

**Office of the City Manager
Geographic Information and Policy Office
Corporate Policy Unit**

PO Box 5856
Durban 4000

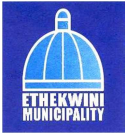


Enquiry # 1A-7549
Request For Proposal for:
Supply and Installation of Tipping Point IPS
Devices



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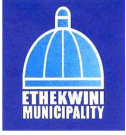


Section

1

Terms and Definitions

<i>Term</i>	<i>Definition</i>
IPS	Intrusion Prevention System
DMZ	De-Militarized Zone



Section

2

Conditions of Tender / Contract

1. **BID INFORMATION**

- 1.1 Each bidder shall complete fully and accurately the following documents, viz., Questionnaires, Declaration of Municipal Fees Form, Declaration of Interest, Bid Form, Schedule of Experience and Targeted Procurement Document and submit documents mentioned below with its bid. Remaining bid documents issued with this enquiry, such as Conditions of Bid/Contract (Goods and Services and Government Procurement General Conditions shall be detached and retained by the bidder.)
- 1.2 The specification will be governed by the Special Conditions of Bid/Contract (Goods and Services) and Government Procurement General Conditions, attached hereto, and to the Occupational Health and Safety Act, Act No. 85 of 1993.
- 1.3 The adjudication will be based upon 90/10 points for each bidder's responsiveness, price and upon the procurement point system respectively in accordance with eThekweni Municipality's Targeted Procurement Policy.
- 1.4 All bidder prices quoted by the contractor must be in South African currency (Rand).
- 1.5 eThekweni Municipality reserves the right to accept more than one technically and contractually compliant bid for part or the whole of the contract and to place orders on the price and availability.
- 1.6 Bidders shall not bind eThekweni Municipality to any minimum quantity per order.
- 1.7 The successful bidder shall be bound to supply a quantities stipulated in this specification.
- 1.8 Bidders may submit alternative solutions that in the Bidder's opinion are to eThekweni Municipality's advantage economically and technically. Full technical details of these alternative offer(s) shall be submitted with Bid documents. Alternative Bid(s) shall be submitted separately.

2. **TAX CLEARANCE CERTIFICATE**

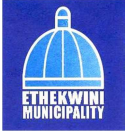
Bidders are to include with their bid submission a valid tax clearance certificate, or obtain one prior to the evaluation of submissions, which has sufficient validity to ensure that the tender process is adequately covered.

3. **DECLARATION OF MUNICIPAL FEES**

Only those bidders whose municipal fees are fully paid or arrangements have been concluded with the Municipality to pay the said fees are eligible to bid.

4. **DECLARATION OF INTEREST**

All bidders are to sign the declaration of interest wherein they declare any relationship that may exist with an official of the Municipality involved in the evaluation process.



5. **CONTRACT PRICE ADJUSTMENT (CPA)**

- 5.1 If your prices are subject to CPA, the bid shall include details for calculating adjustments in accordance with the full cost.
- 5.2 If your prices are subject to Rate Of Exchange (ROE), you have to provide base rate of exchange (specify date) and the Free on Board (FOB) price in Rand Value. The FOB shall not be more than 90% on the bidders price. End ROE shall be that ruling at time of delivery. Banks proof of end ROE must be attached to the invoice. ROE will only come into affect if variance is greater than 5%.

Note :- CPA and ROE claims shall be submitted within 120 days from the date of each delivery. If the formula questionnaire or information requested above is not provided, your bid shall be considered fixed and firm for the duration of the contract.

6. **SPECIAL CONDITIONS OF TENDER / CONTRACT**

Any special conditions relative to the contract will form part of this contract.

7. **PURCHASE OF GOODS FROM OTHER SOURCES**

Nothing contained in this contract shall be held to restrain the Municipality from purchasing from persons other than the contractor, any of the goods described or referred to in this contract, if it shall in its discretion think fit to do so.

8. **DELIVERY, RISK, PACKAGES, ETC**

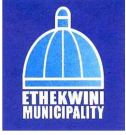
1. Unless otherwise provided, all goods are to be supplied only against the official form of order issued by the Municipality.
2. The risk in all goods purchased by the Municipality under the contract shall remain with the contractor until such goods shall have been duly delivered.
3. Bidders shall quote a unit price which shall include delivery to specified delivery point within the eThekweni Municipal area.
4. Bidders shall clearly state the period within which delivery will be made after receipt of the official order, as this may be material in the adjudication of the Bid.

9. **PAYMENT**

Where no conditions of payment are prescribed, payment for goods received and accepted by the Municipality shall be made no later than 30 days after submission of invoice or claim, provided however that all the terms of the contract are duly observed.

10. **RATES OF EXCHANGE**

- (1) Where the goods are imported the contractor shall within seven days of date of Official Purchase Order, arrange through his bankers for the foreign commitment to be covered forward down to the Rand in order to fix the rate of exchange. The contractor shall notify the Municipality as soon as possible thereafter regarding the rate which has been fixed on such forward exchange.



Any increase or decrease between the basic rate of exchange as at a date seven days prior to the date of closing of Bids and that existing at the date of establishment of the forward exchange cover within the period stipulated above shall be paid or deducted by the Municipality. Upon the failure of the contractor to arrange forward exchange cover, the contractor shall be liable should there be any increase in the basic rate of exchange occurring after the last mentioned date.

The bank charges incurred in obtaining the forward exchange cover shall be for the Municipality's account.

(2) The contractor shall on request :-

- (i) submit documentary proof of the rate of exchange;
- (ii) when an adjustment is claimed in terms of this sub-clause, whether by the contractor or the Municipality, submit documentary proof to the satisfaction of the Deputy City Manager : Treasury in respect of such claim.

11. **VALUE ADDED TAX (V.A.T)**

The Bidder shall state the amount of value added tax (V.A.T) separately on the Official Tender Form.

12. **FORM OF TENDER AND CLOSING DATE**

Sealed bids made out on the enclosed Official Tender Form which shall be signed by or on behalf of the Bidder and addressed to the Head : GIPO and marked with the appropriate enquiry number must be placed in the Tender box provided which is located in the Foyer, Ground Floor, City Engineer's Unit, Municipal Centre, 166 K.E. Masinga Road (Formerly Old Fort Road), Durban, not later than 11:00 on Friday the XXXX 2011 in the public advertisement inviting bids, where they will be opened publicly.

All couriered documents must be placed directly into the tender box and should not be delivered to any other Municipal Department. Bidders are advised that bids submitted by fax or email will **not** be considered.

Any bid received after the closing date and time advertised for the receipt thereof shall not be accepted for consideration by the Deputy Head: Customer Services and shall be returned to the Bidder.

