



**EThekweni Municipality**

**ECONOMIC DEVELOPMENT & INVESTMENT PROMOTION UNIT**

**DEPARTMENT OF INVESTMENT PROMOTION**

Description	PQ Number
<b>REQUEST FOR PROPOSALS : FEASIBILITY STUDY AND BUSINESS PLAN - KWAMASHU AUTO - HUB</b>	<b>7N-37312</b>

**Tender Closing on: 11:00am Wednesday, 14 March 2018**

<p><b>PROPOSALS ARE TO BE DEPOSITED IN THE BOX PROVIDED IN THE FOYER OF THE MATERIALS MANAGEMENT BUILDING, CORPORATE PROCUREMENT(MATERIALS MANAGEMENT) ARCHIE GUMEDE PLACE, OLD FORT COMPLEX(AND NOT TO ANY OTHER DEPT)</b></p> <p><b>OFFICIAL TERMS OF REFERENCE TO BE PICKED FROM or Download from</b></p> <p><a href="http://www.durban.gov.za/Resource_Centre/Tenders/Pages/default.aspx">Http://www.durban.gov.za/Resource_Centre/Tenders/Pages/default.aspx</a></p> <p><b>Mr. Ntuthuko Dladla</b></p> <p><b>Contracts Department</b></p> <p><b>Old Fort Place</b></p>
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**ECONOMIC DEVELOPMENT &  
INVESTMENT PROMOTION UNIT**

**Sinovuyo Makongwana  
031 311 4782/4227**

**DURBAN**

<b>FOR OFFICE USE ONLY</b>			
<b>TENDER NAME :</b>			<b>CIDB Register – Y N</b>
			<b>VAT Register – Y N</b>
	<b>Price (excl)</b>	<b>VAT</b>	<b>Price (incl)</b>
<b>Submitted</b>			
<b>Corrected</b>			



**Contract number: 7N-37312.**

**Request for Proposals:**

**Feasibility study and Business Plan: KwaMashu**

**Auto Hub.**

Economic Development and Investment Promotion Unit  
EThekweni Municipality

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## **Definitions of acronyms/ glossary**

BBBEE:	Broad Based Black Economic Empowerment
GIS:	Geographic Information System
IDP:	Integrated Development Plan(s)
KZN:	KwaZulu-Natal
LTE:	Long Term Expert
RLED:	Regional and Local Economic Development
PSC:	Project Steering Committee
SMME:	Small, Medium and Micro enterprise
SPD:	Service Providers Database
STE:	Short Term Expert
ToR:	Terms of Reference
VAT:	Value Added Tax

## **1. BACKGROUND & CONTEXT**

### **1.1. Background to the project being tendered**

KwaMashu is one of the of the strategic investment nodes as identified in the eThekwini Spatial Development Plan. Subsequently the Economic Development and Investment Promotion Unit & the National Treasury through the Neighbourhood Development Grant Programme have identified it as a secondary node which will receive Strategic interventions to promote spatial transformation and unlock social capital through property development and enterprise development.

KwaMashu Town Centre is one of the primary investment nodes identified through the KwaMashu Nodal Regeneration Plan. Various interventions have been proposed in order to promote mixed use development activities with a pragmatic bias toward projects that stimulate local entrepreneurship and attract new investment into the area.

The KwaMashu Town Centre Node is characterised by informal business activities generally in the node you will find anything from carpenters, vehicle mechanics, domestic appliance repairs, general street traders, traditional medicines market, etc. The city seeks to cluster and formalise these business activities in order to improve ease of access to existing customers and attract a new segment of customers. The vehicle mechanics and related subsidiaries, domestic appliance repairs, carpenters are the very activities we need to cluster and provide a suitable business accommodation facility that will enhance their trading environment and attract a new customer base into the area.

Most importantly this project intervention is prompted by the fact that eThekwini Municipality has a high unemployment rate which is officially registered at **20.6%** comprising a majority of youth and mostly township dwellers. Out of the 3.9 million population of eThekwini Municipality, **40%** resides in the townships where there is a 32% average rate of unemployment which is significantly more than the stubbornly high national unemployment rate of 24.5%.

## **2. PURPOSE OF THE TERMS OF REFERENCE**

The purpose of this document is to solicit the services of a service provider to assist the eThekwini Municipality in undertaking a feasibility study and a business plan for the establishment of KwaMashu Town Centre Auto Hub. Prospective bidders can include a firm or consortium of firms or a consortium of individual experts.

