



## COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

### National Office

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### REQUEST FOR QUOTATIONS "RFQ"

RFQ NO:	RQN00000208464			
DESCRIPTION OF SERVICES REQUIRED:	The Appointment of Service provider to provide Fraud Risk Management Services for the CCMA for a period of three (3) years. NB. No price change in the 36 months period will be allowed.			
ISSUING DATE:	06 March 2025			
PLEASE ENSURE THAT THE QUOTATION HAVE THE TOTAL FIXED AMOUNT STATED IN ORDER FOR CCMA TO BE ABLE TO EVALUATE YOUR PRICE AND PRICE MUST INCLUDE ALL APPLICABLE TAXES				
CONTRACT DURATION	Three (3) years			
CLOSING:	TIME:	16h00	DATE:	12 March 2025
DELIVERY ADDRESS	28 Harrison Street, JCI Building, Marshalltown, Johannesburg			
QUOTATION VALIDITY PERIOD:	90 days			
CONTACT PERSON:	Khumbuzile Ndevu at 011 377 6755			
DELIVERY OR SUBMISSION INSTRUCTIONS FOR RFQ:	The submissions of the quotations must be emailed to: <a href="mailto:RFQ7@CCMA.org.za">RFQ7@CCMA.org.za</a> only All quotations need to be on an official letterhead (All cost included)			
DISQUALIFICATION	Quotations not submitted to the <a href="mailto:RFQ7@CCMA.org.za">RFQ7@CCMA.org.za</a> will be disqualified.			
EVALUATION OF QUOTATIONS	<ul style="list-style-type: none"><li>• All quotations above R2000 will be evaluated on pricing and CCMA preferential points using the 80/20 system.</li><li>• The 80 points are for requests for quotations up to the rand value of R1 million.</li><li>• The 20 points will be allocated to promote this goal, and points will be allocated in</li></ul>			
	<ul style="list-style-type: none"><li>• NB: Supplier must attach the following documents when responding to this RFQ:</li><li>• Proof of ownership must be attached in the form of:</li></ul>			

	<ul style="list-style-type: none"> <li>• Copy of the founding documentation of the company with which</li> <li>• the ownership is listed i.e. CIPC etc;</li> <li>• ➤ Copy of the id-document (s) of the owner (s).</li> <li>• ➤ Proof of Medical certificate confirming disability of the owner (s).</li> <li>• <b>Failure to adhere to the above will result in the non-allocation</b></li> <li>• <b>of preferential points.</b></li> </ul>
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## 1. INTRODUCTION

The mandate of the Commission for Conciliation Mediation and Arbitration (CCMA) is espoused by the Labour Relations Act, 1995 (Act No.66 of 1995) as amended (the LRA), to deliver expeditious social justice to the challenged South African labour market. The CCMA's main site is in Johannesburg, while it is represented in other Provinces as Provincial and Regional Offices.

## 2. BACKGROUND

The CCMA is seeking the services of a reputable, capable, and effective bidder to provide fraud risk assessment services of the identified high-risk areas.

## 3. INVITATION TO BIDDER

3.1 Bidders are hereby invited to quote on conducting fraud risk assessments and produce two (2) Fraud Risk Registers and one (1) Ethics Register annually at departmental level in line with the approved microstructure of the CCMA within a period of three (3) years starting with the 2025//26 financial year until the 2027/28 financial year.

3.2 The focus points for the fraud risk assessments will be based on the top five (5) high risks selected areas/processes identified annually through audit findings, compliance Risk Management Plans, and a compulsory fraud risk assessment conducted on Ethics and Complaints Management annually.

## 4. BID SPECIFICATION PROPOSAL

### 4.1 SCOPE

4.1.1 Design fraud risk assessment methodology aligned to CCMA Risk Management.

4.1.2 Methodology that will be used for the period of the contract.

4.2 Conduct fraud risk assessments on high-risk legislative areas covering the following:

- Inherent risks to the achievement of the legislated Annual Performance Plan (APP).
- Weakness in controls within the designated operational processes and guidelines, including a report on all the findings identified.
- Develop key risk indicators to monitor and improve existing controls and mitigation of key fraud risk exposures.