13. **BIDS WILL BE LIABLE TO REJECTION UNLESS MADE OUT AND SIGNED ON THE OFFICIAL TENDER FORM ANNEXED HERETO**

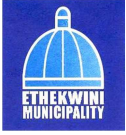
Failure of a tenderer to complete and sign the tender form in its entirety will invalidate the tender.

14. **ACCEPTANCE OF BID**

The Municipality does not bind itself to accept the lowest or any Bid and reserves the right to accept the whole or any part of a Bid.

15. **WITHDRAWAL OF BIDS**

Bids must hold good until 16h00 on the Friday of the twelfth week (85 calendar days) following the



Friday on which Bids are opened or during such other period as may be specified. The Municipality may, during the period for which Bids are to remain open for acceptance, authorize a Bidder to withdraw his/her Bid in whole or in part on condition that the Bidder pays to the Municipality on demand, a sum of R1 000. The Municipality may, if it thinks fit, waive payment of such sum in whole or in part.

16. **DIFFERENCES OR DISCREPANCIES**

(1) **Prices**

Should there be any difference or discrepancy between the prices or price contained in the Official Tender Form and those contained in any covering letter from the Bidder, the prices or price contained in the Official Tender Form shall prevail.

(2) **Complete Acceptance of Conditions**

Unless otherwise expressly stipulated in the letter covering the Bid every Bidder shall be deemed to have waived, renounced, and abandoned any conditions printed or written upon any stationery used by him for the purpose of or in connection with the submission of his Bid, which are in conflict with the General and Special Conditions of Contract. Bidders are advised that any material divergences from the official Conditions or Specification will render their Bids liable to disqualification.

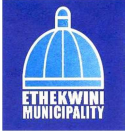
17. **BRIBERY AND COMMUNICATION WITH COUNCILLORS / OFFICIALS**

(1) **Bribery**

No Bidder shall offer, promise or give to any person or person connected with a bid or the awarding of a contract, any gratuity, bonus or discount etc, in connection with the obtaining of a contract.

(2) **Communication, Councillors and Officials**

- (1) A Bidder shall not in any way communicate with a member of the Municipality or with any official of the Municipality on a question affecting any contract for the supply of goods or for any work, undertaking or services which is the subject of a bid during the period between the closing date for receipt of Bids and the dispatch of the written notification of the Municipality's decision on the award of the contract; provided that a Bidder shall not hereby be precluded:
- at the request of the Head : Supply Chain Management Unit or his authorized representative, from furnishing him with additional information or with a sample or specimen for testing purposes or otherwise or from giving a demonstration so as to enable the recommendation to the Bid Committee on the award of the contract to be formulated;
 - from obtaining from the Head : Supply Chain Management Unit his authorised representative information as to the date upon which the award of the contract is likely to be made or, after the decision upon the award has been made by the Municipality or any Committee to which the Municipality has delegated its powers, information as to the nature of the decision or such information as was publicly disclosed at the opening of bids or from submitting to the Accounting Officer in writing any communication relating to his/her Bid or the award of the contract or a



request for leave to withdraw his/her bid;

- and provided further that nothing contained herein shall be construed so as to prevent information being sought and obtained from an Official in regard to any decision taken at an open Municipal meeting, or any Committee to which the Municipality has delegated its powers.

A contravention of subsection (1) and / or (2) or an attempt to contravene such subsection shall be reported to the Accounting Officer, who may on receipt of such report may disqualify the bid of the Bidder concerned.

18. **LEGAL STATUS OF BIDDER**

It is essential for the purpose of entering into a legal contract that Bidders state on the Official Tender Form under Name and Address of Bidder their full legal status, for example the full registered name of the company Bidding; or if the Bidder is a person conducting business under a recognised trading name then state the name of the person/s - Trading as _____ (state recognised trading name) and state whether owner, co-owner, proprietor, etc.

19. **AUTHORITY OF SIGNATORY**

Bidders should submit with their bids a certified copy of the Resolution of the Company authorising the signatory to sign Bid documents on behalf of the Company. If the Bidder is not a registered company, the signatory shall indicate in what capacity and under what authority the bid documents were signed by him/her.

20. **ALTERATIONS TO BID DOCUMENTS**

Any alterations effected upon any of the bid documents must be clearly shown by means of a hand written/typed entry and must be signed in full by the Bidder.

21. **FACTORING**

Payment will be made only to the contractor(s). Factoring arrangements will not be accepted.

22. **PREFERENTIAL PROCUREMENT**

22.1 **Applicable Documentation**

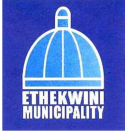
These conditions of tender are to be read together with the following documents :-

- **eThekweni Municipality Targeted procurement Policy document.**

It is a requirement of this Tender that all the Contractors, Joint Ventures and Targeted Enterprises, must be registered, or be eligible for registration, on the eThekweni Municipal Procurement Database such that their classification, as described above, has been or can be determined and verified prior to Tender adjudication and award.

22.2 **Adjudication of Tenders on a Points System**

22.2.1 Examination of Tenders and Determination of Responsive Prior to the detailed



evaluation of tenders, each tender will be examined to establish it;

- meets the requirements of the Conditions of Tender;
- has been properly signed;
- is responsive to the requirements of the Contract document
- provides any clarification and/or substantiation required;
- complies with the tender submission requirements in all other respects.

A responsive tender is one, which conforms to all the Terms, Conditions and Specifications of the Contract without material deviation or qualification. A material deviation or qualification is one which;

- could detrimentally affect the scope, quality, or performance of the Works;
- changes risks and responsibilities under the Contract for any of the parties involved with the Contract; or
- would affect the competitive position of other Tenderers presenting responsive tenders, if it were to be rectified.

If the Tender does not meet the requirements or is not responsive, it is liable to be rejected by the Employer, and may not subsequently be made acceptable to the Employer by correction or withdrawal of the non-conforming deviation of reservation.

For the purposes of determining the degree of preference to be accorded, Bidders are required to complete the application for targeted enterprise status or if already registered on the eThekweni Municipality Procurement Database quote allocated reference number. Confirmation of reference numbers are obtainable from the Procurement Monitoring Branch, telephone (031) 322 7007.

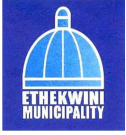
Failure on the part of the Bidder to fill in and/or sign the declaration and/or endorse the documentation will be construed to mean that the preference points are not claimable. Preference points will not be awarded in that case.

23. **TENDERS WILL ONLY BE ACCEPTED ON CONDITION THAT :**

- (a) the tender is signed by a person authorised to sign on behalf of the Tenderer;
- (b) a valid original Tax Clearance Certificate is received prior to the evaluation of tenders which has sufficient validity to ensure the process is adequately covered;
- (c) a Tenderer who submitted his/her tender as a Joint Venture has included an acceptable Joint Venture Agreement with his/her tender.

