



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

APPOINTMENT OF A BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL OR AGENCY BBBEE Compliance Report

1. PURPOSE OF THE ASSIGNMENT

The National Department of Public Works and Infrastructure (referred to as the Department) is looking for a Broad-Based Black Economic Empowerment (B-BBEE) verification professional or Agency to verify and validate the BBBEE scores/measurements of the Department. The goal is to evaluate B-BBEE initiatives and provide an indicative B-BBEE score and certification based on the principles of B-BBEE as per the Codes of Good Practice.

2. CONTEXTUAL BACKGROUND

The Broad-Based Economic Empowerment Act, 2003 in terms of section 13G(1), requires that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act, 1999 (Act No.1 of 1999).

This is further governed by the Broad-Based Economic Empowerment Regulations of 2016 in terms of Reporting Duties. Regulation 12(1) requires a compliance report to be included annually in terms of section 13G (1) of the Act from a sphere of government that must be based on verified information as required by the Act.

Regulation 12(2) requires a sphere of government must file audited annual financial statements and annual report compiled in terms of section 13G(1), with the B-BBEE Commission, in the prescribed Form B-BBEE 1 within 30 days of the approval of such audited annual financial statements and annual report.

All state organs and public entities are considered measured entities under the Codes of Good Practice. This means they must adhere to B-BBEE Codes and be assessed for compliance. The assessment is done using the specialised scorecard outlined in Statement 004, which focuses on management control, skills development, enterprise and supplier development, and socio-economic development elements.

The Department is considered a specialized entity and must adhere to the B-BBEE Act and principles outlined in the Codes of Good Practice. To ensure compliance, the services of a verification professional or agency are necessary. The verification professional must adhere to the verification methodologies specified in the Framework for accreditation and verification by all verification agencies, as well as the Accreditation of B-BBEE Verification Agencies document (R47-03) issued by SANAS.

The appointed verification agency will be required to audit the Department as to determine the compliance in respect of the BBBEE elements with regarding to Financial Year 2023/2024.

The BEE verification agency will reflect how each element contributes to the outcome of the scorecard in terms of the Codes of Good Practice. The objective is for the Department to be issued with the BEE status level contribution certificate in addition to the above-mentioned.

3. SCOPE OF THE ASSIGNMENT

The work entail the following –

- Assess, verify and validate both disclosed and undisclosed B-BBEE related information of the measured entity
- Package the relevant evidence (ensuring that at least 100% of Minimum Evidentiary Documents is packaged as per the guide) against each B-BBEE element
- Evaluation of the B-BBEE initiatives and provide an indicative B-BBEE score and certification of the initiatives of the Department.

The Service Provider (verification professional or Agency) will be required to work closely with the following units:

1. Office of the Governance, Risk and Compliance
2. Institutional Performance Monitoring and Evaluation unit
3. Gender Unit
4. Corporate Services (All relevant units)
5. Intergovernmental Relations
6. Supply Chain Management (SCM) especially the colleagues who administer the construction portfolio
7. Finance division
8. Professional Services
9. Any other relevant units that will be identified as supporting structures to the process

No information shall be provided to the Service Provider without the consent of the Project Leader (in this case, Office of the Deputy Director-General: GRC).

5. CONDITIONS OF CONTRACT

The conditions of contract applicable to this appointment will be the special conditions of contract stipulated in Section 8 of this document.

6. FORMAT OF QUOTATION TO BE PROVIDED

The Service Provider (at own cost) must prepare and submit a quote as outlined below:

- All material submitted should be relevant to the subject matter.
- Proposals shall be submitted in English.

7. PROPOSAL SUBMISSION

The proposal must include the following:

- a) Profile of the organization detailing their areas of focus.
- b) Demonstrate experience of B-BBEE verification work done in the public sector (National Department or State Entity) related to the request.

Failure to provide this information will disadvantage the bidder.

The proposal **must** also consist of the following for purposes of evaluation:

- 7.1 A **schedule of work/project done** by the service provider as per the Technical Quality of the Proposal/Bid must be submitted alongside the proposal.