### **3. PROJECT OBJECTIVES.**

#### **3.1. Introduction: Why the project is important**

KwaMashu has a high unemployment rate of 32%, in order to survive the majority of unemployed residents of the population rely on informal business sector as a means of providing their daily income requirements. Most of the informal businesses operate in the residents back yards, illegally occupied vacant government land, closer to taxi ranks, etc. The typical goods and services rendered by these businesses are light technological industries e.g; steel welding, vehicle repairs, production of domestic cleaning chemicals, textile, arts and crafts manufacturing, plumbing, electrical repairs, carpentry, etc.

The fact that these businesses are operating in informal conditions perpetuate the presumption that their products & services are inferior. This therefore leads to losses in potential income as most customers would rather go to the city to buy the very same goods and services.

This project seeks to change the current trading conditions of local entrepreneurs, to create more value chain business opportunities within the local areas and to create a link between established corporate enterprise and existing small and micro enterprise. The project seeks to create suitable business development conditions for township enterprises by establishing a local light industrial technology park where various quality goods and services can be sourced at reasonable prices to stimulate local economy by encouraging the rand to circulate longer in the townships, growing the economy and creating jobs.

#### **3.2. Overall objective**

The overall objective of the project is to secure the services of a suitable and experienced Service provider to undertake a feasibility study and business plan to determine the feasibility and business implementation model for the KwaMashu Town Centre Auto Hub (Light Industrial Technology Park).

#### **3.3. Specific objective**

The specific objectives of the project are:

- To conduct consultation workshops with local SMME's as per the categories mentioned above to investigate feasibility of the auto hub.
- To conduct site appraisal for specified existing site **Erf 674, KwaMashu P** and propose best option for accessibility to main transport arterial routes.
- To conduct situational and market analysis illustrating the problem from a demand and supply perspective;
- to conduct a full cost and benefits analysis for construction and operations of the auto hub; (link up with City Architects regarding the capital costs as indicated in the SMME Facilities Programme).

- To develop institutional arrangement models for management of the centre in an economically sustainable manner;
- To recommend a detailed business model; do a comparison between a purely commercial and subsidised model.
- To document the results in a feasibility report.
- To form a project steering committee with key stakeholders (public & private sector)
- To review each business model option and determine its feasibility, evaluate costs of each option.
- To develop a detailed business plan with a self sustaining financial model for the best option/s if any.

#### **4. SCOPE OF WORK**

##### **Specific Activities**

##### **4.1. Consultation workshops:**

- Identify all relevant stakeholders;
- Determine the perceived and anticipated interests from stakeholders and incorporate the anticipated roles and responsibilities that persons and interest groups would have in this project;
- Conduct a consultation workshop to discuss future programmatic needs for cooperation;
- Identify stakeholders to participate in the Project Steering Committee (PSC); and
- Initiate and maintain a practical stakeholder participation and consultation process through the subsequent phases.

##### **4.2. Site appraisal**

- Assess the existing levels of infrastructure and services with respect to the proposed site, in order to inform the levels of infrastructure required to be provided by the local municipality;
- Review the proposed site and make recommendations with respect to zoning and environmental requirements, accessibility, ownership, institutional arrangements; viable type of business and size and the envisaged impact of the project

##### **4.3. Identify environmental assessment interventions:**

- Describe aspects of the environment that may be affected by the proposed facility;
- Describe the need and desirability of the proposed centre and any identified, feasible, reasonable alternatives, including advantages and disadvantages that the proposed facility and alternatives will have to the environment and community;
- Propose any environmental management and mitigation measures in favour of the proposed facility.

#### **4.4. Conduct Sector and Market Analysis:**

- Conduct a survey analysis of present market conditions and constraints to formal and informal trade in the area; and identify relevant sectors, trends and patterns and key challenges facing this segment of the economy; to determine market demand and the future growth potential;
- Provide detailed estimates of market size or potential;
- Identify main customers or target market and provide short and long-term outlook thereof;
- Provide assessment of competitors;
- Describe trends affecting the market and how market needs will be served;
- Explain the promotion and marketing methods.