24. **MUNICIPAL FEES**

All tenderers are to sign a declaration wherein they declare that their municipal fees are in order, or proper arrangements have been made with the Municipality, and include the relevant account numbers in the declaration. Failure to include account numbers or sign will invalidate the tender. The completion of the declaration is also applicable to tenderers outside of the eThekweni Municipal Area.



25. **APPEAL PROCESS**

In terms of Regulation 49 of the Municipal Supply Chain Management Regulations persons aggrieved by decisions or actions taken by the Municipality, may lodge an appeal within 14 days of the decision or action, in writing to the Municipality.

Tenderers are advised that the following is the appeal process and in dealing with these appeals the Municipal Manager shall follow the following procedure :-

1. The appeal (clearly setting out the reasons for the appeal) and queries with regard to decision of award are to be directed to the office of the City Manager, Attention : Mr S. Shezi, P O Box 1014, Durban, 4000; Facsimile : (031) 311-2004.
2. A copy of the appeal will be forwarded to the Chairperson of the Bid Adjudication Committee, who must provide a response in writing within seven days.
3. In the event that there are allegations made against third parties, they will also be given an opportunity to respond to the allegations within seven days.
4. These responses will then be sent to the appellant for a reply within five days.
5. The appeal will be considered on these written submissions, unless the appeal authority is of the view that there is a need for oral submissions, in which case, the appellant will be notified of the date, place and time of such hearing.
6. The Appeal Authority will consider the appeal and may confirm, vary or revoke the decision of the Committee, but not such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.
7. The Appeal Authority must commence with the appeal within six weeks and decide the appeal within reasonable period.

28. **PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE**

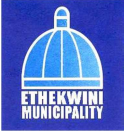
Regulation 44 of the Supply Chain Management Regulations states that the Municipality or Municipal Entity may not make any award to a person :-

- (a) who is in the service of the state;
- (b) if that person is not a natural person, of which any Director, Manager, Principal, Shareholder or Stakeholder is a person in the service of the state; or
- (c) who is an advisor or consultant contracted with the municipality or municipal entity.

29. **NEGOTIATIONS WITH PREFERRED BIDDERS**

The municipality reserves the right to invoke Section 24 of the Municipal Finance Management Act if so desired.

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation :-



- (a) does not allow any preferred bidder a second or unfair opportunity;
- (b) is not to the detriment of any other bidder; and
- (c) does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

(3) Such negotiation may be delegated to the designated Senior Manager by the Accounting Officer.

30. **PRICE INCREASES**

In the event of a price adjustment being requested, a market analysis will be undertaken and pending the outcome thereof, it may or may not be granted.



Section

3

Introduction

eThekweni Municipality is looking for an Company to Supply, Install and Upgrade various Tipping Point IPS devices. The Municipality is currently using a Tipping Point 2400E to secure it's Perimeter Network from external attacks, however this device has reached it's end of life and will be no longer supported. The Municipality would also like to secure the Data Centres from internal attacks. There are three Data Centres located at Florence Mkhize Building, Old Fort Complex, and Pinetown

The objective of the project is to Secure the Municipalities Perimeter Network and Data Centres from internal and external attacks using the Tipping Point IPS solution.

3.1 Background

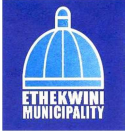
eThekweni Municipality is the responsible for providing services within the Durban area. These services include departments such as Water, Electricity, Etc

The eThekweni Infrastructure consists of the following:

- Three Data Centres connected by dual Ten Gigabits per second fiber per site
- 20 MB/s Internet Connection to Internet Solutions via fiber
- DMZ
- Wireless Network
- APN connectivity for Remote Access
- InfoConnect link to Standard Bank

The IT user population of the eThekweni Corporate is as follows:

Site Name	Address	Approximate Number of Users
FMB , Old Fort Complex, City Hall , Shell House , Rennies House , Winder Street, EML , Fire	Durban Central	5000
Outer West	Pinetown and surrounding , Kloof etc	500
South Region	Various	500
Northern Region	Various	500



