



T26/07/19

**REQUEST FOR PROPOSALS TO
EVALUATE THE EFFECTIVENESS OF
CURRENT TRADE POLICY MEASURES
IN THE CHEMICAL SECTOR AND
DEVELOP A PROPOSAL OF TARIFF
AMENDMENTS AND TRADE POLICY
MEASURES TO SUPPORT GROWTH OF
THE SECTOR**

**BID CLOSING DATE: TUESDAY,
30 JULY 2019
AT 12:00 NOON**

TABLE OF CONTENTS

SECTION 1: GENERAL CONDITIONS OF BID	4
1. Proprietary Information	5
2. Enquiries	5
3. Bid Validity Period	5
4. Instructions on submission of Bids	5
5. Preparation of Bid Response	6
6. Supplier Performance Management	6
7. Enterprise and Supplier Development	6
8. IDC's Rights	7
9. Undertakings by the Bidder	7
10. Reasons for disqualification	8
11. Local Production and Content	8
12. Response Format (Returnable Schedules)	9
13. Evaluation Criteria and Weightings	11
14. Promotion of Emerging Black owned Service Providers	12
SECTION 2: FUNCTIONAL REQUIREMENTS SPECIFICATION	13
1. Special instructions to bidders	14
2. Purpose	14
3. Background Information	14
4. Problem Statement	15
5. Objectives	15
6. Methodology	16
7. Scope of Work	16
8. Deliverables	18
9. Skills Transfer Plan	20
10. Technical Evaluation Criteria	21
SECTION 3: PRICE PROPOSAL	25
SECTION 4: ANNEXURES	30
Annexure 1: Acceptance of Bid Conditions and Bidder's Details	31
Annexure 2: Tax Compliance Requirements	34
Annexure 3: Supply chain management practices questionnaire	35
Annexure 4: Declaration of Interest	37
Annexure 5: Certificate of Independent Bid Determination	41

Annexure 6: Shareholders and Directors Information	44
Annexure 7: Response Format for Section 3	46
Annexure 8: BEE Commitment Plan	48
Annexure 9: Disclosure Statement	49
Annexure 10: Local Content Declaration (If Relevant)	50

SECTION 1: GENERAL CONDITIONS OF BID

1. Proprietary Information

Industrial Development Corporation of SA Ltd (IDC) considers this Request for Proposal (RFP) and all related information, either written or verbal, which is provided to the respondent, to be proprietary to IDC. It shall be kept confidential by the respondent and its officers, employees, agents and representatives. The respondent shall not disclose, publish, or advertise this RFP or related information to any third party without the prior written consent of IDC.

2. Enquiries

- 2.1 All communication and attempts to solicit information of any kind relative to this RFP should be channelled **in writing** to:

Name:	<u>Mr Joseph Phiri</u>
Telephone Number:	<u>+27 11 269 3810</u>
Email address:	<u>josephp@idc.co.za</u>

- 2.2 Enquiries in relation to this RFP will not be entertained after **16h00 on 23 July 2019**.
- 2.3 The enquiries will be consolidated and IDC will issue one response and such response will be posted, within two days after the last day of enquiries, onto the IDC website (www.idc.co.za) under tenders i.e. next to the same RFP document.
- 2.4 The IDC may respond to any enquiry in its absolute discretion and the bidder acknowledges that it will have no claim against the IDC on the basis that its bid was disadvantaged by lack of information, or inability to resolve ambiguities.

3. Bid Validity Period

Responses to this RFP received from bidders will be valid for a period of 120 days counted from the bid closing date.

4. Instructions on submission of Bids

- 4.1 Bids should be submitted in duplicate (2 hard copies) and one electronic copy (on CD) in PDF format all bound in a sealed envelope endorsed, T26/07/19: Request for proposals to evaluate the effectiveness of current trade policy measures in the chemical sector and develop a proposal of tariff amendments and trade policy measures to support growth of the sector. The sealed envelope must be placed in the bid box at the Main Reception area of the IDC Building, 19 Fredman Drive Sandton by no later than 12:00 noon on Tuesday, 30 July 2019.
- 4.2 Bids must be submitted in the prescribed response format, herein reflected as Response Format.
- 4.3 The bid closing date, bidder name and the return address must also be endorsed on the envelope.
- 4.4 If a courier service company is being used for delivery of the bid response, the bid description must be endorsed on the delivery note/courier packaging and the courier must ensure that documents are placed / deposited into the bid box. **The IDC will not**

be held responsible for any delays where bid documents are handed to the IDC Receptionist.

- 4.5 No bid response received by telegram, telex, email, facsimile or similar medium will be considered.
- 4.6 Where a bid response is not in the bid box at the time of the bid closing, such a bid document will be regarded as a late bid. **It is the IDC's policy not to consider late bids for tender evaluation.**
- 4.7 Amended bids may be sent in an envelope marked "Amendment to bid" and should be placed in the bid box before the closing time.

5. Preparation of Bid Response

- 5.1 All the documentation submitted in response to this RFP must be in English.
- 5.2 The bidder is responsible for all the costs that it shall incur related to the preparation and submission of the bid document.
- 5.3 Bids submitted by bidders which are, or are comprised of companies must be signed by a person or persons duly authorised thereto by a resolution of the applicable Board of Directors, a copy of which Resolution, duly certified, must be submitted with the bid.
- 5.4 The bidder should check the numbers of the pages of its bid to satisfy itself that none are missing or duplicated. No liability will be accepted by IDC in regard to anything arising from the fact that pages of a bid are missing or duplicated.
- 5.5 Bidder's tax affairs with SARS must be in order (tax compliant status) and bidders must provide written confirmation to this effect as part of their tender response.

6. Supplier Performance Management

Supplier Performance Management is viewed by the IDC as a critical component in ensuring value for money acquisition and good supplier relations between the IDC and all its suppliers.

The successful bidder shall upon receipt of written notification of an award, be required to conclude a Service Level Agreement (SLA) with the IDC, which will form an integral part of the supply agreement. The SLA will serve as a tool to measure, monitor and assess the supplier performance and ensure effective delivery of service, quality and value-add to IDC's business.

Successful bidders will be required to comply with the above condition, and also provide a scorecard on how their product / service offering is being measured to achieve the objectives of this condition.

7. Enterprise and Supplier Development

The IDC promotes enterprise development. In this regard, successful bidders may be required to mentor SMMEs and/ or Youth-Owned businesses. The implications of such arrangement will be subject to negotiations between the IDC and the successful bidder.