#### **4.5. Conduct Economic and Financial Analysis:**

- Provide a market potential analysis that describes development prospects and niche market focus for the proposed centres, based on local market characteristics;
- Provide comments on the designs and specifications done by City Architects on the proposed facility; providing recommendations in terms of the ideal size and composition;
- Develop a detailed financial plan that incorporates the following:
  - Capital Expenditure detailing the construction costs, building layout, water etc., based on actual market-related quotations;
  - Operating expenditure e.g. maintenance, water & lights, security etc;
  - Detailed financial plan to determine whether or not the proposed development is viable and sustainable based on realistic budget projections, and projected revenue streams;
  - Detailed cash flow projection over a period of five years;
  - Risk analysis of the proposed developments; and
  - Identification of potential funders.
  - Detailed revenue generation model e.g. Rent and lease revenue
- Explore options for combining medium size business enterprise with existing micro enterprise to provide a cross subsidisation revenue model.

#### **4.6. Institutional Development Analysis:**

- Assess and propose institutional arrangements that could have a positive influence in the implementation of the project.
- Identify key management structure to manage the facility for maintenance and operational purposes.
- Identify a letting criterion for interested or potential tenants.



- Workshop institutional arrangements with stakeholders with the aim of solidifying developmental values aligned with the municipality's LED, IDP strategies such as poverty alleviation, job creation and SMME development.
- Propose options for a management model to optimise the financial viability of the centre and indicate how the management entity will be making income and how much subsidy should be granted to cover operations.

#### **4.7. Recommended Business Model:**

- Provide a detailed business model that considers all information and alternatives to determine the feasibility of the KwaMashu Town Centre Auto Hub; and provide a rationale to substantiate the recommendation on whether to proceed with developing a comprehensive business plan for the proposed project. It is important that the following aspects are addressed:
  - Financial model that details the costs and returns to the project;
  - Operational model that outlines the operational process;
  - Institutional model that identifies the most suitable institutional and partnership arrangement;
  - Socioeconomic model that outlines the socioeconomic impact of the proposed development on the study area; (How will the project uplift local small business).
  - Risk management model that highlights the risks and mitigating strategies to combat those risks.

### **5. Outputs and Deliverables**

- 5.1. Inception Report (that will detail the focus of support as well as the associated outputs, the support that will be provided, the detailed methodology that will be followed, all logistical arrangements, a detailed activity based work-plan as well as any other deliverables)
- 5.2. Draft Feasibility Report (that will include feasibility component of the study replete with analysis and recommendations; institutional and marketing plan; report outlining management and operational plan for the Auto Hub; financial plan; implementation plan).
- 5.3. Final Feasibility Study Report& Business Plan (that will include a brief implementation and a summary business plan).

### **6. ANTICIPATED TIME FRAMES**

The proposed timeframe for the project is **4 months**.

## **7. REQUIREMENTS**

### **7.1. Personnel**

The Service Provider must comprise of a team that includes Long Term Experts (LTE) required to work a minimum of 60 days per annum as well as support staff with the requisite skills to fulfill the requirements of the Terms of Reference. The LTE should consist of the following:

#### **7.1.1. Key Expert 1: Team Leader/Project Manager**

- Must have an officially recognized qualification with majors in any of the following; Economics, Development Studies, Commerce, Engineering or Business Administration, Property development
- 5-10 years relevant experience in Local Economic Development, project development, market research, management and/or monitoring.
- Possess skills and competencies in the following areas: project development, management, and monitoring; time management; planning and organising; report writing; budgeting and financial management in non-financial management capacity; presentation skills; communication and networking; good interpersonal relations; analytical thinking and problem solving; computer literacy.
- Knowledge of project and contract management; feasibility studies, sector studies, business plans, IDPs (integrated development plans), project financing, SWOT and LED Plans; partnerships for economic development; legislation, policy and strategy affecting local economic development; and research methodologies.

#### **7.1.2. Key Expert 2: Finance Specialist**

- Must have an officially recognized qualification with majors in Economics, Finance, or Commerce preferably a registered Chartered Accountant (CA) with 3-5 years relevant experience within the finance sector.
- The Specialist should have a sound knowledge of business planning practices and financial management and analysis, with experience in project management, cost analysis, capital expenditure analysis, cash flow forecasts, and budget preparation.
- The Finance Specialist should also have extensive experience in report writing, financial modelling and possess presentation skills.