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

- Develop Fraud Risk Registers for each of the top five (5) high-risk departmental/ processes identified annually as part of fraud risk assessments.
- Design the project plan for the financial year in line with the identified areas for the fraud risk assessments to be conducted.
- Conduct an annual fraud risk assessment on Ethics and Complaints Management.

4.3 The Bidder should consider the below scope of work as a guide for the submission of their proposal. A complete proposal should include the following information as a minimum requirement:

Phase	Objective	Overview	Output	Timelines of Deliverable
<b>Phase 1:</b> Data Gathering	<ul style="list-style-type: none"> <li>• To gain an understanding identified high-risk areas selected for the financial year impacting the service delivery model and identify shortcomings and fraud risks;</li> <li>• Review the approach adopted by the CCMA to initiate and roll out the processes;</li> <li>• Conduct a desktop review to identify inherent fraud risks in the process</li> </ul> <p>Some of the tasks of this phase will include:</p> <ul style="list-style-type: none"> <li>• Development of a fraud risk assessment questionnaire (to be used during the interview process);</li> <li>• Review of the documented business process and underlying source documents;</li> <li>• Interviews with key CCMA management to</li> </ul>	In terms of CCMA microstructure, conduct fraud risk assessment set over a period of one (1) year for the identified high-risk functions selected by Risk and Compliance Management.	<ul style="list-style-type: none"> <li>• Process charts and descriptions</li> <li>• Currently identified shortcomings and fraud risks</li> </ul>	To be determined inline to the number of hours to which each phase will be conducted in.

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

Phase	Objective	Overview	Output	Timelines of Deliverable
	<p>understand the business processes and perceived current shortcomings and risks; Walkthrough process that entails process flow maps graphically illustrating the required legislative/ approved processes;</p> <ul style="list-style-type: none"> <li>Required process flows in order to obtain a comprehensive understanding of the business process. The process flows must be used as a reference guide to conduct the process walkthrough for the selected assessments against the actual processes being followed by the respective Departments.</li> <li>Analysis of incidents of fraud previously experienced for the past three (3) financial years.</li> </ul>			
<b>Phase 2:</b> Fraud Risk Identification and Assessment	For the high-risk areas identified, the fraud schemes could perpetuate the CCMA and perform an inherent risk assessment by identifying the probability (likelihood) and materiality (impact) in the event of the fraud scheme being activated.	<p>Each element of the processes to be analysed in detail to conduct the following:</p> <ul style="list-style-type: none"> <li>Identify inherent fraud risk, which will require using information gathered in phase one (1) to obtain the population of fraud risks that could apply to the processes;</li> </ul>	Listing of fraud risks and inherent risk rating (using the CCMA rating methodology)	

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

Phase	Objective	Overview	Output	Timelines of Deliverable
		<ul style="list-style-type: none"> <li>• Explicit consideration of all types of fraud schemes and scenarios, incentives, pressures, and opportunities to commit fraud;</li> <li>• An assessment of the relative probability and potential materiality of the identified risks.</li> </ul> <p>This assessment should be based on known occurrences of fraud schemes and identified shortcomings.</p> <p>In considering the assessment, the following questions need to be asked and identified during this phase:</p> <ul style="list-style-type: none"> <li>• How could weakness in the system of controls be exploited.</li> <li>• How could controls be overridden; and</li> <li>• How fraud could be concealed.</li> </ul>		
	<ul style="list-style-type: none"> <li>• Development of a Fraud Key Risk Indicator</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a Fraud Key Risk Indicator</li> </ul>	Choose a relevant and measurable indicator that reflect specific fraud risks identified in the organisation	
<b>Phase 3:</b> Control	To identify and evaluate the controls in place to mitigate	Tasks to be completed	List the controls and the	

