution and must cover the following:</p> <ul style="list-style-type: none"> a. Credit matrix and escalating interest structures for overdrawn accounts. b. FSP Stakeholder Management model clearly outlining the model for engaging DPWI, the implementing bodies and mentors, involved in the SMME programmes. c. The model for management of mentorship funding. d. The Financial Service provider is expected to display wide branch coverage i.e. the number of branches and appropriate personnel to manage the accounts in all provinces including rural areas. The financial service provider is expected to outline how the FSP will service contractors, at no additional cost to the contractors, that might be in areas that do not have such provider's facilities. e. Experience of the organisation in funding emerging businesses, indicating SMME development programme(s) that the financial service provider has been involved with. f. The Financial Service Provider shall provide a secondary transactional bank account through which a contractor can make payments without supervision of a mentor. g. Consistency of credit worthiness checks (i.e. from time of evaluation of candidates to the time of provision of bridging finance credit worthiness check results must not change unless financial status of such a candidate changes). h. Turnaround times for relevant applications, i.e. account opening, bridging or asset finance applications, etc. <p>Each item will be scored individually on a scale of 1 to 5 (Scale: 5= Very Satisfactory; 4= Satisfactory; 3= Neutral; 2= Dissatisfactory; 1= Very Dissatisfactory).</p> <p>The average of the 8 areas per bidder's scoring will be carried over to the score sheet.</p>	<p>20%</p>
<p>Total</p>	<p>100 Points</p>

<p>Minimum functionality score to qualify for further evaluation:</p> <p>Summary of Scoring:</p> <ul style="list-style-type: none"> a. Bidders who meet the minimum score of 48 points out of possible 80 points from criteria 1 to 5 (1st Stage of Functionality) will be requested to compile a presentation on the proposed methodology and functionality. b. Bidders will have to obtain a minimum score of 12 points out of possible 20 points from criterion 6, presentation (2nd Stage of Functionality). c. Overall, bidders will have to score a minimum 60 points out of a possible 100 points for their bid to be considered. 	
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6. COLLECTION OF BID DOCUMENTS:

- Bid documents are available for free download on e-Tender portal www.etenders.gov.za
- Alternatively; Bid documents may be collected during working hours at the following address s Department of Public Works & Infrastructure, CGO Building, Cnr Bosman & Madiba Street, Pretoria, Room no 121.. A non-refundable bid deposit of R 0 is payable, (Cash only) is required on collection of the bid documents.
- A **compulsory** pre bid meeting with representatives of the Department of Public Works will take place at Department of Public Works & Infrastructure, CGO Building, Cnr Bosman & Madiba Street, Pretoria on 08th August 2023 starting at 11:00am. Venue . (if applicable)

7. ENQUIRIES RELATED TO BID DOCUMENTS MAY BE ADDRESSED TO:


DPW Project Leader:	Thembani Makaukau	Telephone no:	012 492 1451/2
Cell no:	082 957 9384	Fax no:	
E-mail:	thembani.mackaukau@dpw.gov.za		

8. DEPOSIT / RETURN OF BID DOCUMENTS:

Telegraphic, telephonic, telex, facsimile, electronic and / or late tenders will not be accepted.
Requirements for sealing, addressing, delivery, opening and assessment of tenders are stated in the bid document.
All tenders must be submitted on the official forms –

<p>BID DOCUMENTS MAY BE POSTED TO:</p> <p>THE DIRECTOR -GENERAL DEPARTMENT OF PUBLIC WORKS PRIVATE BAG X 65</p> <p>Pretoria 0001</p> <p>ATTENTION: PROCUREMENT SECTION: ROOM ROOM 121 Tender Box at the Reception Area</p> <p><i>POSTED TENDERS MUST BE RECEIVED PRIOR CLOSING DATE AND TIME AT 11H00 BY THE DEPARTMENT</i></p>	OR	<p>DEPOSITED IN THE TENDER BOX AT:</p> <p>Department of Public Works & Infrastructure Central Government Offices Corner of Bosman & Madiba streets Room 121</p>
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9. COMPILED BY:

Thembani Mackaukau		Project Manager	26 July 2023
Name of Project Leader	Signature	Capacity	Date

PA-09 (GS): LIST OF RETURNABLE DOCUMENTS

Project title:	REQUEST FOR PROPOSALS (RFP) FOR THE PROVISION OF FINANCIAL SERVICES TO BENEFICIARIES IN SMME DEVELOPMENT PROGRAMMES THROUGH THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE.		
Project Leader:	Thembani Makaukau	Bid / Quote no:	HP23/007GS

1. THE BIDDER MUST COMPLETE THE FOLLOWING RETURNABLE DOCUMENTS:

(Bidders may use the "Returnable document" column to confirm documents have been completed and returned by inserting a tick)