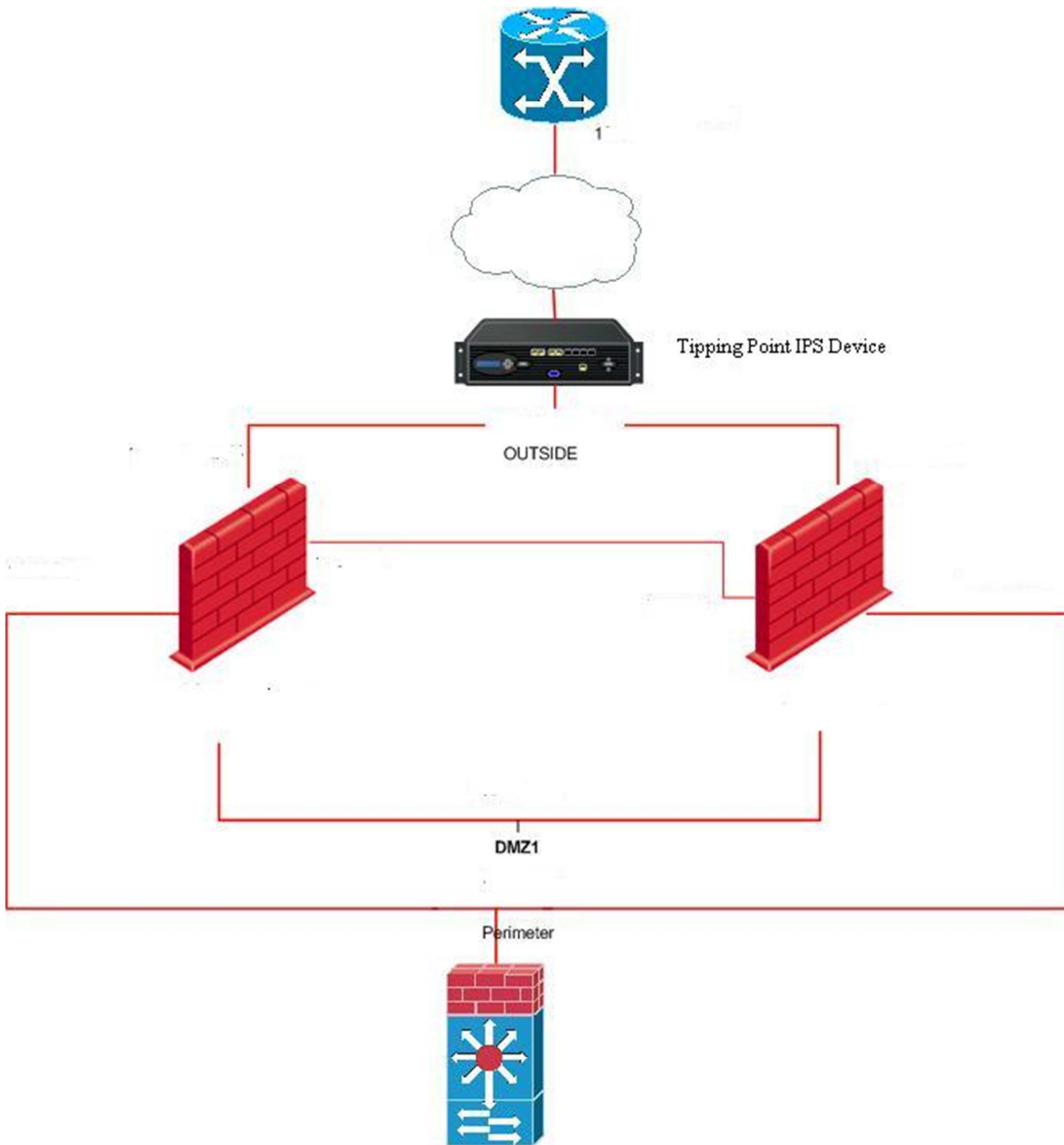
3.2 Current IPS Overview

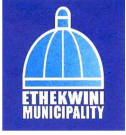
Current Environment

- We currently have one Tipping Point IPS device connected to the Perimeter Network which protects the Internal Network from External Threats
- This device also Protects the DMZ from External Threats as well as the Internal Network from the DMZ attacks should any systems on the DMZ be compromised.



The diagram below provides an overview of the existing Internet Services environment in use by eThekweni corporate:





Section

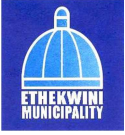
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Municipal Objectives

3.1 Our objective with this framework is to provide our organisation with the tools to deliver the transformation needed to support increasing citizen expectations in a managed, controlled and cost-effective way.

3.2 Providing a common infrastructure shared by multiple e-government services produces a series of benefits for both constituency and government.

3.3 Provide a Secure Infrastructure to protect the Internal Network and the Data Centres from Internal and External attacks.



Section

5

Scope of Requirements

5.1 Scope Summary

The following are to be provided:

- 3 x Tipping Point Core Controllers
- 1 x Tipping Point 5100N IPS device
- Training on Product
- Installation
- Support and Maintenance

A Company would be chosen to supply eThekweni Municipality with the above mentioned equipment and services. The nominated Company would plan and design the solution in a way that will minimise impact on eThekweni Municipality user base and deliver a “best practice” environment.

Installation and Configuration of the IPS solution would be performed by the nominated contractor. Planning and deployment will be to three sites, FMB (251 Anton Lembede Street), DRP (14 Scott Road) and the Data Centre based at the Old Fort Complex.

The contractor will provide knowledge transfer and training for technical and support staff as well as the eThekweni Municipality user base. The Contractor will plan and deliver business change delivery process that will minimize the business change impact whilst delivering the optimum IPS solution.

Product Software and Technical support would be provided by the contractor

5.2 Out of Scope Summary

It can be assumed that the following is outside the scope of this RFP:

- 5.2.1 Cabling Types required (These must be defined but not included)



Section

6

Technical Requirements

6.1 Tipping Point IPS Requirements

Critical/ Mandatory Requirements

No	Requirement	Yes	No
		<i>(tick where applicable)</i>	
1.	.Ability to Provide the following Hardware: <ul style="list-style-type: none"> - 3 x Tipping Point Core Controllers - 1 x Tipping Point 5100N IPS device - Required XFP Modules 		
2.	Be a Premier Tipping Point Partner		

6.1 General

Please provide the following under this section:

- Specify any other third party software that is required for your solution to work that has not been included in your response.
- Specify how Installation and Configuration of the IPS Solution would be achieved.
- Provide a detailed Project Plan with tmelines.

6.2 Post Project Support Requirements

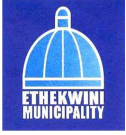
In order to ensure the solution is stable and adequately supported post the project completion a support contract should be included.

The support must include:

- 24x7 Service Desk for single point of contact and escalations
- Support must be available in locally in Durban
- Provisioning of 2nd and 3rd level technical system support

6.2 Cabling Requirements

Although the supply of the cabling requirements has been excluded from the RFP, the municipality needs to fully understand the requirements for your solution. Specify all cabling requirements for your solution



Section

7

Non-Technical Requirements

7.1 Previous Implementation History

Indicate the number of customers who you have completed an Implementation of this magnitude for?

7.1.1 Number and size of Client Base

7.1.2 Provide reference sites, in South Africa, with contact details

7.2 Technical Support

Demonstrate how you would support this implementation and migration to give the municipality a peace of mind, and ability to deliver on your proposed solution.

7.21. Technical competencies within your organisation.

7.22. Number of support resources. Specify how many are locally based in Durban

7.3 Professional Services

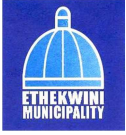
Indicate your professional service capacity to design, configure and install the solution to an industry best practice? Demonstrate your ability to deliver a breadth of professional services, including implementation and design, maintenance, security, managed services and consultation. Demonstrate a proven methodology and ability of adherence to relevant standards.

7.4.1 Specify your capabilities around the IPS technologies relevant to your solution.

7.4.2 Specify what technical documentation and training material will be provided.

7.4.3 Specify the project controls that will be place

7.4.4 Specify how change management will be delivered.



Section

8

Schedule of Indicators

The minimum threshold of this functionality assessment is 60%. Any bid which fails to meet this minimum threshold will be disqualified.

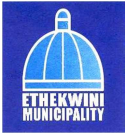
Criteria	Allocated Points
RESPONSE TO BRIEF	20
EXPERTISE & EXPERIENCE	20
CAPACITY & CAPABILITY	20
PREVIOUS IMPLEMENTATION HISTORY	20
PROFESSIONAL SERVICES	20