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

Phase	Objective	Overview	Output	Timelines of Deliverable
Assessment	the identified fraud risk	during this phase include: <ul style="list-style-type: none"> <li>Identify controls that mitigate the identified fraud risks; and</li> <li>Assess the strength and weaknesses of the identified controls.</li> </ul>	assessment thereof	
<b>Phase 4:</b> Residual Fraud Risk Assessment	Determine the impact of the assessed controls on the inherent probability and materiality rating of the identified fraud risks arrive at a residual probability and materiality rating of the identified fraud risks	The strength and weaknesses of the controls identified in the previous phase need to be applied in determining the impact they have on <ul style="list-style-type: none"> <li>Inherent Probability</li> <li>Inherent Materiality</li> </ul> <p>A residual risk rating for each fraud risk identified needs to be calculated.</p>	Residual risk ratings	
<b>Phase 5:</b> Fraud Risk Planning	To determine what further controls needs to be introduced to reduce the residual risk ratings to a level that fall within the CCMA's risk appetite level. <ul style="list-style-type: none"> <li>Conduct an awareness session at least once a year for CCMA management on fraud prevention and detection</li> </ul>	The residual risk ratings need to be considered to determine whether they fall within the risk appetite of the CCMA and where the fraud risk falls outside the risk appetite so that risk mitigation strategies can be developed and adopted.	Fraud Prevention Plan to be put in place relating to the findings of the related fraud risks identified.	
<b>Phase 6:</b>	Consultation and Support	The risks need to be continuously monitored to ensure they remain at an acceptable level	Provide continuous advisory and assistance for managing fraud risks	

### 4.4 Compliance

The bidder must ensure their work complies with, but not limited to ,the following legislations.

- Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004):

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

- Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (FICA):
- Companies Act, 2008 (Act No. 71 of 2008):
- King IV Report on Corporate Governance:
- Consumer Protection Act, 2008 (Act No. 68 of 2008):
- Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (POPIA):
- Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA):
- ISO 37001(Anti bribery management systems)

### 4.5 Membership of Bidder

- 4.4.1. The bidder and its project members must be members of the certified Fraud Risk Association/ Institute such as Southern African Fraud Prevention Services, Association of Certified Fraud Examiners and/ or similar and members of Institute of Risk Management of South Africa or similar.
- 4.4.2. Proof of membership must be attached to the completed proposal form.
- 4.4.3. Bidders must ensure that vetting takes place for the project team in order to limit CCMA's exposure to a high risk of potential fraudsters within the project team. Therefore, the report must be provided as part of the bid requirement. The screening process will include:
- Review of employment history
  - Contactable References
  - Criminal Records
  - Disciplinary Records
  - Qualifications

### 4.6 Company Profile

- 4.5.1. A company profile must be submitted indicating salient factors such as:
- Proven Trade references for the successful delivery of Fraud Risk Assessment Projects within the Public Sector minimum three (3) contactable references within the latest (3) three-year period.
  - Positive reference letters or testimonies must be attached as proof of successful delivery of similar projects.
- 4.5.2. Proof of expertise, experience and qualification of the bidder's project team must be submitted in the form of short resumes for each project team member.
- Project Team Requirements:

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

**Primary Project Team Leader:** The bidder must designate a qualified project team leader with a minimum of 5(Five) years of relevant experience in fraud risk management. The primary team leader must be always contactable during the project.

**Standby Team Leader:** The bidder must also provide a secondary, standby project team leader who will be available to step in if the primary team leader is unavailable. This standby team leader should also have a minimum of three [3] years of relevant experience and be reachable for urgent issues or support as needed.

- 4.5.3. The CCMA reserves the right to investigate and/or verify any information provided and may call for any supporting information. Any misrepresentation will result in a potential Bidder being disqualified and excluded from any further involvement in this bidding process.

### 4.6 Confidentiality Clause

1. **Confidential Information:** For the purposes of this RFQ, "Confidential Information" includes all information, whether written, oral, or electronic, disclosed by either party that is designated as confidential or that should reasonably be understood to be confidential given the nature of the information and the circumstances of disclosure.
2. **Obligations of the Bidder:** The bidder agrees to:
  - Use Confidential Information solely for the purpose of preparing and submitting a response to this RFQ.
  - Refrain from disclosing Confidential Information to any third party without the prior written consent of the disclosing party, except to employees, agents, or subcontractors who need to know the information for the purpose of responding to this RFQ and who are bound by confidentiality obligations at least as restrictive as those contained herein.
  - Take all reasonable measures to protect the confidentiality of the Confidential Information
3. **Return or Destruction of Confidential Information:** Upon termination of this RFQ process or upon request by the disclosing party, the receiving party shall promptly return or destroy all Confidential Information and certify in writing that such destruction or return has occurred.