8. IDC's Rights

- 8.1 The IDC is entitled to amend any bid condition, bid validity period, RFP specification, or extend the bid closing date, all before the bid closing date. All bidders, to whom the RFP documents have been issued and where the IDC have record of such bidders, may be advised in writing of such amendments in good time and any such changes will also be posted on the IDC's website under the relevant tender information. All prospective bidders should therefore ensure that they visit the website regularly and before they submit their bid response to ensure that they are kept updated on any amendments in this regard.
- 8.2 The IDC reserves the right not to accept the lowest priced bid or any bid in part or in whole. It normally awards the contract to the bidder who proves to be fully capable of handling the contract and whose bid is functionally acceptable and/or financially advantageous to the IDC.
- 8.3 The IDC reserves the right to award this bid as a whole or in part.
- 8.4 The IDC reserves the right to conduct site visits at bidder's corporate offices and / or at client sites if so required.
- 8.5 The IDC reserves the right to consider the guidelines and prescribed hourly remuneration rates for consultants as provided in the **National Treasury Instruction 01 of 2013/2014: Cost Containment Measures**, where relevant.
- 8.6 The IDC reserves the right to request all relevant information, agreements and other documents to verify information supplied in the bid response. The bidder hereby gives consent to the IDC to conduct background checks, including FICA verification, on the bidding entity and any of its directors / trustees / shareholders / members.
- 8.7 The IDC reserves the right, at its sole discretion, to appoint any number of vendors to be part of this panel of service providers.

9. Undertakings by the Bidder

- 9.1 By submitting a bid in response to the RFP, the bidder will be taken to offer to render all or any of the services described in the bid response submitted by it to the IDC on the terms and conditions and in accordance with the specifications stipulated in this RFP document.
- 9.2 The bidder shall prepare for a possible presentation should IDC require such and the bidder will be required to make such presentation within five (5) days from the date the bidder is notified of the presentation. Such presentation may include a practical demonstration of products or services as called for in this RFP.
- 9.3 The bidder agrees that the offer contained in its bid shall remain binding upon him/her and receptive for acceptance by the IDC during the bid validity period indicated in this RFP and its acceptance shall be subject to the terms and conditions contained in this RFP document read with the bid.
- 9.4 The bidder furthermore confirms that he/she has satisfied himself/herself as to the correctness and validity of his/her bid response; that the price(s) and rate(s) quoted cover all the work/item(s) specified in the bid response documents; and that the price(s) and rate(s) cover all his/her obligations under a resulting contract for the services contemplated in this RFP; and that he/she accepts that any mistakes regarding price(s) and calculations will be at his/her risk.

- 9.5** The successful bidder accepts full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under the supply agreement and SLA to be concluded with IDC, as the principal(s) liable for the due fulfilment of such contract.
- 9.6** The bidder accepts that all costs incurred in the preparation, presentation and demonstration of the solution offered by it shall be for the account of the bidder. All supporting documentation and manuals submitted with its bid will become IDC property unless otherwise stated by the bidder/s at the time of submission.

10. Reasons for disqualification

- 10.1** The IDC reserves the right to disqualify any bidder which does any one or more of the following, and such disqualification may take place without prior notice to the offending bidder, however the bidder will be notified in writing of such disqualification:
- 10.1.1 bidders who do not submit an original valid Tax Clearance Certificate and / or proof of application of such as endorsed by SARS on the closing date and time of the bid submission and / or failure to provide the IDC with its SARS issued Tax Verification PIN code giving access to the IDC to electronically verify tax compliance;
- 10.1.2 bidders who submit incomplete information and documentation according to the requirements of this RFP document;
- 10.1.3 bidders who submit information that is fraudulent, factually untrue or inaccurate information;
- 10.1.4 bidders who receive information not available to other potential bidders through fraudulent means;
- 10.1.5 bidders who do not comply with any of the **mandatory requirements** as stipulated in the RFP document;
- 10.1.6 bidders who fail to comply with FICA requirements

11. Local Production and Content

The IDC promotes Local Production and Content. In the case of designated sectors, only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered. IDC reserves the right at its sole discretion to set minimum thresholds for sectors which may not have been declared as designated sectors by the dti in an effort to stimulate local production and content where relevant.

Bidders are required to assess their product and /or service offering against the designated sector lists as published by the Department of Trade and Industry (the **dti**) and to ensure full compliance to the minimum local content threshold, if relevant, before submitting its response to this tender. The **dti's** latest list of designated sectors can be accessed on: http://www.dti.gov.za/industrial_development/ip.jsp.

12. Response Format (Returnable Schedules)

Bidders shall submit their bid responses in accordance with the response format specified below (each schedule must be clearly marked):

- 12.1 Cover Page:** (the cover page must clearly indicate the RFP reference number, bid description and the bidder's name)
- 12.2 Schedule 1:**
- 12.2.1 Executive Summary (explaining how you understand the requirements of this RFP and the summary of your proposed solution)
- 12.2.2 Annexure 1 of this RFP document (duly completed and signed)
- 12.3 Schedule 2**
- 12.3.1 Valid Tax Clearance Certificate(s) (TCC) and / or proof of application as endorsed by SARS and / or SARS issued tax verification pin code;
- 12.3.2 Originally certified copies of bidder's CIPC company registration documents listing all members with percentages, in case of a CC.
- 12.3.3 Copy of Board Resolution, duly certified;
- 12.3.4 Originally certified copy of ID document for the Company Representative
- 12.3.5 Annexure 2 of this RFP document (duly completed and signed);
- 12.3.6 Annexure 3 of this RFP document (duly completed and signed);
- 12.3.7 Annexure 4 of this RFP document (duly completed and signed);
- 12.3.8 Annexure 5 of this RFP document (duly completed and signed);
- 12.3.9 Annexure 6 of this RFP document (duly completed and signed);
- 12.3.10 Annexure 7 of this RFP document (duly completed and signed);
- 12.3.11 Response to Annexure 8: BEE Commitment Plan
- 12.3.12 B-BBEE verification certificate indicating the contribution level of the bidding entity. An Exempted Micro Enterprises (EME) with an annual turnover less than R10 million, is only required to obtain a sworn-affidavit confirming the annual total revenue and level of black ownership. A Qualifying Small Enterprise (QSE) that has 51% or more black beneficiaries may obtain a sworn-affidavit confirming the annual total revenue and level of black ownership. If a bidder is a Joint Venture or Consortium, the bidder must submit a consolidated B-BBEE scorecard as if they were a group structure. Any misrepresentation in terms of the declaration constitutes a criminal offence as set out in the B-BBEE Act as amended.
- Note: If a bidder is a Consortium, Joint Venture or Prime Contractor with Subcontractor(s), the documents listed above (12.3.1-12.3.8) must be submitted for each Consortium/JV member or Prime Contractor and Subcontractor(s).**
- 12.3.13 Annexure 9 of this RFP document (duly completed and signed, **if relevant**);
- 12.3.14 Statement of Financial Position of the Bidder: Latest Audited Financial Statements (where applicable in terms of the Company's Act) and/or independently reviewed financial statements and/or Cashflow Budget for new entities with no financial records.
- 12.3.15 Copy of Joint Venture/ Consortium/ Subcontracting Agreement duly signed by all parties (if applicable)