Bid Document Name:	Number of Pages:	Returnable document:
Cover page	1 Page	<input type="checkbox"/>
Content page	1 Page	<input type="checkbox"/>
Map of closing address	1 Page	<input type="checkbox"/>
PA-04(GS): Notice and invitation to tender	9 Pages	<input type="checkbox"/>
PA-09 (GS): List of returnable document	1 Page	<input type="checkbox"/>
PA-10: General Conditions of contract (GCC)	10 Pages	<input type="checkbox"/>
PA-11: Bidder's disclosure	3 Pages	<input type="checkbox"/>
PA-15.1 Resolution of Board of Directors	2 Pages	<input type="checkbox"/>
PA-15.2: Resolution of Board of Directors to enter into Consortia or Joint Ventures	2 Pages	<input type="checkbox"/>
PA-15.3: Special Resolution of Consortia or Joint Venture	3 Pages	<input type="checkbox"/>
PA-16 Preference claim form in terms of PPR 2022	11 Pages	<input type="checkbox"/>
PA-40: Declaration of designated groups for preferential procurement	2 Pages	<input type="checkbox"/>
Terms of reference	19 Pages	<input type="checkbox"/>

Name of Bidder	Signature	Date

PA-10: GENERAL CONDITIONS OF CONTRACT (GCC)

NOTES:

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

- 1.1. **"Closing time"** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. **"Contract"** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. **"Contract price"** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. **"Corrupt practice"** means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. **"Country of origin"** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. **"Day"** means calendar day.
- 1.8. **"Delivery"** means delivery in compliance of the conditions of the contract or order.
- 1.9. **"Delivery ex stock"** means immediate delivery directly from stock actually on hand.
- 1.10. **"Delivery into consignees store or to his site"** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. **"Dumping"** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. **"Force majeure"** means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. **"Fraudulent practice"** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14. **"GCC"** means the General Conditions of Contract.
- 1.15. **"Goods"** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

- 1.16. **“Imported content”** means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17. **“Local content”** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18. **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19. **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20. **“Project site”** where applicable, means the place indicated in bidding documents.
- 1.21. **“Purchaser”** means the organization purchasing the goods.
- 1.22. **“Republic”** means the Republic of South Africa.
- 1.23. **“SCC”** means the Special Conditions of Contract.
- 1.24. **“Services”** means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25. **“Written” or “in writing”** means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1. Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2. With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1. The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be

made in confidence and shall extend only so far as may be necessary for purposes of such performance.

- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4. The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1. The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

- 7.1. Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2. The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3. The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4. The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1. All pre-bidding testing will be for the account of the bidder.
- 8.2. If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3. If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4. If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5. Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

- 8.6. Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7. Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1. The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1. Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2. Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1. The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1. Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

(e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2. Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1. As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1. The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2. This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3. The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4. Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5. If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

16.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.

16.3. Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4. Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1. Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1. No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1. The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

- 20.1. The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1. Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2. If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3. No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5. Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

- 22.1. Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

- 23.1. The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2. In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period of not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction on any person by the Accounting Officer/ Authority will, at the discretion of the Accounting Officer/ Authority, also be applicable to any enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which the first-mentioned person, is or was in the opinion of the Accounting Officer/ Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish The National Treasury, with the following information:

- i) The name and address of the supplier and/or person restricted by the purchaser;
- ii) The date of commencement of the restriction
- iii) The period of the restriction; and
- iv) The reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than ten years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1. When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

- 25.1. Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2. If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1. The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in Connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of the procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under contract unless they Otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of Liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss 12 or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
 - (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

29.1. The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

30.1. The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

31.1. Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2. The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3. No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African

33. National Industrial Participation Programme (NIPP)

33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

34. Prohibition of Restrictive Practices

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Name of Bidder	Signature	Date

PA-11: 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

(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.

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:

.....

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.
- 3.5 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.

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.

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 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

This form has been aligned with SBD4

PA-15.1: RESOLUTION OF BOARD OF DIRECTORS

RESOLUTION of a meeting of the Board of *Directors / Members / Partners of:

_____ (legally correct full name and registration number, if applicable, of the Enterprise)

Held at _____ (place)

on _____ (date)

RESOLVED that:

- The Enterprise submits a Bid / Tender to the Department of Public Works in respect of the following project:

_____ (project description as per Bid / Tender Document)

Bid / Tender Number: _____ (Bid / Tender Number as per Bid / Tender Document)

- *Mr/Mrs/Ms: _____

in *his/her Capacity as: _____ (Position in the Enterprise)

and who will sign as follows: _____

be, and is hereby, authorised to sign the Bid / Tender, and any and all other documents and/or correspondence in connection with and relating to the Bid / Tender, as well as to sign any Contract, and any and all documentation, resulting from the award of the Bid / Tender to the Enterprise mentioned above.

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			



15			
16			
17			
18			
19			
20			

The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed.

Note:

1. * Delete which is not applicable.
2. **NB:** This resolution must, where possible, be signed by all the Directors / Members / Partners of the Bidding Enterprise.
3. In the event that paragraph 2 cannot be complied with, the resolution must be signed by Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (attach proof of shareholding / ownership hereto).
4. Directors / Members / Partners of the Bidding Enterprise may alternatively appoint a person to sign this document on behalf of the Bidding Enterprise, which person must be so authorized by way of a duly completed power of attorney, signed by the Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (proof of shareholding / ownership and power of attorney are to be attached hereto).
5. Should the number of Directors / Members / Partners exceed the space available above, additional names and signatures must be supplied on a separate page.