QUALITY CRITERIA	SUB CRITERIA	INDICATORS			
		Poor (Score 40%)	Satisfactory (Score 60%)	Good (Score 80%)	Very Good (Score 100%)
RESPONSE TO BRIEF	level of understanding	The proposal shows limited understanding of the business, has not adequately dealt with the key challenges. Installation and Configuration Guidelines are Vague. Timelines are not adequately defined	The opportunity is well understood, clearly articulated and key business sectors are adequately addressed. The proposal reflects necessary concepts but has insufficient detail for it to be distinctive. Configuration and installation Guidelines are defined. Timelines are provided, however insufficient details are provided to mitigate risk during installation	The proposal clearly demonstrates an understanding of the programme's vision. All key business criteria are identified and adequately addressed. Timeslines, Installation and Configuration Guidelines are provided as well as a backup plan is provided to mitigate any risk should there be any issues during rollout	A unique proposal that is strongly aligned to and identifiable with the programme. It identifies and deals well with all the business plan criteria. All criteria in the brief is met. Timeslines, risk analysis, Configuration and Installation Guidelines are clearly defined. Attention is paid to minute detail
EXPERTISE & EXPERIENCE	Experience of key staff	Key personnel allocated to the project have limited relevant experience and no certification relevant to the project	Key personnel allocated to the project have reasonable relevant experience. Have 3 certified personnel in their field of work that pertains to this project	Key personnel allocated to the project have extensive relevant experience. Have 4 certified personnel in their field of work that pertains to this project and have a least one staff based locally in Durban	Key personnel allocated to the project have outstanding relevant experience. The personnel have at least. Have 5 or more certified personnel in their field of work that pertains to this project and have a least two staff based locally in Durban
CAPACITY & CAPABILITY	Operational plan and resources	Operational plan is sketchy, there is no clarity in terms of rates and/or resources. There is no indication that a Project Manager will be assigned to the project. Resources to implement and support the solution is not defined	Operational plan is complete & reasonably detailed. Rates and resources appear adequate. A Project Manager and a team to implement the solution is defined however post implementation support is not clearly defined	Besides meeting "satisfactory" rates and resources have been clearly defined and make provision for key risk areas. A 24x7 service is available for escalation issues. Second and third level support is also available for supporting the solution	Besides meeting the "good" rating, the plan make provision for every eventuality. Operational Plan is clearly defined and attention is paid to minute detail
Previous Implementation History	Client Base	The company has limited previous implementation history which indicates that the company would not be able to successfully Implement the solution. The company has carried out less than two successful previous Implementation solutions of this magnitude	The company has sufficient previous implementation history which indicates that the company would be able to successfully Implement the solution. The company has carried out between two to five successful previous Implementation solutions of this magnitude	The company has sufficient previous implementation history which indicates that the company would be able to successfully Implement the solution. The company has carried out between five to seven successful previous Implementation solutions of this magnitude	The company has sufficient previous implementation history which indicates that the company would be able to successfully Implement the solution. The company has carried out greater than seven successful previous Implementation solutions of this magnitude



Professional Services		Company has limited Understanding of IPS technologies. Limited technical documentation is provided. Project controls and Change Management is not clearly defined	Company has a good understanding of IPS technologies. Technical Documentation is provided for eThekweni Staff to maintain the solution. Project Controls and Change Management is defined	Besides meeting the “satisfactory” rating, the Company provides onsite training for eThekweni staff	Besides Meeting the “good” rating, attention is paid attention to minute detail in technical documentation, project controls and change management. Risks are clearly identified and controls are clearly specified to mitigate these risks
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Section

9

Pricing Structure

In response to your Enquiry 1A-7549 dated I/we hereby offer to supply the services detailed hereunder in accordance with the Technical Specification, and subject to the Special Conditions of Tender (Goods/Services) and General Conditions of Contract which accompanied your Enquiry (with which I/we acknowledge myself/ourselves to be fully acquainted) at the price/s stated in the appropriate column below

Table with 3 columns: Item Description, COST. Rows include: 1 x Tipping Point Core Controller, 1 year Core Controller Maintenance, 1 x Tipping Point 5100N IPS, 1 year 5100 Maintenance, 12 x 10G XFP Long Range (1 XFP), 1 year XFP Maintenance, Tipping Point Training, Tipping Point Installation, Support, Total, V.A.T, TOTAL inc V.A.T.

I/We hereby agree that this tender will hold good and remain open for acceptance until 16:00 on the Friday of the twelfth week (85 calendar days) following the Friday on which tenders are opened or during such other period as may be specified in the Special Conditions of Tender. All tendered prices will be firm and fixed for the duration of the contract.

I/We hereby agree that this tender, together with the Council's letter of Acceptance thereof, will constitute a binding contract which will take effect from the business day following the date of despatch of the letter of acceptance.

Any alterations effected upon any part of the tender documents must be clearly shown by means of a handwritten entry and signed by the tenderer.

NAME AND ADDRESS OF TENDERER :-

Signature

Date

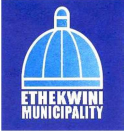


Section

10

RFP Requirements

- 9.1 You are required to propose on all the requirements as specified in section 6.
- 9.2 Where responses are not provided, eThekweni Municipality will assume that the proposal does not provide for the requirement. Non-compliance shall preclude further consideration of the proposal.
- 9.3 Offers which include deviations of a minor nature, not diverging significantly from the requirements, will be considered at the discretion of eThekweni Municipality
- 9.4 eThekweni Municipality reserves the right to accept all or part of any proposal, i.e. any one or more items and/or any quantity thereof (of any such item.)
- 9.5 The Municipality may require short-listed vendors to do presentations of their solution(s) to enable the Municipality to make its final decision.
- 9.6 The responses will be evaluated based on the solution provided for in response to Section 6, 7 & 8. It is therefore incumbent upon each respondent not only to respond to all the sections, but to respond to them comprehensively and accurately without exaggeration.
- 9.7 Lastly, respondents are cautioned that the abovementioned conditions of RFP will be strictly applied.
- 9.8 Attendance at the compulsory briefing session.



Section

11

Procurement Policy

Respondents are cautioned that the adjudication process will be undertaken in accordance with eThekweni Municipality's Targeted Procurement policy and thus it is essential that respondents claiming affirmative procurement preference complete documents entitled "Application for Registration on the EM Proc database" and "Application for Targeted Enterprise Status" which can be downloaded from the municipality's website:

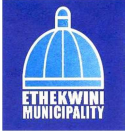
<http://www.durban.gov.za/durban/government/scm/accredited>

For assistance in the completion thereof, prospective respondents should contact the Manager: Procurement Monitoring, tel. 031-3227014.

Respondents are cautioned that in the event of incorrect and/or fraudulent claim(s) for Targeted Enterprise status being submitted under this enquiry, such claim(s) shall automatically disqualify the applicable proposal from further considerations.

Furthermore, should the claim be found to be fraudulent, either at the point of proposal adjudication or at anytime thereafter, the respondent shall be disqualified from all future (eThekweni Municipality) tender adjudication process/contracts for a minimum period determined by eThekweni Municipality.

Respondents should also be fully aware that it is primarily their responsibility to understand the relevant criteria, definitions and interpretations that are necessary to comply with the Targeted Procurement Policy before claiming Targeted Procurement status.



Section

12

BEE Scorecard

The eThekweni Municipality has committed itself to the following key priorities with respect to all procurement dealings.