12.4 Schedule 3:

12.4.1 Response to Section 3 of this document, in line with the format indicated in this RFP document.

12.4.2 Annexure 7 of this RFP document, duly completed and signed

12.5 Schedule 4: Price Proposal (response to Section 4 of this RFP document) (Must be submitted in a separate envelope within the sealed envelope of the bid)

12.6 One (1) CD with all Schedules listed above, also included in the sealed envelope of the bid

13. Evaluation Criteria and Weightings

Bids shall be evaluated in terms of the following process:

13.1 Phase 1: Initial Screening Process: During this phase, bid responses will be reviewed for purposes of assessing compliance with RFP requirements including the general bid conditions and also the Specific Conditions of Bid, which requirements include the following:

- Submission of a valid Tax Clearance Certificate as referenced in 12.3.1 above
- Submission of Company Registration Forms as referenced 12.3.2 above
- Submission of ID copy for the Company Representative as referenced in 12.3.4 above
- BEE Status Certification as referenced in 12.3.12 above and the consideration of the Specific Bid Conditions as referenced in Section 2
- Completion of all Standard Bidding Documents and other requirements, as reflected in this RFP, which covers the following:
 - Section 3: Statement of compliance with the Functional Evaluation Criteria for this RFP
 - Section 4: Cost Proposal and Price Declaration Form
 - Annexure 1: Acceptance of Bid Conditions
 - Annexure 2: Tax Compliance Requirements
 - Annexure 3: Supply Chain Management Questionnaire
 - Annexure 4: Declaration of Interest
 - Annexure 5: Certificate of Independent Bid Determination
 - Annexure 6: Shareholders' Information/ Group Structure
 - Annexure 7: Bidders Experience & Project Team
 - Annexure 8: BEE Commitment Plan
 - Annexure 9: Disclosure Statement
 - Annexure 10: Local Content Declaration (If Relevant)

Failure to comply with the requirements assessed in Phase 1 (compliance), may lead to disqualification of bids.

13.2 Phase 2: Technical/ Functionality Evaluation

Bid responses will be evaluated in accordance with the Functional criteria as follows:

13.2.1 Other Functional/ Technical Requirements

With regards to the other Functional Requirements, the following criteria (set out in more detail in section 3 of this RFP document) and the associated weightings will be applicable:

ELEMENT	WEIGHT
BIDDER'S EXPERIENCE	30%
PROPOSED METHODOLOGY AND RESEARCH MODELS	10%
QUALIFICATIONS, SKILLS AND EXPERIENCE OF THE PROPOSED TEAM AND TEAM LEADER	25%
SKILL TRANSFER PLAN	5%
PROJECT PLAN	10%
PRESENTATIONS	20%
TOTAL	100%

Note: Bidders who score 56 points out of 80 points in total for the functional/technical requirements, will be shortlisted for presentations.

All bids that fail to achieve the minimum overall qualifying score of 70% out of 100% on functional/technical requirements, including the presentation, will not be considered for further Price and BEE evaluation.

13.3 Phase 3: Preference Point System

All bids that achieve the minimum qualifying score for Functionality (acceptable bids) will be evaluated further in terms of the preference point system, as follows:

CRITERIA	POINTS
Price	80
B-BBEE	20
TOTAL	100 points

14. Promotion of Emerging Black owned Service Providers

It is the IDC's objective to promote transformation across all industries and/ or sectors of the South African economy and as such, bidders are encouraged to partner with a black owned entity (being 50%+1 black owned and controlled). Such partnership may include the formation of a Joint Venture and/ or subcontracting agreement etc., where a portion of the work under this tender would be undertaken by black owned entities. To give effect to this requirement, bidders are required to submit a partnership / subcontracting proposal detailing the portion of work to be outsourced, level of involvement of the black owned partner and where relevant, submit a consolidated B-BBEE scorecard in-line with the provisions of the PPPFA Regulations which will be considered as part of the B-BBEE scoring listed in 13.3.

SECTION 2: FUNCTIONAL REQUIREMENTS SPECIFICATION

SECTION 2: FUNCTIONAL REQUIREMENTS SPECIFICATION

1. Special instructions to bidders

- 1.1 Should a bidder have reason to believe that the Functional Requirements are not open/fair and/or are written for a particular service provider; the bidder must notify IDC Procurement within five (5) days after publication of the RFP.
- 1.2 Bidders shall provide full and accurate answers to the questions posed in this RFP document, and, where required explicitly state either “Comply/Not Comply” regarding compliance with the requirements. Bidders **must** substantiate their response to all questions, including full details on how their proposal/solution will address specific functional/ technical requirements; failure to substantiate may lead to the bidder being disqualified. All documents as indicated must be supplied as part of the bid response.
- 1.3 Failure to comply with Mandatory Requirements may lead to the bidder being disqualified.

2. Purpose

The IDC administers the Industrial Policy Support Fund (IPSF) on behalf of the Department of Trade and Industry ("**the dti**"). This tender is therefore facilitated by the IDC on behalf of **the dti**.

The Chemicals sector desk within the Department of Trade and Industry (**the dti**) seeks the services of independent consultants with extensive and proven experience and knowledge of the South African chemicals sector, trade policy, tariff mechanisms, and the South African industrial policy environment to evaluate the effectiveness of current trade policy measures in the chemical sector and develop a well-considered proposal of tariff amendments and trade policy measures to support growth of the sector.

This Terms of Reference is written with the purpose of aligning potential service providers with the requirements of the project to review existing tariffs on chemicals, and develop a well-considered proposal of tariff amendments and trade policy measures. It will provide a detailed view of the objectives of the project and will set out the qualifications and experience required by the service provider.

3. Background Information

In 2017, **the dti** commissioned the development of a chemicals sector strategy which serves to define the strategic direction of South Africa’s chemicals sector and priority activities to support its long-term sustainability.