ENTERPRISE STAMP

PA-15.2: RESOLUTION OF BOARD OF DIRECTORS TO ENTER INTO CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the Board of *Directors / Members / Partners of:

(Legally correct full name and registration number, if applicable, of the Enterprise)

Held at _____ *(place)*

on _____ *(date)*

RESOLVED that:

- The Enterprise submits a Bid /Tender, in consortium/Joint Venture with the following Enterprises:

(List all the legally correct full names and registration numbers, if applicable, of the Enterprises forming the Consortium/Joint Venture)

to the Department of Public Works in respect of the following project:

(Project description as per Bid /Tender Document)

Bid / Tender Number: _____ *(Bid / Tender Number as per Bid / Tender Document)*

- *Mr/Mrs/Ms: _____

in *his/her Capacity as: _____ *(Position in the Enterprise)*

and who will sign as follows: _____

be, and is hereby, authorised to sign a consortium/joint venture agreement with the parties listed under item 1 above, and any and all other documents and/or correspondence in connection with and relating to the consortium/joint venture, in respect of the project described under item 1 above.

- The Enterprise accepts joint and several liability with the parties listed under item 1 above for the due fulfilment of the obligations of the joint venture deriving from, and in any way connected with, the Contract to be entered into with the Department in respect of the project described under item 1 above.
- The Enterprise chooses as its *domicilium citandi et executandi* for all purposes arising from this joint venture agreement and the Contract with the Department in respect of the project under item 1 above:

Physical address: _____

_____ *(code)*

Postal Address: _____

 _____ (code)

Telephone number: _____

Fax number: _____

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed

Note:

- * Delete which is not applicable.
- NB:** This resolution must, where possible, be signed by all the Directors / Members / Partners of the Bidding Enterprise.
- In the event that paragraph 2 cannot be complied with, the resolution must be signed by Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (attach proof of shareholding / ownership hereto).
- Directors / Members / Partners of the Bidding Enterprise may alternatively appoint a person to sign this document on behalf of the Bidding Enterprise, which person must be so authorized by way of a duly completed power of attorney, signed by the Directors / Members / Partners holding a majority of the shares / ownership of the Bidding Enterprise (proof of shareholding / ownership and power of attorney are to be attached hereto).
- Should the number of Directors / Members / Partners exceed the space available above, additional names and signatures must be supplied on a separate page.

ENTERPRISE STAMP

PA-15.3: SPECIAL RESOLUTION OF CONSORTIA OR JOINT VENTURES

RESOLUTION of a meeting of the duly authorised representatives of the following legal entities who have entered into a consortium/joint venture to jointly bid for the project mentioned below: *(legally correct full names and registration numbers, if applicable, of the Enterprises forming a Consortium/Joint Venture)*

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

Held at _____ *(place)*

on _____ *(date)*

RESOLVED that:

RESOLVED that:

A. The above-mentioned Enterprises submit a Bid in Consortium/Joint Venture to the Department of Public Works in respect of the following project:

(Project description as per Bid /Tender Document)

Bid / Tender Number: _____ *(Bid / Tender Number as per Bid /Tender Document)*

B. *Mr/Mrs/Ms: _____
in *his/her Capacity as: _____ (Position in the Enterprise)
and who will sign as follows: _____

be, and is hereby, authorised to sign the Bid, and any and all other documents and/or correspondence in connection with and relating to the Bid, as well as to sign any Contract, and any and all documentation, resulting from the award of the Bid to the Enterprises in Consortium/Joint Venture mentioned above.

C. The Enterprises constituting the Consortium/Joint Venture, notwithstanding its composition, shall conduct all business under the name and style of:

D. The Enterprises to the Consortium/Joint Venture accept joint and several liability for the due fulfilment of the obligations of the Consortium/Joint Venture deriving from, and in any way connected with, the Contract entered into with the Department in respect of the project described under item A above.

E. Any of the Enterprises to the Consortium/Joint Venture intending to terminate the consortium/joint venture agreement, for whatever reason, shall give the Department 30 days written notice of such intention. Notwithstanding such decision to terminate, the Enterprises shall remain jointly and severally liable to the Department for the due fulfilment of the obligations of the Consortium/Joint Venture as mentioned under item D above.

F. No Enterprise to the Consortium/Joint Venture shall, without the prior written consent of the other Enterprises to the Consortium/Joint Venture and of the Department, cede any of its rights or assign any of its obligations under the consortium/joint venture agreement in relation to the Contract with the Department referred to herein.

G. The Enterprises choose as the *domicilium citandi et executandi* of the Consortium/Joint Venture for all purposes arising from the consortium/joint venture agreement and the Contract with the Department in respect of the project under item A above:

Physical address: _____

_____ (code)

Postal Address: _____

_____ (code)

Telephone number: _____

Fax number: _____

	Name	Capacity	Signature
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

The bidding enterprise hereby absolves the Department of Public Works from any liability whatsoever that may arise as a result of this document being signed.