#### **7.1.3. Key Expert 3: Architect/Technologist**

- The service provider should make provision for the use of an Architect for the fulfillment of the scope of work during the contract period as and when required.
- The Project Management Team must also make provision for the use of specialists in the following fields where required: Quantity Surveying, Property Management, Engineering etc. this additional capacity will depend on the project needs and/or activities and capacity of the team members.
- These team members should demonstrate the following key competencies:
  - Sufficient knowledge and expertise in order to accurately assess the factors that will impact on the successful implementation of the project mentioned above.
  - Be suitably qualified and experienced to provide detailed and specialist advice and information on the formulation of the abovementioned project.

## 8. THE ADJUDICATION PROCESS

The adjudication of proposals will be in terms of the example below:

CRITERIA	MAXIMUM SCORE
<b>STAGE 1</b>	
<b>1. Response to the brief</b>	<b>30</b>
1.1. Does the proposal clearly demonstrate good understanding of the brief? All key deliverables are distinctly identified and adequately address. <ul style="list-style-type: none"> <li>○ <i>Nil – No submission</i></li> <li>○ <i>Poor (score 40%; 6 points) – The proposal shows limited understanding of the brief and project, has not adequately dealt with the key challenges.</i></li> <li>○ <i>Satisfactory (score 70%; 10.5 points) – The brief is well understood, clearly articulated, and key components are adequately addressed. The proposal reflects necessary concepts but has insufficient detail for it to be distinctive.</i></li> <li>○ <i>Good (score 90%; 13.5 points) – the proposal clearly demonstrates an understanding of the project's brief. All key components are adequately addressed. It also reflects sufficient vision and detail to be distinctive.</i></li> <li>○ <i>Very good (score 100%; 15 points) - A unique proposal that is strongly aligned to and identifiable with the project. It identifies and deals well</i></li> </ul>	

<p style="text-align: center;"><i>with all the brief criteria and has the potential to leave a broader legacy.</i></p> <p>1.2. Is the methodology innovative, detailed to adequately address all elements of the project and the technical approach stating how each will be executed?</p> <ul style="list-style-type: none"> <li>○ <i>Nil – No submission</i></li> <li>○ <i>Poor (score 40%; 6 points) –The technical approach and the methodology is poor/ is unlikely to satisfy the project objectives or requirements. The tenderer has misunderstood certain aspects of the scope of work and does not deal with the critical aspects of it. The methodology is unacceptable.</i></li> <li>○ <i>Satisfactory (score 70%; 10.5 points) – The approach is generic and not tailored to address the specific project objectives and methodology. The approach does not adequately deal with the critical characteristics of the project. The quality plan, manner in which risk is managed is too generic.</i></li> <li>○ <i>Good (score 90%; 13.5 points) – The approach is specifically tailored to address the specific project objectives and methodology and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan and approach to manage risk etc. is specifically tailored to the critical characteristics of the project. The methodology is reasonable.</i></li> <li>○ <i>Very good (score 100%; 15 points) – Besides meeting the “good” rating, the important issues are approached in an innovative and efficient way, indicating that the tenderer has outstanding knowledge of the state-of – the art approaches. The methodology is comprehensive.</i></li> </ul>	
<p><b>2. Expertise and experience</b></p>	<p><b>35</b></p>
<p>Does the service provider and team members have relevant and sufficient experience and expertise in projects of similar nature and scale? Does the service provider have capacity and experience to raise specified sponsorship?</p> <ul style="list-style-type: none"> <li>○ <i>Nil – No submission</i></li> <li>○ <i>Poor (score 40%; 14 points) – The team has limited relevant experience in projects of similar nature and has not taken a project of this magnitude. The proposed team is weak in important areas and is unlikely to deliver within the specified time frames.</i></li> <li>○ <i>Satisfactory (score 70%; 24.5 points) – The tenderer has relevant experience in projects of similar nature but has not directly undertaken a</i></li> </ul>	