The sector is an important contributor to the national GDP and manufacturing. It is one of the largest contributors to manufacturing GDP with 21, 4% contribution and it is a significant employer with approximately 104,000 people employed in the sector (excluding plastics and rubber). The Chemical industry is not itself a large employer of people due to the capital nature of the industry, but it should be appreciated that the multiplier effect on employment is large, estimated in the order of 12 times and on GDP 5.5 times.

Despite its meaningful contribution to South Africa's manufacturing output, the local chemicals sector has been under significant pressure as sluggish local economic growth constrains local market opportunities and the industry contends with increased competition from imported products. This together with challenges relating to the limited availability of competitively priced local feedstock, weak linkages between participants in the local value chain, aging production technology and infrastructure, and a lack of meaningful R&D capability together present a barrier to the industry's growth.

Analysis undertaken as part of the Chemicals Sector Strategy identified weaknesses in the existing chemicals tariff regime. Tariffs do not holistically encourage the desired outcomes or adequately address the often-conflicting priorities of import substitution and access to affordable material inputs. In this regard, a tariff review is required to unpack, in detail, the current chemicals tariff framework, understand the implications of this framework, and make a clear recommendation on tariff amendments to better address the challenges and leverage the strengths and opportunities that exist for the industry.

4. Problem Statement

The chemicals sector strategy sets an ambitious 2035 vision of developing **a competitive, growing, and transformed chemical manufacturing industry that contributes positively to economic growth and delivers robust returns to investors, employees, and society more broadly**. In support of the vision, the strategy defines 6 key objectives:

- Chemicals manufacturing growth at a Compound annual growth rate (CAGR) 6% to 2035;
- Employment growth of 20%;
- Increase in local content;
- Develop industry competitiveness to levels of leading international competitors;
- Transformation of the chemicals value chain;
- R&D in support of sustainable competitive advancement.

One of the necessary levers identified by the strategy to achieve the above objectives is a review of current chemicals tariffs with the aim of establishing a nuanced, targeted, and effective developmental tariff regime that will provide access to cost competitive raw material inputs and contribute to growth in South African chemicals manufacturing and beneficiation (value-add) output, at least to international sales growth standards. Consideration must be given to sub-sector specific requirements. The consumer chemicals sub-sector, for example, offers particular opportunity for a supportive tariff regime, however such a review would need to be well considered in respect of the need to protect consumer best interests, particularly on products that are considered basic necessities.

5. Objectives

The overall objective of the project is to develop a well-considered proposal of tariff amendments and trade policy measures for chemical products, balancing the often-conflicting priorities of import substitution and access to affordable material inputs and products.

The project must consider these primary elements:

- Clarify the World Trade Organization (WTO) tariff parameters/bound rate;
- Status quo of chemicals tariffs (actual tariff and level of disaggregation)
- Tariffs on feedstock with a view to assess what tariffs are not supportive of local manufacturing.
- Illegal imports and dumping in South Africa
- International trade agreement strategies for benchmarking
- Develop proposed tariff amendments and other trade policy measures
- Undertake a financial modelling exercise to evaluate costs and benefits of the proposed amendments.
- Develop a business plan

The outcomes of the elements above will be an aligned proposal of tariff amendments and other trade policy measures, with a clear accompanying view of the costs of the proposal and likely benefits.

6. Methodology

- The service provider is required, as part of the inception report, to define a clear methodology for the chemicals tariff review. The defined methodology will be required to deliver a quality output, taking cognisance of the effectiveness of various research methodologies, and time commitments required by stakeholders to build meaningful insights and recommendations.
- The service provider is required to identify and use quantitative and qualitative methods, as appropriate. Bidders are expected to propose a comprehensive technical and methodological approach that they will adopt to collect information and conduct required analyses for the development of the business plan. Methodologies may include face to face interviews, case studies, modelling exercises, desk top research, value chain analysis, benchmarking, and cost benefit analysis
- The use of appropriate research techniques or approaches based on the need to involve and achieve the appropriate sampling rates of individual companies/industry associations into the process.
- The service provider will also identify stakeholders to engage in the process.
- Review workshops will be held with stakeholders and industry experts to verify bidder's findings and to obtain feedback on the proposed business plan.

7. Scope of Work

The chemicals sector comprises multiple and inter-linked value chains that cut across many product and process types. **the dti** defines the chemicals sector as comprising 11 sub-sectors. The project scope will include 8 of these sub-sectors: liquid fuels, organic chemicals, inorganic chemicals, primary polymers and rubbers, fine chemicals, speciality chemicals, bulk chemicals, and consumer chemicals, all these fall within Chapters 28-38. Plastic products, rubber products, and pharmaceuticals have been excluded as these value chains have very different drivers which will not be covered within the scope of the tariff review.

The product lines falling within chapters 28-38 cut across many subsectors both upstream and downstream and therefore the following rationale and mechanism should be followed for prioritising tariff lines. The rationale to review tariffs is to provide access to cost competitive raw material inputs and contribute to growth in SA chemicals manufacturing output at least to international sales growth standards, to focus on lines affecting consumer chemicals so as to protect consumer best interest, particularly on products that are considered basic necessities and to redress tariffs that are no longer fit for purpose.

A multi-faceted mechanism to prioritise tariffs lines should focus on:

- The top 5 imported chemicals per sub-sector
- Consumer chemicals
- Chemicals that are inputs in significant South African exports
- Imported chemicals that are beneficiated locally
- Chemicals with high tariffs
- Tariffs of chemicals used in sub-sectors that have not grown or contracted
- Tariffs of chemicals that have experienced significant growth or decline
- A review of comparator market economies tariff regimes

ACTIVITY 1 – CLARIFY WTO TARIFF PARAMETERS

South Africa is a member of the World Trade Organisation (WTO). While there is no legally binding agreement that sets out the targets for tariff reductions, individual members of the WTO have listed their commitments to cut and bind tariffs on goods schedules that are part of the Uruguay Round of Agreements. In this regard, data on WTO member's tariffs are of two types:

- Bound rates – the ceiling rates as listed in members' schedules or lists of commitments;
- Applied rates – the rates members currently charge, which can be lower than the bound rates.

The tariff review must be undertaken within the parameters of South Africa's WTO commitments. In this regard, the first step of the project must clarify what these parameters are in order that recommendations relating to tariff amendments are in line with South Africa's commitments.

ACTIVITY 2 – STATUS QUO OF CHEMICALS TARIFFS

A detailed analysis of the current chemicals tariff regime is required to develop a comprehensive view of the status quo of chemicals tariffs. In this regard, the activity must begin with an analysis of:

- Tariffs on chemical products;
- Trade volumes;
- Trade destinations and origins

This analysis must be complemented with clear view of what is produced locally and where inputs to locally produced products are sourced from. Linked to this, this activity

must unpack the strengths and weaknesses of the current chemicals tariff regime and implications on local chemicals manufacturing.