Note:

1. * Delete which is not applicable.
2. **NB:** This resolution must be signed by all the Duly Authorised Representatives of the Legal Entities to the consortium/joint venture submitting this tender, as named in item 2 of Resolution PA-15.2.
3. Should the number of the Duly Authorised Representatives of the Legal Entities joining forces in this tender exceed the space available above, additional names, capacity and signatures must be supplied on a separate page.
4. Resolution PA-15.2, duly completed and signed, from the separate Enterprises who participate in this consortium/joint venture, must be attached to this Special Resolution (PA-15.3).

PA- 40: DECLARATION OF DESIGNATED GROUPS FOR PREFERENTIAL PROCUREMENT

Tender no:

Name of Tenderer

EME¹ QSE² Non EME/QSE (tick applicable box)

1. LIST ALL PROPRIETORS, MEMBERS OR SHAREHOLDERS BY NAME, IDENTITY NUMBER, CITIZENSHIP AND DESIGNATED GROUPS.

Name and Surname #	Identity/ Passport number and Citizenship##	Percentage owned	Black	Indicate if youth	Indicate if woman	Indicate if person with disability	Indicate if living in Rural (R) / Under Developed Area (UD) / Township (T) / Urban (U).	Indicate if military veteran
1.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
3.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
4.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
5.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
6.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
7.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
8.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
9.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
10.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
11.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No
12.		%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> R <input type="checkbox"/> UD <input type="checkbox"/> T <input type="checkbox"/> U	<input type="checkbox"/> Yes <input type="checkbox"/> No

Where Owners are themselves a Company, Close Corporation, Partnership etc, identify the ownership of the Holding Company, together with Registration number
State date of South African citizenship obtained (not applicable to persons born in South Africa)

1 EME: Exempted Micro Enterprise

2 QSE: Qualifying Small Business Enterprise

PA- 40: DECLARATION OF DESIGNATED GROUPS FOR PREFERENTIAL PROCUREMENT

Tender no:

2. DECLARATION:

The undersigned, who warrants that he/she is duly authorized to do so on behalf of the Tenderer, hereby confirms that:

- 1 The information and particulars contained in this Affidavit are true and correct in all respects;
- 2 The Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003), Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), the Preferential Procurement Regulations, 2017, National Small Business Act 102 of 1996 as amended and all documents pertaining to this Tender were studied and understood and that the above form was completed according to the definitions and information contained in said documents;
- 3 The Tenderer understands that any intentional misrepresentation or fraudulent information provided herein shall disqualify the Tenderer's offer herein, as well as any other tender offer(s) of the Tenderer simultaneously being evaluated, or will entitle the Employer to cancel any Contract resulting from the Tenderer's offer herein;
- 4 The Tenderer accepts that the Employer may exercise any other remedy it may have in law and in the Contract, including a claim for damages for having to accept a less favourable tender as a result of any such disqualification due to misrepresentation or fraudulent information provided herein;
- 5 Any further documentary proof required by the Employer regarding the information provided herein, will be submitted to the Employer within the time period as may be set by the latter;

Signed by the Tenderer

Name of representative	Signature
	Date



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

**REQUEST FOR PROPOSALS (RFP) FOR THE
PROVISION OF FINANCIAL SERVICES TO
BENEFICIARIES IN SMME DEVELOPMENT
PROGRAMMES THROUGH THE
DEPARTMENT OF PUBLIC WORKS AND
INFRASTRUCTURE**

TERMS OF REFERENCE

JUNE 2023

A handwritten signature in black ink, located in the bottom right corner of the page.

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Acronyms

EPWP	Expanded Public Works Programme a national government initiative aimed at drawing a significant number of employed people into productive work
FSP	Financial Service Provider
DPWI	Department of Public Works and Infrastructure
NYS	National Youth Service Programme
PFMA	Public Finance Management Act
RfP	Request for Proposal
SMME	Small, Medium, and Micro Enterprises
ToR	Terms of Reference



1. FOREWORD

These Terms of Reference (ToR) contain requirements that are applicable for the provision of financial services to beneficiaries that participate in small, medium and micro enterprise (SMME) development programmes coordinated and implemented by the Department of Public Works and Infrastructure (DPWI) and or other organs of state. Bidders must ensure that they pay attention and respond to these requirements if they are to be considered for this bid.

2. KEY CONCEPTS

For purposes of this RFP, the following definitions apply:

Accredited/credit bearing courses means: unit standard/Module based courses recognised by South African Qualifications Authority (SAQA) and Quality Council for Trade and Occupation (QCTO) or Sector Education and Training Authorities (SETAs) that have limited validity period as determined by SAQA, that must strictly be conducted by an accredited training provider, that require structured assessment and moderation by registered assessors/moderators, must be quality assured by the relevant SETA ETQA, whereby learners receive SAQA recognised credits/qualification at the successful completion of such courses and may be long accredited courses like qualifications through learnership or short accredited courses like stand-alone unit standards (registered as credit bearing on the Department of Employment and Labour (DEL) catalogue, SAQA database, SETA skills Programme).

Construction Mentor means: a built environment professional with at least ten years of experience and who has been assessed by the South African Council for Project and Construction Management Professions as competent to provide mentorship services.