### 4.7 Fee Schedule and Project Hours

4.7.1 Furnish as part of the proposal for the full year with fee proposal broken down for the number of hours per financial year applicable to the fraud risk assessment requirements to be conducted. The project plan should be based on the information set out in point 4.3 above.



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		Hours	Average Rate	Total Amount
Year 1	The number of hours allocated for the financial year, including VAT, is aligned to the number of fraud risk assessments conducted per financial year.	100		R
Year 2	The number of hours allocated for the financial year, including VAT, is aligned to the number of fraud risk assessments conducted per financial year	100		R
Year 3	The number of hours allocated for the financial year, including VAT, is aligned to the number of fraud risk assessments conducted per financial year	100		R
<b>Total Bid Price Inclusive of VAT</b>	R			

### 4.8 EVALUATION CRITERIA

#### 4.8.1 The request for quotation (RFQ) will be evaluated in two (2) stages

**Stage One (1)** will be Functionality Evaluation; the bidders will be required to score a **minimum of 75** points (functionality / technical) to qualify for Stage Two (2)

**Stage Two (2)** will be for Price and specific goals in accordance with the 80/20 principle, in line with PPPFA Regulations of 2022

### STAGE 1

EVALUATION OF FUNCTIONALITY		
	CRITERIA	WEIGHT
1.	<p>Company Profile and project methodology</p> <p>The profile must include:</p> <p>A detailed exposition of relevant experience within the Public Sector</p> <p>7-10years relevant experience = (20) points</p> <p>4-6years relevant experience = (10) points</p> <p>1 -3years of relevant experience = (5) point</p> <p>0 year of relevant experience = 0 point</p> <p>The Project methodology must include:</p> <p>Full information on the services that will be provided in line with the scope of work. (30)</p>	50

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

EVALUATION OF FUNCTIONALITY		
	CRITERIA	WEIGHT
	<ul style="list-style-type: none"><li>• Fraud Risk Management plan</li><li>• Fraud detection techniques and tools</li><li>• Work plan and timelines</li><li>• Communication and reporting plan</li><li>• Sustainability and continuous improvement plan</li></ul> <p>Failure to comply with all will result in no points being awarded.</p>	

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

EVALUATION OF FUNCTIONALITY		
	CRITERIA	WEIGHT
2.	<p>CVs of Team with experience in conducting Fraud Risk Assessments</p> <p>The ability to assign dedicated personnel for the management of CCMA Account:</p> <ul style="list-style-type: none"> <li>• Human Resource Capability (30)</li> <li>• Bidders must submit a comprehensive CV of all the team members that will be involved in the project with the relevant supporting documents.</li> </ul> <p>*The resources attached in the proposal, must be one that will be providing the services, any deviation must be approved by the CCMA before any replacement</p> <ul style="list-style-type: none"> <li>▪ The bidder and all its project members must be members of the certified Fraud Risk Association/ Institute such as Southern African Fraud Prevention Services, Association of Certified Fraud Examiners and/ or similar and members of Institute of Risk Management of South Africa or similar.</li> <li>▪ Proof of membership must be attached to the completed proposal form.</li> <li>▪ Primary Project Team Leader: The bidder must designate a qualified project team leader with a minimum of 5(Five) years of relevant experience in fraud risk management. The primary team leader must be always contactable during the project.</li> <li>▪ Standby Team Leader: The bidder must also provide a secondary, standby project team leader who will be available to step in if the primary team leader is unavailable. This standby team leader should also have a minimum of three [3] years of relevant experience and be reachable for urgent issues or support as needed.</li> </ul> <p>Failure to comply with all will result in no points being awarded.</p>	30