ACTIVITY 3 – DEVELOP PROPOSED TARIFF AMENDMENTS AND TRADE POLICY MEASURES

This activity builds on the status quo analysis to develop a set of clear recommendations for specific tariff amendments. In this regard, the tariff review must be coordinated across government departments, as parallel objectives may exist (for example for beneficiation of relevant raw materials). The proposed tariff policy must also be designed in collaboration with industry, as it is clear from research that government and business share different perspectives, and often take different variables into account when considering the attractiveness of investment for export potential.

The proposed chemicals-specific tariff amendments will also need to take into consideration other trade policy remedies. The framework must consider the opportunity to apply exceptions to tariff policy on the basis of achieving specific outcomes. For example, the proposals may reduce / waiver duties on imported raw materials for production of chemicals for export (potentially assuming a minimum local value addition threshold is met).

ACTIVITY 4 – FINANCIAL MODELLING TO EVALUATE COSTS AND BENEFITS OF THE PROPOSED AMENDMENTS

Undertake a financial modelling exercise to evaluate the costs and benefits of the tariff amendments. Critically, the modelling exercise must evaluate the current fiscal outcomes with those related to the proposed amendments.

8. Deliverables

The service provider will be required to produce:

Phases	Activities	Outputs	Timeframes
Phase 1.	Inception Report	<p>Within the first 3 weeks of appointment, a detailed inception report must be submitted to the project management team (PMT) responsible for overseeing the project. The PMT may require a meeting with the service provider to engage with the content of the inception report in more detail.</p> <p>The inception report must include:</p> <ul style="list-style-type: none"> • Project objective • Project approach and methodology • Activities, including proposed schedule of engagement with stakeholders • Milestones and deliverables 	1 month upon signing of SLA

Phases	Activities	Outputs	Timeframes
		<ul style="list-style-type: none"> Detailed project plan 	
Phase 2.	<p>Project status reports</p> <p>Status-quo report,</p> <p>Proposed tariff amendments report</p>	<p>Timely submission of periodic status reports to the PMT in line with timeframes to be defined at the inception of the project. Based on the status reports, the PMT may request other ad hoc status meetings to provide specific guidance / input to the project.</p> <ul style="list-style-type: none"> Status quo report – a report detailing the status quo of chemicals tariffs, which at a minimum covers the requirements set out in Activity 1 and Activity 2 of this Terms of Reference. Outcomes must be aligned with representatives of the key stakeholders, and the PMT. Proposed tariff amendments report – a complete report and financial modelling exercise that defines the proposed tariff amendments as well as other trade remedies and associated comparison of the costs and benefits. 	3 months
Phase 3.	Final deliverables: Full written report and business plan	A consolidated final report with all the requirements of this Terms of Reference and proposals as well as the business plan.	1 Month
Phase 4	Review workshops with stakeholders and industry experts	It is expected that the service provider will engage with public and private industry stakeholders to verify bidder's findings and to obtain feedback on the proposed business plan.	1 Month

Submission of the final report

The format in which the final deliverables are required:

- Status quo report – full written report and MS PowerPoint documents
- Tariff amendments report – full written report and MS PowerPoint document, supported by financial modelling in MS Excel
- Executive summary in Word
- Three (3) hard copies of the full written final report
- Three (3) copies of CD version of the Executive Summary and final report

9. Skills Transfer Plan

As part of this tender, the service provider is required to provide skills-transfer to build **the dti** human resource capacity. As a minimum, this should involve providing research training for nominated staff member(s) of **the dti**.

The dti will closely monitor the implementation and progress of skills transfer to **the dti** employees. This is to adhere to the circular “Findings of the Auditor-General’s report on the use of consultants at selected National Departments” issued by the Department of Public Service and Administration (DPSA). It is stated in the circular that “contracts for the use of consultants should be tied to training and transfer of skills from consultants to departmental staff and that this provision should be optimally applied and monitored.”

The service provider is required to outline the skills transfer plan as part of this proposal. **The dti** will nominate the employee(s) to receive skills-transfer, and to attend major engagements with stakeholders.

10. Technical Evaluation Criteria

10.1 Technical Requirements

The bidder must indicate its compliance / non-compliance to the requirements and should substantiate its response in the space provided below. If more space is required to justify compliance, please ensure that the substantiation is clearly cross-referenced to the relevant requirement.

10.1.1. BIDDER'S EXPERIENCE	Comply	Partially Comply	Not Comply
<p>The bidder must demonstrate proven experience in;</p> <ul style="list-style-type: none"> • Industrial development mechanisms and policies; • Local and international tariff instruments and frameworks; • Trade policy; • Tariff review and amendments; • Knowledge of the global context as it relates to trade as well as the South African chemicals industry and value chain; sector strategy; local chemicals industry support institutions, programmes, and incentives; firm-level competitiveness and drivers of South African chemical firm-level performance; blockages and enablers to South African chemicals sector growth. <p>The bidder must provide two (2) references of any work done for and/ or within the chemical industry in the past ten (10) years e.g. developing strategy, industrial policy, trade policy work, tariff review, tariff amendments etc.</p> <p>Please refer to Table (a) of Annexure 7 of this document for the format in which the required information must be provided.</p>			
<p>Substantiate / Comments</p>			

10.1.2. BIDDER'S PROPOSED METHODOLOGY	Comply	Partially Comply	Not Comply
<p>The bidder must demonstrate thorough understanding of the objectives and deliverables of this project.</p> <p>The bidder must provide a detailed proposal of the methodology/ approach to be used to carry out the scope of work outlined above and clearly demonstrating how the study objectives and deliverables will be achieved.</p> <p>The proposal must outline, amongst other things, the following:</p> <ul style="list-style-type: none"> • A clear methodology for the project and clearly demonstrating how the study objectives and deliverables will be achieved. • A comprehensive technical and methodological approach that will be adopted to collect information and conduct required analysis for the development of proposals for tariff amendments and business plan. • The use of appropriate research techniques or approaches based on the need to involve and achieve the highest participation rate possible of individual companies/ industry associations into the process. • Identification of stakeholders to engage in the process. • Review workshops with stakeholders for feedback on the final business plan. 			
<p>Substantiate / Comments</p>			