No.	Type of work/project Completed	Duration of the work/Project	Industry/Public Sector/Private Sector/Consultancy	Name of contact person in the organisation (Project Manager)
1	Scope <ul style="list-style-type: none"> • Identify the study needs by explaining what must be done and why. • Project scope explaining how the project will be implemented and resources • Identify possible challenges, limitations and solutions and how to navigate them – this is based on previous experience. 			
2	Detailed Methodology <ul style="list-style-type: none"> • Design of the study • Methodology as guided by the Framework for accreditation and verification • Analytical Methods 			

	Clear Project implementation plan <ul style="list-style-type: none"> Team composition and expertise Milestones/Deliverables 			
3	Presentation of the outcomes and packaging of the information and evidence			
4	Close out report together with the filled in Compliance B-BBEE form in terms of Section 13G (1) of the Act			

7.2 A well-documented **Project Execution Plan** including the time frames that have been specified in the table as well as taking into account the critical areas highlighted in section 3 (Scope).

7.3 Detailed **Project Costing Schedule** outlining the following:

Deliverable	Item/Output	Unit of measure	Quantity	Rate	Total
Deliverable 1					
Deliverable 2					
Deliverable 3					
Deliverable 4					
Deliverable 5					
Additional Deliverables					
Total Cost					

All costs must be inclusive of value-added tax where applicable.

8. SPECIAL CONDITIONS OF CONTRACT

The special conditions applicable to this project are outlined in the table below. Service Providers must indicate if they concur with the conditions by clearly completing the table. **Failure to complete the table will lead to disqualification. Proposals that do not reflect concurrence with any of the conditions will not be considered.**

Condition	Concurrence		Reason / Comment (if any)
	YES (X)	NO (X)	
8.1 Entry meeting with project lead at least 2 working days after receipt of the appointment letter from the Department to carry out the project. This entry meeting will discuss/Amend the project plan and introduce the Service provider to the stakeholders.			
8.2 Final/Approved Project plan to be presented to the Department 5 working days after the entry meeting.			
8.3 Provide company profile and demonstrate knowledge of the assignment (Analytical skills and practical experience)			
8.4 Compilation of the Report must be completed in 8-10 weeks (including a meeting with the department) after receiving a letter of appointment from the Department to which during that time, the Service Provider should have contacted the project lead to discuss the approach in line with the department's strategy on construction. (The project should be completed by 30th September 2024 depending on start date of which ideally the project should be completed within 2-3 months).			
8.5 The Service Provider must make resources available after hours and over weekends which must be included in the cost of this quotation. This will not be paid as an additional cost to the Department.			
8.6 The successful service provider shall continually be engaged until the conclusion of the project.			
8.7 Copyright: All information generated, communication produced, and data acquired, and any other material produced under the auspices of this project remains the intellectual property of the Department.			
8.8 Confidentiality: The Service Provider will be bound by the same clause of confidentiality and code of ethics as applicable to officials of the Public Service.			
8.9 The Department will not be held responsible for any costs incurred by the bidder/s in the preparation and submission of the quotations.			
8.10 Travelling costs and time spent or incurred between home and office of service providers and the Department's Head Office will not be for the account of the Department.			
8.11 For risk assessment purposes, the Department may contact department(s)/companies where work/services were previously rendered. The Department reserves the right to neither make any appointment nor issue prior notice of any contact with the department where			

Condition	Concurrence		Reason / Comment (if any)
	YES (X)	NO (X)	
work/services were previously rendered. Furthermore, the department may request bidder(s) to provide samples of work previously completed in the areas of the assignment (Verification report and/or certification). Failure to respond as stipulated by the department may lead to disqualification.			

ACCEPTANCE OF THE SPECIAL CONDITIONS AND SPECIFICATIONS

Name of Bidder: _____

Name of authorized signatory: _____

Signature of authorized signatory: _____

By signing above the bidder hereby accept terms and conditions (general and special conditions) of this quotation and confirm full understanding of the requirements and specifications of this tender.

9. MONITORING PROGRESS ON THE PROJECT

- 9.1 The Department's Governance, Risk and Compliance Branch will be responsible for regular and on-going monitoring and management of the contract with the Service Provider.
- 9.2 The Service Provider is to report progress as and when required to do so (This will also be guided by the approved/agreed Project Plan).

10. PAYMENT TERMS

The Department undertakes to pay all valid claims for work done to its satisfaction within 30 days of presentation of a substantiated claim. No payment will be made where there is outstanding information/work by the Service Provider.