<p><i>project of this magnitude. Key personnel allocated to the project have reasonable relevant experience.</i></p> <ul style="list-style-type: none"> <li>○ <i>Good (score 90%; 31.5 points) – The tenderer has extensive experience in projects of similar nature and has directly undertaken similar projects. The key personnel allocated have extensive relevant experience.</i></li> <li>○ <i>Very good (score 100%; 35 points) – The tenderer has extensive and outstanding experience in projects of similar nature and has taken many such projects. Key personnel allocated to the project have outstanding relevant experience.</i></li> </ul>	
<b>3. Capacity to deliver and capability</b>	<b>20</b>
<p>Has the operational plan and resources clearly explained?</p> <ul style="list-style-type: none"> <li>○ <i>Nil – No submission</i></li> <li>○ <i>Poor (score 40%; 8 points) – The operational plan is vague, and there is no clarity in terms of resources aligned to the project. It is unlikely that the plane will deliver all outcomes on time and within budget.</i></li> <li>○ <i>Satisfactory (score 70%; 14 points) – Operational plan is complete and reasonably detailed. Resources appear adequate. The plan will deliver all outcomes on time and within budget.</i></li> <li>○ <i>Good (score 90%; 18 points) – Besides meeting the ‘satisfactory’ rating, resources have been clearly defined and make provision for key risk areas.</i></li> <li>○ <i>Very good (score 100%; 20 points) – Besides meeting the ‘good’ rating, the plan makes provision for every eventuality.</i></li> </ul>	
<b>4. Cost Breakdown</b>	<b>15</b>
<p>Are the costs of work streams in proportion to their contribution to the end products? Is the cost breakdown clear i.e. cost per item?</p> <ul style="list-style-type: none"> <li>○ <i>Nil – No submission</i></li> <li>○ <i>Poor (score 40%; 6 points) – unacceptable proportion</i></li> <li>○ <i>Satisfactory (score 70%; 10.5 points)– adequate proportion</i></li> <li>○ <i>Good (score 90%; 13.5 points) – reasonable proportion</i></li> <li>○ <i>Very good (score 100%; 15 points) – fully in proportion</i></li> </ul>	
<b>TOTAL</b>	<b>100</b>
<b>STAGE 2</b>	
Price: overall budget of the project	80
BEE: empowerment status	20
<b>GRAND TOTAL</b>	<b>100</b>

## Stage 2: Budget and Empowerment

CRITERION	MAX
Cost	80
Empowerment	20
Total	100

Broad Based Black Economic Empowerment Points will be awarded to bidders in accordance with the table below:

B-BBEE Status Level of Contributor	90/10 Point System	80/20 Point 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

### 9. COMMENCEMENT AND TERMINATION DATES

It is anticipated that delivery on the project be received within minimum stipulated timeframe. This must be presented to the Economic Development Unit of eThekweni Municipality and a final should be submitted once comments are obtained. This must be accepted by the Municipality before it is submitted to the Provincial Department for reviews.

Once the appointment has been made, the consultant has five (5) working days to hand in the inception report detailing the following:

- Implementation schedule with milestones

Deadlines must be met; failure to do so will result in penalties and ultimately in the termination of the contract.

#### **10. FORMAT REQUIREMENTS FOR PROPOSALS.**

- MS Word to be font size 11, Arial and a line spacing of 1.0
- Final report to be submitted in both hard-copy and electronic format
- Proposal and Report to be produced in A4 size

All information and reports produced as part of this work will remain the intellectual property of the eThekweni Municipality and no duplication; interpretation; re-use or copying of any kind, by the consultants or any other persons, is permitted without the consent of the Municipality.

#### **11. COPYRIGHT ON DOCUMENTS**

##### **Intellectual Property**

The data and intellectual property rights arising out of this process accrues to the eThekweni Municipality and cannot be used without prior permission from the Council. This includes all information related to the project.

#### **12. PROJECT BUDGET AND DISBURSEMENT**

The consultant is to prepare a detailed budget breakdown for the full scope of deliverables including all disbursements and VAT. Cost competitiveness and Empowerment will be scored in the final stage of adjudication. **Allowance and estimates must be provided for any anticipated specialist studies.** Previous studies already undertaken will be made available to the appointed consultant:

#### **13. METHOD OF PAYMENT**

Payment terms and contractual arrangements will be discussed with the selected service provider prior to a letter of appointment. Final payment will be paid on full completion of the project and the receipt of the final report.

#### **14. SPECIFICATION AND PROCUREMENT PRIORITIES**

The following requirements must be adhered to as part of the procurement process:

- Adherence to the brief: The proposal submitted should acknowledge and indicate that the brief is clearly understood, must show originality, and should warrant that the service provider has skills and ability to deliver on the project.
- Competency and experience: An indication of experience in similar projects and level of expertise in the project should be clearly stated.
- Capacity and capability: Capacity to deliver the required quality within the specific time frames

without compromising the quality.