10.1.3 QUALIFICATIONS AND SKILLS OF THE PROPOSED PROJECT TEAM AND TEAM LEADER	Comply	Partially Comply	Not Comply
<p>Project Team: The proposed project team is required to collectively have a minimum of fifteen (15) years' relevant experience in the chemicals industry, industrial development and trade policy.</p> <p>Team Leader: The project leader is expected to have a minimum of an Honours (or equivalent) qualification in a relevant field and at least eight (8) years' experience in;</p> <ul style="list-style-type: none"> • Industrial development, • Trade policy, • Local and international tariff instruments and strategy & business plan development as well as chemical industry knowledge and the global context as it relates to trade. <p>A Masters qualification will be an added advantage.</p> <p>The proposed key staff for this project should comply with the following requirements:</p> <ul style="list-style-type: none"> • Should be in possession of a Bachelor's (or equivalent) qualification in a relevant field, at least five (5) years' experience in the following fields: <ul style="list-style-type: none"> ✓ Industrial development, ✓ Strategy development, ✓ Extensive knowledge of the chemical sector, ✓ Value-chains and trade policy. <p>The bidders must submit, as part of its proposal, the following:</p> <ul style="list-style-type: none"> • The structure and composition of the proposed team and team leader, clearly outlining the main disciplines/specialties of this project and the key personnel responsible for each specialty. <p>Please refer to Table (b) and Table (c) Annexure 7 of this document for the format in which the required information must be provided.</p> <ul style="list-style-type: none"> • CVs of all key personnel must clearly highlight qualifications, areas of experience/competence relevant to the tasks and objectives of this project as outlined above. • Cases studies detailing the type of project, the period of the project, the magnitude of the project and the result of the project. 			
<p>Substantiate / Comments</p>			

10.1.4 SKILLS TRANSFER PLAN	Comply	Partially Comply	Not Comply
<p>The outcome of the skills transfer plan is to capacitate at least two (2) dti staff members on the process from inception to conclusion of the project.</p> <p>The skills transfer plan must therefore include the involvement of two (2) dti staff members during the different stages of this project to facilitate this transfer plan and to enable the dti to conduct similar studies on its own in future.</p> <p>The bidder must provide skills transfer plan that will articulate how skills transfer will take place with the dti over the period of the project to build capacity in the research methodology relevant to the scope of this tender.</p> <p>The plan must also demonstrate relevant tools, knowledge databases and provide training to nominated staff member(s) of the dti.</p>			
Substantiate / Comments			

10.1.5 PROJECT PLAN	Comply	Partially Comply	Not Comply
<p>The bidder must provide a detailed project plan which is to include key timelines to evaluate the effectiveness of current trade policy measures in the chemical sector within a period not longer than 6 months from commencement date.</p> <p>The plan must indicate the key activities, timelines and milestones/deliverables.</p>			
Substantiate / Comments			

10.1.6 PRESENTATIONS

Shortlisted bidders will be invited for a presentation. The presentation must include but not limited to the following:

Presentations	Maximum points
Interpretation of the TOR	2%
Bidder's Relevant Experience	5%
Proposed Methodology	5%
Qualifications, Skills and Experience of Key Personnel and The Team Leader	4%
Project Plan	3%
Skills Transfer Plan	1%

SECTION 3: PRICE PROPOSAL

SECTION 3: Cost Proposal

1 **NOTE: All prices must be VAT exclusive and must be quoted in South African Rand (ZAR).**

2 Are the rates quoted firm for the full period of the contract?

YES	NO
-----	----

Important: If not firm for the full period, provide details of the basis on which price adjustments shall be applied e.g. CPI etc.

3 All additional costs associated the bidder's offer must be clearly specified and included in the Total Bid Price.

4

Is the proposed bid price linked to the exchange rate?	Yes	No
<i>If yes, the bidder must indicate CLEARLY which portion of the bid price is linked to the exchange rate:</i>		

6

Payments will be linked to specified deliverables after such deliverables have been approved by the IDC. Payments will be made within 30 days from date of invoice.	Comply	Not Comply

7

The IDC reserves the right to consider the guidelines on consultancy rates as set out in the National Treasury Instruction 01 of 2013/2014: Cost Containment Measures which took effect from 01 January 2014, where relevant.	Comply	Not Comply
The bidder must indicate if their proposed rates are in line with the provisions of the referenced National Treasury Instruction: Cost Containment Measures.		
Substantiate / Comments		

8 COSTING MODEL

Activity/ Deliverable	Resource(s)	Rate/Hour per resource	Number of hours	Total Cost (VAT Excl.)
INCEPTION REPORT				
STATUS-QUO REPORT				
PROPOSED TARIFF AMENDMENTS				
STAKEHOLDER CONSULTATIONS AND WORKSHOPS				
SKILLS TRANSFER TO TWO (2) DTI OFFICIALS				
FULL WRITTEN FINAL REPORT AND BUSINESS PLAN				
DISBURSEMENTS				
TOTAL BID PRICE (VAT EXCL.)				

Notes on pricing:

- Disbursements (incidental expenses other than professional fees e.g. travel and accommodation, printing costs, venue hire, and equipment hire etc.) must be clearly defined, outlining all assumptions. It is of utmost importance to submit clear and comprehensive cost proposals to allow the IDC to fairly compare bid price / cost proposals. If there is no additional fee envisaged for Disbursements, then the bidder must clearly indicate “No Charge / Free of Charge”. Failure to clearly indicate this, would result in IDC penalising your bid response by taking the cost of the highest bidder and adding 50% thereto and apply this rate for purposes of price comparisons. Bidders are therefore requested to respond clearly and comprehensively on this aspect of their bid response.
- The bidder must provide a detailed breakdown of the Disbursements as follows:

Cost Element	Cost (VAT Excl.)
Total Disbursements	

9 SUMMARY OF THE PROPOSAL

DESCRIPTION	BIDDER'S PROPOSAL
Number of resources (personnel)	
Project duration (in hours)	
Project duration (in months)	

Price Declaration Form

Dear Sir,

Having read through and examined the Request for Proposal (RFP) Document, RFP no. **T26/07/19**, the General Conditions, and all other Annexures to the RFP Document, we offer to evaluate the effectiveness of current trade policy measures in the chemical sector and develop a proposal of tariff amendments and trade policy measures to support growth of the sector in Section 3 of this RFP document.

R..... (Excluding VAT)

In words

R..... (Excluding VAT)

We confirm that this price covers all activities associated with the service, as called for in the RFP document. We confirm that IDC will incur no additional costs whatsoever, other than in respect of VAT, over and above this amount in connection with the provision of this service.

We undertake to hold this offer open for acceptance for a period of 120 days from the date of submission of offers. We further undertake that upon final acceptance of our offer, we will commence with the provision of the required service when required to do so by the IDC.