11. EVALUATION CRITERIA

- 11.1 The minimum functionality score to qualify for further evaluation is **70%**. Bidders that score less than **70%** will be disqualified. 5 Main categories (of which are further broken down in the evaluation criteria) are determined in the table below:

11.2 The weights are provided for each criteria as follows:

Category	Weight
1. Company profile	20
2. Individual Experience	20
3. Company/Individual/Deliverables and Referrals	20
4. Technical Quality of the Proposal/Bid	20
5. Expertise/Accreditation ¹	20
TOTAL	100

11.3 Formula – the individual criteria scores will be summed and multiplied by 5 to get the total score.

11.4 The table below provides a breakdown of the scoring criteria

Category	Description	Weighting factor	Scoring
1 Company profile (in case of a verification Agency)	The company must have existed and performed well in the relevant area – assessment, verification and validation and thorough understanding of the B-BBEE principles and codes of good practice <i>(Attach Company Profile)</i>	20	5 years and more = 5 points 4 – 5 years = 4 points 3 – 4 years = 3 points 2 – 3 years = 2 points

¹ Accreditation is important as it provides assurance of the integrity of the information on which the verification is based.

Category	Description	Weighting factor	Scoring
	In case of an individual professional must still provide a profile		1 – 2 years = 1 point 0 – 1 year = 0 points
2	Individual Experience (Lead Assessor and Technical Assessors with experience relevant to the area being assessed)	30	8 years and more = 5 points 6 – 8 years = 4 points 4 – 6 years = 3 points 2 – 4 years = 2 points 1 – 2 years = 1 point Less than 1 year = 0 points
3	Company/ Individual Deliverables/ Referrals	10	<ul style="list-style-type: none"> 5 or more reference letter/ recommendations = 5 points 4 reference letter/ recommendations = 4 points 3 reference letter/ recommendations = 3 points 2 reference letter/ recommendations = 2 points 1 reference letter/ recommendation = 1 point 0 reference letter/ recommendations = 0 points

² This takes into account the possible of none or less work completed during the Covid-19 pandemic period.

Category	Description	Weighting factor	Scoring
	<p>in either National Department or State entity (public sector).</p> <p>In case of a subcontract or work done previous as a subcontractor, a letter from the principal contractor detailing the allocation of work or work completed must be provided.</p>		
4. Technical Quality of the Proposal/Bid	<p>Technical Quality of the Proposal/Bid. The technical quality of the proposal will be assessed using the following criteria (3 criteria and 8 sub items):</p> <ol style="list-style-type: none"> 1. Clear understanding of the scope 2. Detailed methodology (assessment, verification and validation) 3. Clear Project implementation plan 	20	<ul style="list-style-type: none"> • Proposal covers all three criteria and at least 5 sub items within the criteria = 5 points • Proposal covers all three criteria and at least 4 sub items within the criteria = 4 points • Proposal covers all three criteria and at least 3 sub items within the criteria = 3 points • Proposal covers at least two criteria and at least 3 sub items within the criteria = 2 points • Proposal covers at least two criteria and at least 2 sub items within the criteria = 1 points • Proposal covers at least two criteria and at least 2 sub items within the criteria = 1 points

Category	Description	Weighting factor	Scoring
5 Expertise/ Accreditation	<p>The Agency or Verification Professional must:</p> <ul style="list-style-type: none"> • Be accredited by SANAS as a Verification Agency/Professional • The information they provide is valid and accurate such that all parties can place reliance on the score set out in the B-BBEE verification certificate • Demonstrable ability to interpret codes of good practice • Thorough understanding of the accreditation criteria; • Assessment techniques to the B-BBEE codes of good practice. <p>(Attach samples of completed B-BBEE 1 Form and accreditation as a Verification Professional)</p>	20	<ul style="list-style-type: none"> • 5 samples of completed B-BBEE 1 Form + Accreditation = 5 points • 4 samples of completed B-BBEE 1 Form + Accreditation = 4 points • 3 samples of completed B-BBEE 1 Form + Accreditation = 3 points • 2 samples of completed B-BBEE 1 Form + Accreditation = 2 points • 1 samples of completed B-BBEE 1 Form + Accreditation = 1 points • 0 samples of completed B-BBEE 1 Form + Accreditation = 0 points

12. FURTHER INFORMATION

CONTACT DETAILS

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