DPWI means: the Department of Public Works and Infrastructure, Central Government Offices Building, Corner Madiba and Bosman Streets, Pretoria, herein represented by the Director-General, duly authorised thereto.



EPWP means: Expanded Public Works Programme and the programme is a national government initiative aimed at drawing a significant number of employed people into productive work.

EPWP Sectors means: the four sectors of the Programme which are Infrastructure, Social, Non-State, and Environment & Culture sectors.

EPWP Enterprise Development initiatives means: SMME development initiatives implemented in EPWP sector specific programmes to promote sustainable livelihoods and beneficiary well-being.

Financial Service Provider means: a Bank registered in terms of the Banks Act, 1990, a Financial Service Provider registered in terms of the Financial Advisory and Intermediary Services Act 37, 2002, a Public Entity in terms of Schedule 2 of the Public Finance Management Act No.1 of 1999 (PFMA), an Agency/Trading Entity within the Department of Trade, Industry and Competition (DTIC) that accounts to the executive authority of the Department of Trade, Industry and Competition and is governed by the Public Finance Management Act; or a Mutual Bank registered in terms of Mutual Banks Act No. 124 of 1993.

Mentorship means: personal developmental relationship in which a more experienced individual with certain area of expertise helps to guide a learner contractor and their support staff to manage both the construction project and a construction entity.

Projects means: works associated with a contract executed by an SMME beneficiary (contracting entity) under a developmental programme through the Department of Public Works and Infrastructure.

Stakeholders means: the collective of DPWI, FSP, SMMEs, the Mentor and any other relevant organisations.



Vuk'uphile Learnership Programme: means a structured contractor development programme aimed to capacitate contractors in labour-intensive and conventional methods of construction. The Vuk'uphile Learnership Programme is intended to develop emerging contractors into contractors able to execute labour-intensive as well as conventional projects. The emphasis of the programme is to develop administrative, technical, contractual, managerial and entrepreneurial skills of the Learners within a Learner Contracting Company. The structured programme is for a period of 2-3 years and has a theory, offered through an accredited Construction Education and Training Authority (CETA) training provider, and practical component. Through the practical component SMMEs will be allocated practical on-site practical training projects to execute as part of their practical training component. Financial services by a financial service provider will therefore be provided to SMMEs during the execution of the practical component of the programme.

3. BACKGROUND

3.1 Contractor Development

The Department of Public Works and Infrastructure is the custodian of contractor development programmes that promote emerging contractors and increase the participation of enterprises owned by previously disadvantaged individuals in an effort to transform the construction industry. Contractor development programmes are implemented in terms of the National Contractor Development Programme Framework, which is a partnership between the DPWI, provincial departments of public works and the Construction Industry Development Board (CIDB).

Contractor development within DPWI started with implementation of the Emerging Contractor Development Programme (ECDP) implemented by the then National Department of Public Works (NDPW), now Department of Public Works and Infrastructure, from 1996 to 2006. Small and emerging contractors were registered on NDPW database, and through a rotational system were requested to provide quotations for project values less than R200, 000. This initiative was rolled out nationwide and implemented by NDPW Regional Offices and has benefited a number of emerging contractors, thus enabling such contractors to bid for bigger project which



led to growth of these smaller contractors in terms of the Construction Industry Development Board's Register of Projects.

3.2 Vuk'uphile Learnership Programme

As part of the Expanded Public Works Programme (EPWP), the then National Department of Public Works, initiated the EPWP Contractor learnerships programme, which is now called the Vuk'uphile Learnership Programme. Vuk'uphile is a construction contractor development programme that has been developed to build the capacity amongst emerging contractors to execute labour-intensive work that is part of the EPWP. Learner contractors in the programme will also receive all the training required as part of their training and development so that when they exit the programme they are able to bid and execute labour intensive projects as well as conventional projects.

The Expanded Public Works Programme (EPWP) is a nation-wide government-led initiative launched in 2004 with the aim of drawing a significant number of unemployed South Africans into productive work in a manner that will enable them to gain skills and increase their capacity to earn income as well as develop their community and areas/sphere of government. The EPWP encourages public bodies across all spheres of government to utilise their line function budgets in a way that creates more work opportunities for the poor and unemployed to secure work and an income.

The programme is an important avenue for labour absorption and a powerful instrument for social and economic inclusion. The implementation of the EPWP is coordinated by the Department of Public Works and Infrastructure (DPWI) through the EPWP Unit. Four sectors, Infrastructure, Social, Non-State and Environmental and Culture exist in the EPWP, while specific government departments have been designated to lead the implementation of the EPWP in each Sector.

3.3 Objectives of SMME Development

The objective of SMME development initiatives is to develop a cadre of entrepreneurs participating as contractors and co-operatives that are able to deliver goods and



services by applying labour-intensive and other approaches. As a result, these enterprises will become sustainable businesses that are able to deliver goods and services in both the public and private sectors.