We understand that you are not bound to accept the lowest or any offer, and that we must bear all costs which we have incurred in connection with preparing and submitting this bid.

We hereby undertake for the period during which this bid remains open for acceptance, not to divulge to any persons, other than the persons to whom the bid is submitted, any information relating to the submission of this bid or the details therein except where such is necessary for the submission of this bid.

SIGNED

DATE

(Print name of signatory)

Designation

FOR AND ON BEHALF OF: COMPANY NAME

Tel No

Fax No

Cell No

SECTION 4: ANNEXURES

Annexure 1: Acceptance of Bid Conditions and Bidder's Details

Request for Proposal No: _____

Name of Bidder: _____

Authorised signatory: _____

Name of Authorised Signatory _____

Position of Authorised Signatory _____

By signing above the bidder hereby accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on him/her under this RFP.

[Note to the Bidder: The Bidder must complete all relevant information set out below.]

CENTRAL SUPPLIER DATABASE (CSD) INFORMATION

Bidders are required to be registered on the Central Supplier Database (CSD) of National Treasury. Failure to submit the requested information may lead to disqualification. Bidders are therefore required to submit as part of this proposal both their CSD supplier number and CSD unique registration reference numbers below:	
Supplier Number	
Unique registration reference number	

BIDDING STRUCTURE

Indicate the type of Bidding Structure by marking with an 'X':	
Individual Bidder	
Joint Venture/ Consortium	
Prime Contractor with Sub Contractors	
Other	

REQUIRED INFORMATION

If Individual Bidder:	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	

If Individual Bidder:	
Email address	
Postal Address	
Physical Address	

If Joint Venture or Consortium, indicate the following for each partner:	
Partner 1	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Scope of work and the value as a % of the total value of the contract	
Partner 2	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Scope of work and the value as a % of the total value of the contract	

If bidder is a Prime Contractor using Sub-contractors, indicate the following:	
Prime Contractor	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Sub contractors	
Name of Company	
Company Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
Subcontracted work as a % of the total value of the contract	

Annexure 2: Tax Compliance Requirements

1. TAX COMPLIANCE REQUIREMENTS		
1.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.	
1.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.	
1.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.	
1.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.	
1.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.	
1.6	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.	
2. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS		
2.1	IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2.2	DOES THE BIDDER HAVE A BRANCH IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2.3	DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
2.4	DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?	<input type="checkbox"/> YES <input type="checkbox"/> NO
<p>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 1.3 ABOVE.</p>		
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:	

Annexure 3: Supply chain management practices questionnaire

Request for Proposal No: _____

Name of Bidder: _____

Authorised signatory: _____

[Note to the Respondent: The Respondent must complete the information set out below. If the Respondent requires more space than is provided below it must prepare a document in substantially the same format setting out all the information referred to below and return it with Returnable Schedule 2.]

The bidder must complete the following questionnaire.

Bidder's past supply chain management practices:

Item	Question	Yes	No
3.1	<p>Is the Bidder or any of its directors listed on the South African National Treasury's database as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this database were informed in writing of this restriction by the South African National Treasury after the <i>audi alteram partem</i> rule was applied).</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
	If so, provide particulars:		
3.2	<p>Is the Bidder or any of its directors listed on the Register for Bid Defaulters in terms of section 29 of the <i>Prevention and Combating of Corrupt Activities Act</i> No 12 of 2004?</p> <p>To access this Register enter the National Treasury's website, www.treasury.gov.za, click on the icon "Register for Bid Defaulters" or submit your written request for a hard copy of the Register to facsimile number +27123265445.</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>
	If so, provide particulars:		
3.3	<p>Was the Bidder or any of its directors convicted by a court of law (including a court outside of the Republic of South Africa) for fraud or corruption during the past five years?</p>	<p>Yes</p> <input type="checkbox"/>	<p>No</p> <input type="checkbox"/>

Item	Question	Yes	No
	If so, provide particulars:		
3.4	Does the Bidder relate to any IDC employee or part of IDC current or past staff (employee) establishment?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	If so, provide particulars:		
3.5	Was any contract between the Bidder and any organ of state (within the Republic of South Africa or within any foreign territory) terminated during the past five years on account of failure to perform on or comply with the contract?		
	If so, provide particulars:		

I, _____ (print name) hereby certify that the information, facts and representations are correct and that I am duly authorized to sign on behalf of the company.

Name of Company: _____

Company Registration Number: _____

Company VAT Registration Number: _____

Signature

Date

Annexure 4: Declaration of Interest

1. Any legal person, including persons employed by the state¹, or persons having a kinship with persons employed by the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid (includes a price quotation, advertised competitive bid, limited bid or proposal). In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons employed by the state, or to persons connected with or related to them, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where-

- the bidder is employed by the state; 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.

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

2.1 Full Name of bidder or his or her representative:

2.2 Identity Number:.....

2.3 Position occupied in the Company (director, trustee, shareholder²):

2.4 Company Registration Number:

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.6.1 The names of all directors / trustees / shareholders / members, their individual identity numbers, tax reference numbers and, if applicable, employee / persal numbers must be indicated in paragraph 3 below.

¹“State” means –

(a) 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);

(b) any municipality or municipal entity;

(c) provincial legislature;

(d) national Assembly or the national Council of provinces; or

(e) Parliament.

2"Shareholder" means a person who owns shares in the company and is actively involved in the management of the enterprise or business and exercises control over the enterprise.

2.7 Are you or any person connected with the bidder presently employed by the state? **YES / NO**

2.7.1 If so, furnish the following particulars:

Name of person / director / trustee / shareholder/ member:

Name of state institution at which you or the person connected to the bidder is employed :

.....

Position occupied in the state institution:

.....

Any other particulars:

.....

.....

.....

2.7.2 If you are presently employed by the state, did you obtain the appropriate authority to undertake remunerative work outside employment in the public sector? **YES / NO**

2.7.2.1 If yes, did you attached proof of such authority to the bid document? **YES / NO**

(Note: Failure to submit proof of such authority, where applicable, may result in the disqualification of the bid.

2.7.2.2 If no, furnish reasons for non-submission of such proof:

.....

.....

.....

2.8 Did you or your spouse, or any of the company's directors / **YES / NO**

trustees / shareholders / members or their spouses conduct business with the state in the previous twelve months?

2.8.1 If so, furnish particulars:

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

2.9 Do you, or any person connected with the bidder, have any relationship (family, friend, other) with a person employed by the state and who may be involved with the evaluation and or adjudication of this bid?