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

EVALUATION OF FUNCTIONALITY		
	CRITERIA	WEIGHT
3	<p>Prospective bidders are required to submit three (3) Positive References from existing and or past clients in providing Fraud Risk Assessment. (20).</p> <p>N.B: Reference Letters</p> <p>Bidders must provide written contactable references not older than five (5) years from previous and /or current clients where Fraud Risk Assessment was rendered. Attach reference letters.</p> <p>The reference letters from the clients must include:</p> <p>Company name</p> <p>Company letterhead</p> <p>Contact person</p> <p>Contactable telephone numbers</p> <p>3 clients with traceable Reference Letters = 20 points</p> <p>2 clients with traceable Reference Letter = 10 points</p> <p>1 client with traceable Reference Letter = 1 points</p> <p>0 company/organisation with traceable Reference Letter = 0</p> <p>NB: Failure to provide the reference letters with all the above-mentioned requirements will result in the bidder scoring a zero (0).</p>	20
Total Points	100 Points	100

### 1.1. Summary

Criteria	Weightings
Project methodology	30
Team CV experience in conducting Fraud Risk Assessments	30
Company profile with experience within Public sector	20
Reference letters from previous clients in the public sector for fraud risk assessments conducted.	20
Total Score	100

1.2. The above functionality elements will be taken into considerations when evaluating the bid.

1.3. Preference points

## SPECIFICATION FOR FRAUD RISK MANAGEMENT SERVICES

### 1.4. STAGE TWO (2)

Price	80
Specific goals	20
Total	100



## COMMISSION FOR CONCILIATION, MEDIATION & ARBITRATION

TO THE CCMA

### PROTECTION OF PERSONAL INFORMATION ACT, 4 OF 2013

By signing this form;

- a) I/we hereby grant my/our voluntary consent that my/our personal information may be processed, collected, used and disclosed in compliance with the Protection of Personal Information Act, 4 of 2013.
- b) I/we furthermore agree that my/our personal information may be used for the lawful and reasonable purposes in as far as the CCMA (responsible party) must use my/our information in the performance of its public legal duty.
- c) I/we understand that my/our personal information may be disclosed to a third party in as far as the CCMA must fulfil its public legal duty.
- d) I/we furthermore understand that there are instances in terms of abovementioned Act where my express consent is not necessary to permit the processing of personal information, which may be related to litigation or when the information is publicly available. Further details are available on the CCMA website.

SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024

COMPANY NAME: \_\_\_\_\_

INITIAL AND SURNAME OF REPRESENTATIVE OF THE COMPANY: \_\_\_\_\_

SIGNATURE OF REPRESENTATIVE OF THE COMPANY: \_\_\_\_\_

## 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<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

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<sup>1</sup> 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.

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 consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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<sup>2</sup> 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.



institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

.....	.....
Signature	Date
.....	.....
Position	Name of bidder

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

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for Specific Goal(s).

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

### 1. GENERAL CONDITIONS

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

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) The 80/20 preference point system will be applicable in this tender. The lowest/highest acceptable tender will be used to determine the accurate system once tenders are received.

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

- (a) Price; and
- (b) Specific Goal(s).

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
Price	80
Specific Goal(s)	20
<b>Total points for Price and Specific Goals</b>	<b>100</b>

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for Specific Goal(s) with the tender, will be interpreted to mean that preference points for Specific Goal(s) are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

### 4. POINTS AWARDED FOR SPECIFIC GOAL(S)

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for SPECIFIC GOAL(S) stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

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

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

Table 1: Specific Goal(s) for the tender and points claimed are indicated per the table below.

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

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

Ownership verification will be conducted in line with the Central Suppliers Database by National Treasury. Ownership verification will also be verified through the BBBEE scorecard/ sworn affidavits attributes	80/20 Preference points system	90/10 Preference Points system
<b>Price</b>	<b>80</b>	<b>90</b>
<i>Women Owned Entities</i>	<i>08</i>	<i>04</i>
<i>Youth Owned Entities</i>	<i>06</i>	<i>03</i>
<i>Black Owned Entities</i>	<i>04</i>	<i>02</i>
<i>PWD Owned Entities</i>	<i>02</i>	<i>01</i>
<b>Total points for Price and Specific Goals</b>	<b>100</b>	<b>100</b>

#### TENDERERS WILL BE AWARDED POINTS AS FOLLOWS:

The points must be allocated and awarded as follows:

i.	Total Tendered Price	:	80 points	
ii.	Women Owned Entities	:	08 points	} <b>Specific Goals (Maximum Points)</b>
iii.	Youth Owned Entities	:	06 points	
iv.	Black Owned Entities	:	04 points	
v.	Persons with Disability Owned Entities	:	02 points	
	<b>Total</b>	:	<b>100 points</b>	

4.3 The points scored for specific goals will be added to the points scored for price and the total must be rounded off to the nearest 2 decimal places.