3.4 Expanded Public Works Programme

In EPWP Phases 1, 2, 3 and 4, which extended from 2004/05 – 2008/09, 2009/10 – 2013/14, 2014/15 to 2018/19 and 2019/20 to 2022/23 respectively; financial service providers were appointed to extend services to SMMEs that were part of the Vuk'uphile Learnership Programme. Under next phase of the EPWP the Vuk'uphile Learnership Programme will continue to be the main programme in which finance will be extended to beneficiaries. Since its commencement approximately 819 Contractors have been assisted and developed through the provision of National Qualification Framework (NQF) linked to technical, business training and practical experience through the execution of government contracts implemented labour-intensively (civil works and building infrastructure). Over 2355 projects have been completed, which include the building or construction of low-volume roads, pavements/sidewalks, school buildings, water reticulation, sewer reticulation etc., and the value of assets delivered is estimated at R2 billion worth, contracts worth at least R634 million were financed through a financial service providers since 2004.

4. PURPOSE

The Department of Public Works and Infrastructure (DPWI) seeks to appoint a suitable and well-resourced financial service provider (FSP) to provide a comprehensive banking solution to Small, Medium and Micro Enterprises (SMMEs) participating in SMME development programmes. The successful bidding FSP will extend financial services to small, medium and micro enterprises that participate in programmes mentioned in section 3 above. The purpose of this Request for Proposal (RFP) is to outline qualifications criteria and services required as well as how to respond to this request.



5. PROBLEM STATEMENT

In line with both the government's strategic objective and the EPWP key objective of addressing unemployment, SMME development programmes seek to drive entrepreneurship development that also drive the creation of work opportunities. The business entities participating in these programmes deliver goods and services on behalf of government whilst being trained and developed to become sustainable businesses. Whereas the government programmes provide projects, capacity building at technical level, and mentorship of the SMMEs to effectively deliver these services, SMMEs require access to venture capital that can be provided by financial service providers.

Due to intrinsic challenges faced by SMMEs such as access to finance, business assets, as well as financial management skills and abilities, it is thus critical for DPWI to request financial service providers to develop proposals on how they can provide banking solutions that specifically address access to finance and financial management training so that SMMEs can be able to implement the projects allocated for practical training purposes. In addition, bidders should recognise the importance of providing capacity building support to the contractors. The comprehensive banking solution required will thus include but not limited to the following:

- Transactional bank account;
- Venture capital,
- Insurance products;
- capacity building; etc. (also refer to section 8 below).

6. NORMATIVE REFERENCES

The latest editions of the following referenced documents are indispensable for the application of this standard:

- a. Management Plan for Labour-Intensive Emerging Contractor Learnerships. 
See www.epwp.gov.za

- b. Guidelines for the Implementation of Labour Intensive Infrastructure Projects under the Expanded Public Works Programme. See www.epwp.gov.za

7. OBJECTIVES

The Department of Public Works and Infrastructure seeks to appoint a Financial Service Provider to deliver the following:

- a. Provide SMMEs with financial services to ensure their full participation in development programmes implemented through DPWI and its partners. These financial services include but are not limited to transactional banking account, overdraft or bridging finance facilities, insurances and asset finance.
- b. Assist SMMEs to grow their businesses by developing mechanism that will assist with financial management within the entities.
- c. Contribute financially to the development of SMMEs.

8. SCOPE OF WORK

8.1 General

8.1.1 The Financial Service Provider is expected to provide project/bridging finance at a competitive rate, with the lending rate, the credit extension matrix, and escalating interest structures for overdrawn accounts clearly highlighted. The financial service provider must ensure compliance with the National Credit Act No. 34 of 2005 in offering finance and marketing thereof.

8.1.2 The Financial Service provider must provide asset finance, with emphasis to the provider displaying innovativeness such as schemes that provide discounted asset purchases rate based on bulk buying. Asset finance can be linked to duration of the training programme or infrastructure projects being implemented by an emerging contractor through the programme.



- 8.1.3 The Financial Service Provider is expected to contribute financially to mentorship costs. Mentors will be appointed to assist SMMEs under the Vuk'uphile Learnership Programme to mitigate performance risk of the SMME. The provider should clearly specify their financial contribution to mentorship costs, which shall be free from any other contributions that the provider might want to make, and the model for management of mentorship funding.
- 8.1.4 The Financial Service provider must provide training on Financial Management, Risk Management, Insurance Products, Ethics and Investments amongst others, to all SMMEs, with emphasis on the management of cash flows by the contractors and investment planning. These training modules should be adapted and responsive to the construction environment and with degrees of difficulty depending on the contractor's performance.
- 8.1.5 The Financial Service Provider is expected to have institutional capacity that will be tasked with providing support to SMMEs. The Financial Service Provider should clearly indicate the following:
- a. Its coverage throughout the country. The Financial Service provider is expected to display wide branch coverage i.e. the number of branches to manage the accounts in all provinces including rural areas. The financial service provider is expected to outline how the FSP will service contractors that might be in areas that do not have such provider's facilities at no additional cost to the contractors.
 - b. Turnaround time should be clearly indicated for opening of accounts, bridging finance application, asset and vehicle finance applications, etc.
 - c. Ability to provide warning signs to manage risk;
 - d. Credit management model (Consistency of Pre-entry and pre-funding credit worthiness assessments)
 - e. Stakeholder management plan and turnaround times for the provision of all of its service to SMMEs. The FSP should clearly outline the model for engaging DPWI and the implementing bodies involved in the SMME programmes, the model for the management of credit (i.e. in proportion to

the contract value, indebtedness and need on the project), the model for cash flow analysis and early warning signals on problem accounts. The service provider will be expected to honour specified timeframes at all times.