- PDI and BEE status: Company status in terms of empowerment PDI and BEE
- Price: Overall budget of the project.
- Registration with Municipality database: The service provider must be registered on the Municipality database and provide a PR number and a JDE registration number on the proposal.
- Submission: For copies of the proposals must be submitted and the service provider must attach the following documents to their proposals
- Certificate of independent Bid Determination
- Municipal Fees Declaration Form
- Declaration of interest form
- Empowerment profile (BBBEE Certificate)
- A current tax clearance certificate.

These terms of reference are subject to any changes which may stem from a negotiation of the final terms with the consultant(s), as well as any additional budget which may be allocated to the project. Payment arrangements will be negotiated on the basis of the completion of project milestones and will be outlined in the letter of appointment. Final payment will be paid on full completion of the project and the receipt of the final report.

#### **15. TAX CLEARANCE AND BROAD BASED BLACK ECONOMIC EMPOWERMENT CERTIFICATE**

Proposals must include with their submission a valid Tax Clearance and Broad Based Black Economic Empowerment certificate (or a letter from the Company Auditors stating that the company's turnover is less than R5 million).

**Submissions will not be accepted without a valid tax clearance and broad-based Black economic empowerment rating certificate (or a letter from the Company Auditors stating that the company's turnover is less than R5 million).**

#### **16. CONFIDENTIALITY**

All the products must be made available in the way stated above and the following must also be noted:

- All data, information and concepts developed during this course of this appointment whether direct or incidental remains the property of the eThekweni Municipality;
- Information which would come out of this process is to be treated as confidential and can only be released with the permission of the eThekweni Municipality.
- The consultant is accountable to the Senior Manager Traffic Engineering and will work under the direction of the Project Steering Committee.

#### **17. SUBMISSION OF PROPOSALS**

Sealed proposals (including all required documentation) are to be hand delivered at the Tender Box located in the reception area, Corporate Procurement (Material Management), Archie Gumede Place, (Formerly Old Fort Place), Durban, 4001 before 11h00am, on **14 March 2018**. All envelopes must



be clearly marked "Request for Proposals **7N-37312.FEASIBILITY STUDY & BUSINESS PLAN: KWAMASHU**

**TOWN CENTRE AUTO HUB.** No late submissions will be accepted.

## **18. PROPOSAL DEADLINE**

Proposals must be submitted for consideration by: 14 March 2018, before 11H00am.

For further information about this project please contact:

Mrs Sinovuyo Makongwana

Project Manager: Economic Development Unit

Tel: (031) 311 4782

Email: [sinovuyo.makongwana@durban.gov.za](mailto:sinovuyo.makongwana@durban.gov.za)

## **Appendix**

### **A. DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a 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 connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3. In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

3.1. Full Name of bidder or his or her representative.....

---

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

3.2. Identity Number: .....

3.3. Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):.....

3.4. Company Registration Number: .....

3.5. Tax Reference Number:.....

3.6. VAT Registration Number: .....

3.7. The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8. Are you presently in the service of the state? **YES / NO**

If yes, furnish particulars.....

3.9. Have you been in the service of the state for the past twelve months? .....**YES / NO**

If yes, furnish particulars.....

.....

3.10. Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? ..... **YES / NO**

If yes, furnish particulars.

.....

.....

3.11. Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

If yes, furnish particulars

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<sup>2</sup>Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

.....  
.....

3.12. Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

If yes, furnish particulars.

.....  
.....

3.13. Is any spouse, child or parent of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

If yes, furnish particulars.

.....  
.....

3.14. Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract? **YES / NO**

3.14.1 If yes, furnish particulars.

.....  
.....

4. Full details of directors / trustees / members / shareholders.

Full Name	Identity Number	State Employee Number


.....

**Signature**

.....

**Date**

.....

**Capacity**

.....

**Name of Bidder**

**B. DECLARATION OF MUNICIPAL FEES**

I/We do hereby declare that the Municipal fees of \_\_\_\_\_ (company name), 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.

<b>ACCOUNT</b>	<b>ACCOUNT NUMBER</b>
ELECTRICITY	_____
WATER	_____
RATES	_____
JSB LEVIES	_____
OTHER	_____

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

_____	_____
Name	Signature
_____	_____
Designation	Date

### C. CERTIFICATE OF INDEPENDENT BID DETERMINATION

1. This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> 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).<sup>2</sup> Collusive bidding is a per 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 (MBD9) must be completed and submitted with the bid.

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> 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.

**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;

6. 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

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 consortium<sup>3</sup> 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.

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 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

Date

<sup>8</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.