## 5 TENDER PRICE

The following formula will be used to calculate the points out of 80 for price in respect of tender with a rand value not exceeding R 50 million (inclusive of all applicable taxes). the lowest acceptable tender must score 80 points for price, and other tenders which are high in price must score fewer points, on pro rata basis.

$$P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

where -

Ps = points scored (awarded) for price of tender under consideration  
 Pt = price of tender under consideration; and  
 Pmin = price of the lowest acceptable tender

## 6 SPECIFIC GOALS

### 6.1 % OWNED BY PEOPLE WHO ARE WOMEN (WO)

A maximum of eight (08) points will be awarded to a tenderer who is a woman. equity ownership for women will be determined by the % of the enterprise owned by such a person or by the % of shares owned by member/s who are actively involved in the day-to-day management of the company or enterprise.

% of enterprise owned by women -----%

thus, points awarded:   $8 \times \frac{\% WO}{100} =$

**proof of ownership must be attached in the form of:**

- a) Copy of the ID;
- b) Copy of the founding documentation of the company with which the ownership is listed i.e. CIPC etc.

### 6.2 % OWNED BY YOUTH PEOPLE (YO)

A maximum of six (06) points will be awarded to a tenderer who is a youth. Equity ownership for youth will be determined by the % of the enterprise owned by such a person or by the % of shares owned by members who are actively involved in the day-to-day activities of the company or enterprise.

% of enterprise owned by youth person(s).....%

thus, points awarded:   $6 \times \frac{\% YO}{100} =$

**Proof of ownership must be attached in the form of:**

- a) Copy of ID;
- b) Copy of the founding documentation on the company with which the ownership is listed i.e. CIPC etc.

### 6.3 % OWNED BY BLACK PEOPLE (BO)

A maximum of four (4) points will be awarded to a tenderer who is black people % of enterprise.

% owned by black people -----%

thus, points awarded:   $4 \times \frac{\% BO}{100} =$

**proof of ownership must be attached in the form of:**

- a) Copy of ID;
- b) Copy of the founding documentation on the company with which the ownership is listed  
i.e. CIPC etc.

### 6.4 % OWNED BY PERSONS WITH DISABILITY (PWD)

A maximum of two (2) points will be awarded to a tenderer who is disabled. equity ownership for persons with disability youth will be determined by the % of the enterprise owned by such a person or by the % of shares owned by members who are actively involved in the day-to-day activities of the company or enterprise.

% of enterprise owned by persons with disability.....%

thus, points  awarded:  $2 \times \frac{\% PWD}{100} =$

**proof of ownership must be attached in the form of:**

- a) Copy of ID;
- b) Copy of the founding documentation on the company with which the ownership is listed  
i.e. CIPC etc;
- c) Proof of Medical certificate confirming disability

*(To be completed by bidder)*

**TABLE B: OWNERSHIP**

NAME AND SURNAME /ENTITY NAME	GENDER (MALE OR FEMALE)	AGE i.e., 32	CITIZENSHIP (RSA, OR SPECIFY OTHER)	ETHNIC GROUP (BLACK, WHITE, ETC.)	NUMBER OF SHARES PER SHAREHOLDER	PERCENTAGE OF OWNERSHIP (%) PER SHAREHOLDER
<b>Total</b>						

(To be completed by bidder)

**TABLE- C: SPECIFIC GOALS**

OWNERSHIP	TOTAL PERCENTAGE OF OWNERSHIP	SPECIFIC GOALS POINTS CLAIMED
Woman ownership- WO		
Black Ownership- BO		
Youth Ownership- YO		
Persons with Disability-PWD		
<b>Total</b>		

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]



4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the Specific Goal(s) as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the Specific Goal(s) have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....