Increased Usage of local Resources

Redressing of skewed employment and ownership patterns through black economic empowerment

Creation of Opportunities for job creation and poverty alleviation (Community Participation)

Stimulation of Skills Development and Transfer

Fast tracking and Growth and ensuring sustainability of SMME's

It has therefore tried to keep abreast of developments nationally with regard to Black Economic Empowerment in terms of the recent revision of its own procurement policy and legislation such as:

Constitution of the RSA

Preferential Procurement Policy Framework Act

Broad-Based Black Economic Empowerment Act

Construction Industry Development Board Act

Employment Equity Act

Skills Development Act

For the purposes of determining the degree of preference to be accorded to tenderers, and to set minimum targets, the eThekweni has chosen a multi-pronged empowerment strategy, which includes inter-alia the following:

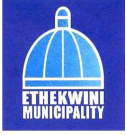
1. A BEE Scorecard
2. A preferential points scoring mechanism.

This document therefore outlines the specification.

Definitions

Historically Disadvantaged Individual (HDI): The definition includes Black, Women, and Disabled Individuals and preference has been given to all these target groups who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act no 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (the Interim Constitution). Provided that a person, who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.

Priority Population Group (PPG): Black Individuals who fall into population groups that were not offered a franchise in the national elections before or after the introduction of the 1984 tri-cameral parliamentary system and only received a franchise during 1994.



Black Business Enterprise (BBE): At least 26% Black Owned in terms of equity and voting rights/powers, with a corresponding management representation at all levels.

Priority Business Enterprise (PBE): At least 26% Owned by individuals which are from the Priority Population Group in terms of equity and voting rights/powers, with a corresponding management representation at all levels.

Women Business Enterprise (WBE): At least 26% Women Owned in terms of equity and voting rights/powers, with a corresponding management representation at all levels.

Disabled Persons Business Enterprise (DPBE): At least 26% Disabled Owned in terms of equity and voting rights/powers, with a corresponding management representation at all levels.

“Disability” means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

SMMEs: Small, Medium and Micro Enterprises.

Influenced Enterprise: 'Influenced' in a category is when ownership in that particular category is between **26 and 50 percent**, with corresponding management representation at Board, Executive and Operational levels.

Empowered Enterprise: 'Empowered' in a category is when ownership in that particular category is between **51 and 75 percent**, with corresponding management representation at Board, Executive and Operational levels.

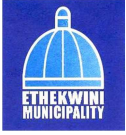
Substantially Owned Enterprise: 'Substantially owned' in a category is when ownership in that particular category is between **76 and 100 percent**, with corresponding management representation at Board, Executive and Operational levels.

Local Content/Resources: Preference points shall be allocated in terms of the location of the enterprise where applicable in the following order of preference: eThekweni Municipality Area (EMA); Kwa Zulu Natal (KZN); South Africa (SA)

Commercially Useful Function: The performance of real and actual work, or the provision of services, in the discharge of any contractual obligation, which shall include but not be limited to the performance of a distinct element of work which the business has the skill and expertise to undertake, and the responsibility for management and supervision.

Contract: A legally binding agreement between the Employer and the Contractor for the latter to provide Goods, Services, Engineering and Construction Works, or Professional Services in return payment by the former.

Contractor: Any person, body, or legal entity who is under contract to the Employer for the performance of the Contract. A Tendered whose tender has been accepted becomes a Contractor.



Control: The possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.

Contract Participation Goal (CPG): The value of work subcontracted to enterprises or businesses factored according to their level of HDI/PPG Equity ownership as evaluated in terms of the eThekweni Municipality Targeted Procurement Policy

Direct Preference: A preference points system, which awards tenders on the basis of points for price and/or the procurement developmental objectives of the eThekweni Municipality.

Employer: The person or body entering into a Contract for the supply of Goods, Services, Engineering and Construction Works, or Professional Services.

Executive Director: A partner in a partnership, a director of a company established *in terms of the Companies Act, 1973 (Act 61 of 1973)* or a member of a close corporation registered *in terms of the Close Corporation Act*, who, jointly and severally with their other partners, co-directors or co-members, as the case may be, bears the risk of business and takes responsibility for the management and liabilities of the partnership, company, or close corporation.

Manufacturer: A firm that operates or maintains a factory or establishment that produces on its premises materials or supplies required by the Prime Contractor for the performance of the Contract.

Owned: Having all the customary incidents of ownership, including the right of disposition, and sharing all the risks and profits. Commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.

Preferential Procurement Policy: A procurement policy which uses procurement as an instrument of social policy in South Africa to affirm the changed environment, government's socio-economic objectives and the principals of the Preferential Procurement Policy Framework Act (2000).

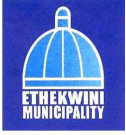
Prime Contractor: A contractor who contracts with an employer as the principal or main contractor or as a joint venture partner to such contractors, to provide goods, services and works.

Supplier: A firm that:

- . Owns, operates or maintains a store, warehouse or other establishment in which materials or supplies are bought, kept in stock and regularly sold to the public in the usual course of business and
- . Engages as its principal business, and in its own name, in the purchase and sale of products

Targeted Procurement: A system of procurement which provides employment and business opportunities for marginalized individuals and communities enables procurement to be used as an instrument of social policy in a fair, equitable, competitive, transparent and cost-effective manner, and permits and social objectives to be quantified, measured, verified and audited.

BEE Scorecard and Preferencing Schedule



The Contractor/Joint Venture may attain a maximum of 10 points, in respect of procurement preferences, which can be achieved based on:-

1. The BEE status of the Tenderer. (BEE contributions of members of a Joint Venture will be calculated in proportion to their individual contribution percentages).
2. The level of skills development will be calculated in terms of the eThekweni Municipality Targeted Procurement Policy.
3. The location of the Tenderer. (Points for location of members of a Joint Venture will be calculated in proportion to their individual contributions).

Section 3.3 outlines in detail the various elements of the scorecard and the points calculation mechanisms.

3.1 Conditions associated with the granting

The tenderer who claims a preference, undertakes to maintain Ownership, Management control and Employment equity, of not less than that tendered in terms of the BEE Scorecard and required to obtain the preference points, for the duration of the Contract.

3.2 BEE Scorecard

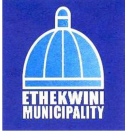
Tenderers must sub contract at least the minimum CPG required in the BEE Scorecard, even if they qualified in their own right as PPG contractors. Failure to fill in a CPG figure on the BEE Scorecard will result in the disqualification of the tender.