8.1.6 The Financial Service Provider must allocate resources required for execution of the project. The Financial Service Provider should clearly indicate human resource capacity to support the programme. The allocated personnel must possess relevant qualifications and experience for the execution of the project. The following are the minimum relevant experience and personnel required:

a. Head Office (Central)

- Project Team Leader, based at head office (minimum 10 years relevant experience)
- Credit Assessment Manager or equivalent based at head office (minimum 10 years relevant experience). This resource can be the same person as the Project Team Leader or National Project Manager.
- National Project Manager, based at head office (minimum 10 years relevant experience). This resource cannot be the same person as the Project Team Leader or Credit Assessment Manager.

b. Regional

- Regional Capacity, at least 1 person per province (minimum 5 years relevant experience). These people cannot be holding any of the positions listed above under Head Office.

8.1.7 The Financial Service Provider shall provide services in a manner that satisfies the objectives stated in 7 above. In addition the FSP shall provide favourable banking charges and electronic banking facilities that require loading by a learner contractor and approval by a mentor.



8.1.8 The financial Service Provider will provide appropriate and facilitated banking and insurance products to all SMMEs, with explicit details provided on a package of insurance products, which includes contractor's all risk insurance, life cover, key man insurance and asset insurance being provided. The fee structure of all banking and insurance products should be clearly highlighted. The contractors shall not be compelled to use these products should they have alternative service providers offering such products.

8.1.9 The response of the financial service providers will be evaluated on the following basis (80 percent):

No.	ITEM	WEIGHTING
1.	Provision of Bridging Finance at Competitive Rate. a) Prime +0.1% to 0.99% = 5 points b) Prime +1% to 1.99% = 4 points c) Prime +2% to 2.99% = 3 points d) Prime +3% to 3.99% = 2 points e) Prime +4% to 4.99% = 1 points f) Prime +5% and above = 0	25%
2.	Provision of Finance for Business Assets (Vehicle, Plant, Machinery, Property, etc.). Loan Repayment linked to duration of project or programme. a) Prime +0.1% to 0.99% = 5 points b) Prime +1% to 1.99% = 4 points c) Prime +2% to 2.99% = 3 points d) Prime +3% to 3.99% = 2 points e) Prime +4% to 4.99 = 1 points f) Prime +5% and above = 0	10%
3.	Financial Contribution to Mentorship Support per SMMEs. a) R7000 and above = 5 points b) R5000 to R6999 = 4 points c) R4000 to R4999 = 3 points d) R3000 to R3999 = 2 points e) R2000 to R2999 = 1 points f) Less R2000 = 0	20%

4.	<p>4) TYPES OF TRAINING (ACCREDITED OR NON-ACCREDITED) IN FINANCIAL MANAGEMENT AND OTHER FIELDS RELEVANT TO SMME DEVELOPMENT</p> <p>Types of training to be offered:</p> <p>a) Investments</p> <p>b) Ethics</p> <p>c) Insurance Products</p> <p>d) Risk Management</p> <p>e) Financial Management</p> <p>SCORING</p> <p>i. Five of the above = 5 points</p> <p>ii. Four of the above = 4 points</p> <p>iii. Three of the above = 3 points</p> <p>iv. Two of the above = 2 points</p> <p>v. One of the above = 1 point</p> <p>vi. No training = 0</p> <p>vii.</p>	10%
5.	<p>Guidance and Oversight from Financial Managers.</p> <p>SCORING - A bidder will score a point for listing each of the following:</p> <p>a) Clear and definite turnaround times for bridging or vehicle and asset finance applications.</p> <p>b) Cash Flow Analysis/Prompt Early Warning Signs.</p> <p>c) Credit Management Model (Consistency of Pre-entry and pre-funding credit worthiness assessment).</p> <p>d) Stakeholder Management, communicate matters that need resolution by party(ies) involved. E.g. providing responses to issues that need resolution.</p> <p>SCORING</p> <p>i. Four of the above = 5 points</p> <p>ii. Three of the above = 3 points</p>	15%

	iii. 2 or Less = 0	
	TOTAL	80%

- Bidders will have to score at least 50% for criterion 1, 3 and 5 to be considered beyond the first stage of functionality.
- Bidders who meet the minimum score of 48 points out of possible 80 points from criteria 1 to 6 (1st Stage of Functionality) will be requested to compile a presentation on the proposed methodology and functionality.
- Bidders will have to obtain a minimum score of 12 points out of possible 20 points from criterion 6, presentation (2nd Stage of Functionality).
- Overall, bidders will have to score a minimum 60 points out of a possible 100 points for their bid to be considered.