YES / NO

2.9.1 If so, furnish particulars.

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

2.10 Are you, or any person connected with the bidder (i.e. shareholder, partner, director etc.), aware of any relationship (family, friend, other) between any other bidder or any other company and any person employed by the IDC or the dti who may be involved with the evaluation and or adjudication of this bid?

YES / NO

2.10.1 If so, furnish particulars.

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

2.11 Do you or any of the directors / trustees / shareholders / members of the company have any interest in any other company whether or not they are bidding for this contract? The IDC reserves the right to undertake further background checks on any other company where partners, shareholders or any interested party of the bidder may be involved in and to consider any findings in this regard as part of its vetting processes.

YES/NO

2.11.1 If so, furnish particulars:

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

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

Full Name	Identity Number	Personal Tax Reference Number	State Employee Number / Persal Number

1. DECLARATION

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT. I ACCEPT THAT IDC MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

Annexure 5: Certificate of Independent Bid Determination

SBD 9

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) 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 Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorizes accounting officers and accounting authorities to:
 - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
- 4 This SBD 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 (SBD 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.

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 Institution)

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
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:

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.

- (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 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

Annexure 6: Shareholders and Directors Information

[Note to the bidder: the bidder must complete the information set out below. If the bidder requires more space than is provided below it must prepare a document in substantially the same format setting out all the information referred to below and return it with Returnable Schedule 2.]

6.1 Shareholders/ Members

Name of the shareholder	ID Number	Race	Gender	% shares

Note: The bidder must also attach the detailed Company/ Group Structure where relevant.

6.2 Black Shareholders/ Members as per the B-BBEE Certificate

Name of the shareholder	ID Number	Race	Gender	% shares
Total Black Shareholding % as per the current and valid B-BBEE Certificate				

6.3 Directors

Name of the shareholder	ID Number	Race	Gender

I, THE UNDERSIGNED (NAME).....

CERTIFY THAT THE INFORMATION FURNISHED ABOVE IS CORRECT.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

Table (b) Details of the Team Leader(s):

Name	Position	Role / Duties in this Project	Relevant Project Experience	
			Project description, Client, Project period	Project Cost

Table (c) Details of the key personnel of the bidders' proposed project team:

Name	Position	Role / Duties in this Project	Relevant Project Experience	
			Project description, Client, Project period	Project Cost

Annexure 8: BEE Commitment Plan

The IDC encourages existing vendors and prospective bidders to support the objectives of B-BBEE and as far as possible strive to improve their B-BBEE contribution status. For bid evaluation purposes, bidders are allocated points in terms of a preference point system based on the B-BBEE Contribution Level status that is in accordance with a valid B-BBEE certificate.

Bidders are therefore required to submit a B-BBEE improvement plan in view of the new B-BBEE Codes of Good Practice. Bidders must indicate the extent to which their ownership, management control, employment equity, preferential procurement and enterprise development will be maintained or improved over the contract period in the event that they are successful in this bid process.

Annexure 9: Disclosure Statement

Disclosure Statement

In terms of the tender condition 8.6, which allows the IDC to conduct background checks on bidders and its shareholders and directors, the IDC hereby requires bidders to provide the following additional information:

- 9.1 The IDC considers the integrity of its appointed service providers to be of critical importance. The IDC reserves the right to disqualify from further consideration, any bidder whose integrity, based on past conduct (during the 5 years immediately preceding the bid submission date), it considers questionable.
- 9.2 To this end, the IDC requires each bidder to include in its bid, a disclosure statement which details the following (with sufficient information and supporting documentation for the IDC to make its own assessment as to the materiality or seriousness of allegations regarding the bidder's integrity or conduct):
 - 9.2.1 any criminal charges made against the bidder or any of its directors, shareholders or management officials regarding their professional conduct;
 - 9.2.2 any civil proceedings initiated against the bidder or any of its directors, shareholders or management officials regarding their professional conduct; and
 - 9.2.3 any other enquiry or similar proceedings initiated or threatened against the bidder or any of its directors, shareholders or management officials regarding their professional conduct.
- 9.3 Where the bidder is a consortium, the disclosure statement referred to in paragraph 9.2 above must be made separately in respect of each consortium partner
- 9.4 In the event that the bidder's circumstances change, after submission of its bid, in regard to any matter referred to in paragraph 9.2 above or in regard to any matter referred to in its disclosure statement, the bidder must submit a written notification to IDC indicating the nature and extent of such changed circumstances.
- 9.5 The IDC reserves the right to seek such additional information from any bidder, in respect of the disclosure statement referred to in paragraph 9.2 above, as it may, in its sole discretion, determine, whether such information has been requested under this RFP or otherwise, and may require the bidder to make oral presentations for clarification purposes or to present supplementary information, in respect of the disclosure statement if so required by the IDC.
- 9.6 Based on its own assessment of the contents of the bidder's disclosure statement and any publicly available information which is relevant to the contents of such disclosure statement, the IDC will decide whether the bidder's conduct or any allegations relating thereto pose a risk, reputational or otherwise, to the IDC; and if it reaches an adverse conclusion the IDC will in its sole discretion have the right to disqualify a bidder from further participation in the tender process. Disqualification on this ground may be done at any stage in the bid evaluation process prior to contract award.

Annexure 10: Local Content Declaration (If Relevant)

Bidders are required to assess their product and /or service offering against the designated sector lists as published by the Department of Trade and Industry (the **dti**) and to ensure full compliance to the minimum local content threshold, if relevant, before submitting its response to this tender. The **dti's** latest list of designated sectors can be accessed on:

http://www.dti.gov.za/industrial_development/ip.jsp.

Is Local Content relevant in terms of any aspect of your proposal: (Yes / No): _____

If Yes: please indicate the relevancy and how your solution complies with the minimum threshold values by completing the below Declaration form:

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) 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, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

2. General Conditions

- 2.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 2.2. 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.
- 2.3. Where necessary, for bids referred to in paragraph 1.2 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.

- 2.4. 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.
- 2.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand 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 South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6 A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

3. Definitions

3.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;

3.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);

3.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;

3.4. **“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;

- 3.5. **“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).
 - 3.6. **“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 (this includes labour or intellectual property costs), 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;
 - 3.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
 - 3.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and
 - 3.9. **“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.
4. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) 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?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement 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 (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

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

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
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5.1. If yes, provide the following particulars:

- (a) Full name of auditor:
- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

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 Institution):
.....

NB

1 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.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

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:
 - (i) 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 1286:2011; and
 - (ii) the declaration templates have been audited and certified to be correct.

(c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.

The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(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 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____

DATE: _____

WITNESS No. 1 _____

DATE: _____

WITNESS No. 2 _____

DATE: _____