In implementing the scorecard the following key areas will be considered:

3.3 Equity Ownership:

The BEE contribution shall be calculated in respect of the value of work undertaken by the contractor or members of the joint venture (excluding the value of the work undertaken by domestic subcontractors) according to the following formula for each of the targeted areas:

Where: S	=	the weighted average actual score
W	=	the weighted average actual percentage contribution calculated in respect of the value of work undertaken by the contractor or members of the joint venture (excluding the value of the work undertaken by domestic subcontractors)
T	=	the maximum score in the targeted area
Min	=	the minimum percentage in the targeted area
Max	=	the maximum percentage in the targeted area



Section

13

Format of RFP Response Document

Proposals (RFP responses) are required to be submitted in the format that follows this specification, i.e. respondents must answer all questions in Sections 6 and 7 in that order as well as supply Pricing per Section 9

Additional information may be included as appendices. Respondents are welcome to provide the Municipality with various options, but may be requested to present a single, appropriate solution to meet eThekweni Municipality's requirements.

Section

14

Contact Details

All enquiries concerning this RFP will be addressed at a compulsory briefing session that will be held on Thursday 9th February 2012 at 10:00, 41 Margaret Mncadi (Victoria Embankment), Rennie House, and 8th Floor Boardroom.

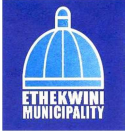
Section

15

Closing Date

This RFP is to be addressed to the Head: GIPO and must be clearly marked "Supply and Installation of Tipping Point IPS Devices" and must be placed in the tender box located on the Ground Floor, City Engineers Building, 166 K.E. Masinga Road (formerly known as Old Fort Road) Durban, 4001, on or before 11h00 on 17th Day of February 2012.

No electronic submissions will be accepted.



Section

16

Returnable Schedules

Enquiry 1A-7549

Declaration of Interest

Supply and Installation of Tipping Point IPS Devices

Any legal person, including persons employed by the principal, or person having a kinship with persons employed by the principal, including blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the principal, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare hi /her position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest, where -

- the bidder is employed by the principal; and / or
- the legal person on whose behalf the bidding document is signed, has a relationship with persons / a person who are / is involved in the evaluation and or adjudication of the bid(s), or where it is known that such a relationship exists between the person or persons for or on whose behalf the declarant acts and persons who are involved with the evaluation and or adjudication of the bid.

In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

1. Are you or any person connected with the bidder, employed by the principal?(Yes/No)

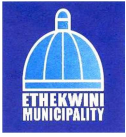
If so, state particulars:
.....
.....

2. Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the principal and who may be involved with the evaluation and or adjudication of this bid?(Yes/No)

If so, state particulars:
.....
.....

3. Are you, or any person connected with the bidder, aware of any relationship (family, friend, other) between the bidder and any person employed by the principal who may be involved with the evaluation and or adjudication of this bid?(Yes/No)

If so, state particulars:
.....
.....



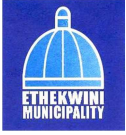
I, THE UNDERSIGNED (NAME) CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1 TO 3 ABOVE IS CORRECT. I ACCEPT THAT THE PRINCIPAL MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

Signature

Date

Position

Name of Bidder



DECLARATION OF MUNICIPAL FEES

THE ETHEKWINI MUNICIPALITY

Enquiry 1A-7549

I/We do hereby declare that the Municipal fees of myself/ the company/the close corporation/ the trust _____, are as at the date of the tender closing, fully paid up, or arrangements have been concluded with the Municipality to pay the said fees:

<u>Account</u>	<u>Account number</u>
Electricity	_____
Water	_____
Rates	_____
JSB levies	_____
_____	_____
_____	_____

I/We acknowledge that should it be found that the Municipal fees are not up to date, the Municipality may take such remedial action as is required, including termination of contract, and any income due to the tenderer shall be utilised to offset any monies due to the Municipality.

Name Signature

Designation Date

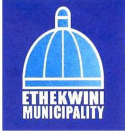


BEE Scorecard

Scorecard-											Weighted Score	
Equity Ownership											Weighting	0.00
Maximum Score	Black	1.25	PPG	2.5	Women	1.25	Disabled	1	Max Total	6.000		
Minimum Percentage	26		26		5		1					
Maximum Percentage	100		100		100		100			7.000		
Actual Percentage	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0.000	Total Score	0.000		
Management & Control											Weighting	0.00
Maximum Score	Black	1.25	PPG	2.5	Women	1.25	Disabled	1		6.000		
Minimum Percentage	30		26		5		1					
Maximum Percentage	100		100		100		100			10.000		
Actual Percentage	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0.000	Total Score	0.000		
Employment Equity											Weighting	0.00
Maximum Score	Black	1.25	PPG	2.5	Women	1.25	Disabled	1		6.000		
Minimum Percentage	75		51		15		2					
Maximum Percentage	100		100		100		100			3.000		
Actual Percentage	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0.000	<input type="text"/>	0	0.000	Total Score		
Skills Development											Weighting	0.00
Levy paid in terms Total Payroll (in Rands)			1		0.7							
Actual claim in respect of Skills Development (in Rands)			0						Score	0.000	10.000	
Contract Participation Goals											Weighting	0.00
Maximum Score	PBE											
Minimum Percentage	20											
Maximum Percentage	40											
Actual Percentage	<input type="text"/>	0.000							Score	0.000	60.000	
Local Business Enterprises (in terms of percentage participation)											Weighting	0.00
SA	0.5											
KZN	1											
EMA	2											
Enter Score	<input type="text"/>											
										Total Weighted Score	0.00	
										Total Score i.r.o. 90/10	0.00	

Notes:

1. Please only insert figures in unshaded cells
2. For Equity Ownership, Management & Control, and Employment Equity, the figures to be used are the actual percentages in the various target categories.
3. For Employment Equity, the percentages to be used are those for permanent employees only, and as per the EEA2 forms
4. The Skills Development Levy is based on the actual claim from the receiver in terms of Rands spent on training in relation to amount paid, limited to 70% of total



Contractor Acknowledgement of Responsibility in terms of the Occupational Health and Safety Act

Written agreement between ETHEKWINI Municipality (the “employer”)
And

.....(the “mandatary”)

as provided for in terms of Section 37 (2) of the Occupational Health and Safety Act No.85 of 1993 as amended by Act 181 of 1993.

I hereby declare that I,, am authorised to represent the “mandatary” and acknowledge that the “mandatary” is an employer in its own right with all duties and responsibilities as prescribed in the Occupational Health and Safety Act no. 85 of 1993.

I agree to ensure that all work performed or machinery and plant used by the “mandatary” on any ETHEKWINI Municipality premises shall be in accordance with the provisions of the said Act.

Furthermore, I agree the “mandatary” shall comply with all ETHEKWINI Municipality site rules and safety, health, and environmental requirements as may be communicated or stipulated by ETHEKWINI Municipality prior to and during the course of any Contract awarded to the “mandatary” by ETHEKWINI Municipality.