8.1.10 Presentation (2nd Stage of Functionality) by the Financial Service provider must cover the following (20 percent):

ITEM	WEIGHTING
<p>Bidders who meet the minimum score of 48 points out of possible 80 points from criteria 1 to 5 (1st Stage of Functionality) will be requested to compile a proposal. The must clearly outline a proposed banking solution and must cover the following:</p> <p>a. Credit matrix and escalating interest structures for overdrawn accounts.</p> <p>b. FSP Stakeholder Management model clearly outlining the model for engaging DPWI, the implementing bodies and mentors, involved in the SMME programmes.</p> <p>c. The model for management of mentorship funding.</p> <p>d. The Financial Service provider is expected to display wide branch coverage i.e. the number of branches and appropriate personnel to manage the accounts in all provinces including rural areas. The financial service provider is expected to outline how the FSP will service</p>	20%



	<p>contractors, at no additional cost to the contractors, that might be in areas that do not have such provider's facilities.</p> <p>e. Experience of the organisation in funding emerging businesses, indicating SMME development programme(s) that the financial service provider has been involved with.</p> <p>f. The Financial Service Provider shall provide a secondary transactional bank account through which a contractor can make payments without supervision of a mentor.</p> <p>g. Consistency of credit worthiness checks (i.e. from time of evaluation of candidates to the time of provision of bridging finance credit worthiness check results must not change unless financial status of such a candidate changes).</p> <p>h. Turnaround times for relevant applications, i.e. account opening, bridging or asset finance applications, etc.</p> <p>Each item will be scored individually on a scale of 1 to 5 (Scale: 5= Very Satisfactory; 4= Satisfactory; 3= Neutral; 2= Dissatisfactory; 1= Very Dissatisfactory).</p> <p>The average of the 8 areas per bidder's scoring will be carried over to the score sheet.</p>	
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8.2 Contractual

- 8.2.1 All respondents will be required to attend a compulsory briefing session as highlighted in the tender document. The Department will provide further details on the SMME Development Programme(s) at the briefing session.
- 8.2.2 Short listed applicants will be asked to present their proposal to an evaluation committee.
- 8.2.3 The successful provider will enter into a memorandum of agreement (MOA) with DPWI for a period of 5 years, subject to a review of performance on an annual basis. The successful FSP will be required to provide support to all SMMEs that are contracted within the 5-year agreement for the duration of their

participation in the programme until they exit from the programme. This implies that the duration of the support could be longer than the 5 year period depending on completion of training for learners signed up by the service provide.

9. Reporting Requirements

9.1 Provide an implementation plan within 14 days of being notified of the commencement date of the project.

9.2 Monthly progress reports to the DPWI indicating amongst other things, the following:

- a. The number of SMME beneficiaries to whom financing is provided;
- b. The financial position of each SMME in terms of the overdraft facility and asset finance provided;
- c. Details of insurance and other banking products provided per SMME;
- d. Highlight challenges SMMEs face and remedial action proposed;
- e. Progress on training or capacity building provided;
- f. Mentor funding reports; and
- g. Institutional Capacity challenges.

9.3 Assign a person to attend monthly Management Meeting on the Vuk'uphile programme per Public Body. In terms of the other SMME development initiatives, Management Committee's per Public Body will be established as these programmes roll-out.

9.4 Assign a central or coordinating person to attend monthly Management Meetings arranged at a project level.

9.5 Adhere to all commitments made in the response to the terms of reference for the provision of financial services.



10. QUALIFICATIONS

10.1 Qualifications Criteria

10.1.1 Only financial service providers that meet the following criteria will be allowed to respond to these terms of reference:

- a. The provider must either be:
 - i. a Bank registered in terms of the Banks Act, 1990;
 - ii. a Financial Service Provider registered in terms of the Financial Advisory and Intermediary Services Act 37, 2002;
 - iii. a Public Entity in terms of Schedule 2 of the Public Finance Management Act No.1 of 1999 (PFMA);
 - iv. an Agency/Trading Entity within the Department of Trade, Industry and Competition (DTIC) that accounts to the executive authority of the Department of Trade, Industry and Competition and is governed by the Public Finance Management Act; or
 - v. a Mutual Bank registered in terms of Mutual Banks Act No. 124 of 1993.
- b. The provider must direct customer service branches in all provinces, with small business units; and
- c. The provider must have the ability to extend finance to SMMEs of at least R500 million per annum.
- d. The FSP must provide a system to evaluate an applicant's credit worthiness (at own cost) at the assessment phase of applicants, thereby ensure that applicants can successfully secure bridging finance for implementation of projects phase. The Service Provider must not decline provision of an overdraft facility or bridging finance to a candidate that they (FSP) had approved as credit worthy at the time of assessing such candidate for the candidate to be part of the programme unless such candidate's credit worthiness status has changed.

10.2 Duration of Agreement

10.2.1 The appointment of the Financial Service Provider shall be effective from the Signature Date or from the time that the FSP has been notified in writing to

perform any of the services covered by the Memorandum of Agreement, whichever is the earlier and it will be for the duration of five (5) years.

10.2.2 The conditions of termination of such an agreement will be detailed in the Memorandum of Agreement.

11. ENQUIRIES/ CONTACT DETAILS

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