Furthermore, I undertake to ensure that ETHEKWINI Municipality is timeously informed should the “mandatary”, for whatever reason, be unable to perform in terms of this agreement.

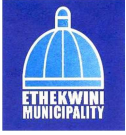
Signed thisday of200.....

On behalf of the “mandatary” (print)

(sign)

On behalf of the “employer” (print)

(sign)



PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2011

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

- the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R1 000 000 (all applicable taxes included).

1.2 The value of this bid is estimated to exceed/not exceed R1 000 000 (all applicable taxes included) and therefore the.....system shall be applicable.

1.3 Preference points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contribution.

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

	POINTS
1.3.1.1 PRICE
1.3.1.2 B-BBEE STATUS LEVEL OF CONTRIBUTION
Total points for Price and B-BBEE must not exceed	100

1.4 Failure on the part of a bidder to fill in and/or to sign this form and submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

2.1 “**all applicable taxes**” includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

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



- 2.3 “**B-BBEE status level of contributor**” means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 2.4 “**bid**” means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
- 2.5 “**Broad-Based Black Economic Empowerment Act**” means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- 2.6 “**comparative price**” means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration;
- 2.7 “**consortium or joint venture**” 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;
- 2.8 “**contract**” means the agreement that results from the acceptance of a bid by an organ of state;
- 2.9 “**EME**” means any enterprise with an annual total revenue of R5 million or less .
- 2.10 “**Firm price**” means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 2.11 “**functionality**” means the measurement according to predetermined norms, as set out in the bid documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a bidder;
- 2.12 “**non-firm prices**” means all prices other than “firm” prices;
- 2.13 “**person**” includes a juristic person;
- 2.14 “**rand value**” means the total estimated value of a contract in South African currency, calculated at the time of bid invitations, and includes all applicable taxes and excise duties;
- 2.15 “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
- 2.16 “**total revenue**” bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
- 2.17 “**trust**” means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 2.18 “**trustee**” means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The intention is to award the contract to the bidder obtaining the highest number of total points.



- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

4. POINTS AWARDED FOR PRICE

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

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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

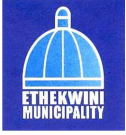
Where

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

5. Points awarded for B-BBEE Status Level of Contribution

- 5.1 In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16



4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 5.2 Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
- 5.3 Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

6. BID DECLARATION

- 6.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:



7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.3.1.2 AND 5.1

7.1 B-BBEE Status Level of Contribution: =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or an Accounting Officer as contemplated in the CCA).

8 SUB-CONTRACTING

8.1 Will any portion of the contract be sub-contracted? YES / NO (delete which is not applicable)

8.1.1 If yes, indicate:

(i) what percentage of the contract will be subcontracted?

.....%

(ii) the name of the sub-contractor?

(iii) the B-BBEE status level of the sub-contractor?

.....

(iv) whether the sub-contractor is an EME? YES / NO (delete which is not applicable)

9 DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of firm :

9.2 VAT registration number :

9.3 Company registration number :

:

9.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

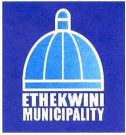
.....
.....
.....

9.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider



Other service providers, e.g. transporter, etc.
[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

Municipality where business is situated
Registered Account Number
Stand Number

9.8 TOTAL NUMBER OF YEARS THE COMPANY/FIRM HAS BEEN IN BUSINESS?
.....

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

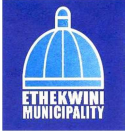
- (i) The information furnished is true and correct;
- (ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- (iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, 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

WITNESSES:

1.

.....
SIGNATURE(S) OF BIDDER(S)

2.



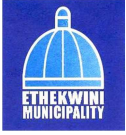
DATE:

ADDRESS:

.....

.....

.....



DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT

This Municipal Bidding Document (MBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011 and the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:201x.

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9.(1) and 9.(3) make provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Regulation 9.(3) prescribes that where there is no designated sector, a specific bidding condition may be included, that only locally produced services, works or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered.
- 1.4. Where necessary, for bids referred to in paragraphs 1.2 and 1.3 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.5. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.6. The local content (LC) as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 201x as follows:

$$LC = 1 - \left(\frac{x}{y} \right) \times 100$$

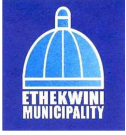
Where

- x imported content
y bid price excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by the South African Reserve Bank (SARB) at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid as required in paragraph 4.1 below.

1.7. A bid will be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content indicated in paragraph 3 below; and.
- this declaration certificate is not submitted as part of the bid documentation.



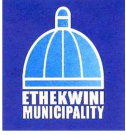
2. Definitions

- 2.1. **“bid”** includes advertised competitive bids, written price quotations or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
- 2.9. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. **The stipulated minimum threshold(s) for local production and content for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content? YES / NO



4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.6 of the general conditions must be the rate(s) published by the SARB for the specific currency at 12:00 on the date, one week (7 calendar days) prior to the closing date of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below:

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

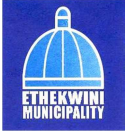
IN RESPECT OF BID No.
ISSUED BY: (Procurement Authority / Name of Municipality / Municipal Entity):

NB The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

I, the undersigned, (full names),
 do hereby declare, in my capacity as
 of(name of bidder entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286.
- (c) The local content has been calculated using the formula given in clause 3 of SATS 1286, the rates of exchange indicated in paragraph 4.1 above and the following figures:

Bid price, excluding VAT (y)	R
Imported content (x)	R
Stipulated minimum threshold for Local content (paragraph 3 above)	
Local content % as calculated in terms of SATS 1286	



If the bid is for more than one product, a schedule of the local content by product shall be attached.

(d) I accept that the Procurement Authority / Municipality /Municipal Entity has the right to request that the local content be verified in terms of the requirements of SATS 1286.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286, may result in the Procurement Authority / Municipal / Municipal Entity imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____



Section
17

Certificate of Independent Bid Determination

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.

2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.

3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:

- a. take all reasonable steps to prevent such abuse;
- b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
- c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.

4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.

5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

2

MBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid:

(Bid Number and Description)

in response to the invitation for the bid made by:

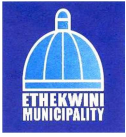
(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

- 1. I have read and I understand the contents of this Certificate;
- 2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
- 3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying



bid, on behalf of the bidder;

4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;

5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:

- (a) has been requested to submit a bid in response to this bid invitation;
- (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
- (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

3

MBD 9

6. 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 consortium³ will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

- (a) prices;
- (b) geographical area where product or service will be rendered (market allocation)
- (c) methods, factors or formulas used to calculate prices;
- (d) the intention or decision to submit or not to submit, a bid;
- (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
- (f) bidding with the intention not to win the bid.

8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.

9. 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 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.

4

MBD 9

10. 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.

.....
Signature Date

.....
Position Name of Bidder