

# Tender guidelines

## 1. WHAT IS A BID?

A bid is a structured formal proposal in response to the issue of an invitation to tender for the supply of a work, goods or services. A tender is put out when a large-scale buyer advertise their needs and invite bids or tenders from a range of suppliers. Put simply, a tender / bid / proposal is an offer in writing to carry out work or to supply goods / services at a certain price.

Before potential bidders start looking for tenders they should always make sure that their business has the requisite expertise required in the invitation to bid. This will include among others:

- Making sure that your company's scope of business is in line with the scope of work of the project
- Ensuring that you understand the brief of the project and that you have the relevant resources required for the completion of the project, i.e. financial resources, human resources, equipment and machinery
- Conducting a proper sourcing of input material to ensure that your company is in a position to secure the material required for the project.
- Proper costing of all input resources to ensure that your offer takes into account all the cost factors involved in the project, i.e. labour costs, material costs, transport costs, equipment and machinery, and all other overhead costs.

## 2. THE VUT BID PROCESS

**The Vaal University of Technology normally issue invitations to bid/requests for proposals** to prospective suppliers/service providers through advertisements in at least one national newspaper, normally City Press, and two local newspapers widely in circulation within the Sedibeng District. Bids invitations are normally advertised when VUT needs to acquire specific works, goods or services.

It should be noted that the purpose of advertising an Invitation to Bid/Request for Proposal is:

- firstly to obtain as wide an exposure as possible for the requirements; and

□ secondly to offer an equal opportunity to as many prospective suppliers/vendors as possible to submit offers, thereby promoting competition.

In response to the ITB/RFP, all interested potential bidders, being companies who offer supplies/services requested, can obtain the bid document on payment of a prescribed non-refundable amount specified in the invitation to bid. It is important to take note of the following issues if interested in submitting your company's offer for consideration by VUT:

- (a) Assess your company's compliance to bid conditions and requirements
- (b) Assess your company's ability to complete the project successfully
- (c) Take note of all the important dates associated with the project
- (d) Make sure that the document is completed in full
- (e) Attach all the required documents
- (f) Prepare and submit samples if this is a requirement

These aspects are discussed in details below:

- (a) Assess your company's compliance to bid conditions and requirements

As a norm, it is only those companies who are in compliance with the bid conditions that will be considered in the evaluation and adjudication process. It is therefore imperative to ensure that your company complies with all the bid conditions which would include, among others:

- Company registration documents
  - CIDB grading level for construction related projects
  - VAT registration for companies that have a turnover in excess of one million rand (R 1,000 000.00)
  - A valid tax clearance certificate and a Tax Compliance Status Pin issued by SARS
  - A COID letter of good standing from the Compensation Commissioner
  - BBBEE Certificate or Sworn Affidavit for BBBEE
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- (b) Assess your company's ability to complete the project successfully

- Initially you should evaluate your situation and decide on the following:
- Can you handle the required workload;
- Will you be able to deliver the right quality of goods or services; and
- Are you in a position to deliver the goods or services within the specified time period.
- Do you have the necessary equipment and machinery
- Does your staff have the necessary skills required for the project
- Does your company have the required financial resources to undertake and complete the project

(c) Take note of all important dates

As a potential bidder you are required to make sure that you take note of all important dates associated with the project especially if your offer is to be considered further in the bid process. The following are very important and should at all times be adhered to by all prospective bidders:

- Closing date – this is the day on which all responses should be lodged with the VUT in a form and method prescribed by VUT in both the invitation to bid and the bid document itself.
- Briefing session/site meeting – this is a clarification meeting in which all the technical aspects of the bid are elucidated and any question relating to the project is clarified to enable prospective bidders to submit responsive bids. You are requested to make a determination of whether these meetings are compulsory or not before you buy a bid document so as to make sure that you or any of your company’s representatives will be able to attend the briefing session. Remember it is the responsibility of the bidder to ensure that all compulsory briefing sessions are attended.

(d) Complete the document in full

It is important that you ensure that the bid document is completed in full as incomplete bids are disqualified and not considered further in the bid process. In each of the cases where the requested information is not applicable to you make sure to indicate as such and do not leave any space blank.

(e) Attach all the required documents

This will include documents such as tax clearance certificate, CIDB certificate, company registration document, reference letters where required, etc.

(f) Submit samples

Make sure that you prepare and submit sample of material or brochures of the items you are proposing to supply should your bid be favourably considered especially if such is a requirement for the bid.

### **3. Late bids**

Bids/proposals are late if deposited in the tender box indicated in the RFP documents after the stipulated closing time. Bids/proposals mailed to the address indicated in the RFP documents shall on receipt be deposited into the tender box. The responsibility will, however, remain with the bidder to ensure that his bid/proposal is received at the relevant address in good time to be deposited into the tender box before closing time. A late bid/proposal shall not be admitted for consideration.

### **4. Understanding the evaluation and adjudication criteria**

The Vaal University of Technology is committed to the development and empowerment of black-owned small, medium and micro enterprises and as such is inspired to achieve the ideals of Broad-Based Black Economic Empowerment Act (B-BBEEA) and the Preferential Procurement Policy Framework Act (PPPFA). A preference mechanism has been introduced for the procurement of all goods and services to target especially those individuals discriminated against under the previous political dispensation. To this end the bids are evaluated on the 80/20 or 90/10-point system where the 80 or 90 points are allocated for price and the 20 or 10 points are set aside for BBBEE as set out in the Preferential Procurement Regulations.

### **5. Communication with bidders**

**Letter of appointment** - once a decision to award the bid has been taken, a Letter of Appointment is sent to the successful bidder. It is then imperative on the successful bidder to start planning in order to ensure that delivery is efficient and within the required time period and quality. The Letter of Appointment may be followed up with either a purchase order or a formal contract.

**Regret Letters** – once the successful bidder has accepted the terms and conditions of his appointment, all unsuccessful bidders are notified of the outcome of the bid process and the basis of their unsuccessfulness is provided on request.

**Queries relating to the outcome of the bid process may be addressed to the Supply Chain Manager, Vaal University of Technology at (+27 16) 950-6665. Please remember to state the relevant Bid/RFP number in all your enquiries.**

## **6. BID/RFP DOCUMENTS**

As explained above VUT issues **Request for Proposal (RFP)/invitation to bid** to prospective suppliers/vendors when it needs to acquire (buy) or sell specific goods or services based on its internal requirements. In doing so, VUT use standard forms to put together a RFP/Bid document consisting of the following forms:

- Bid Cover Page
- Bidders Information
- RFB Schedule
- Instructions to Bidders
- Form of Bid
- Declaration of Interest
- Certificate of Independent Bid Determination
- Specification Cover Page
- Price Schedule

All the above aspects of the bid document are explained in details in the paragraph below:

### **(a) Bid Cover Page**

This form serves as a cover page to the RFP/ITB document, containing the following information for quick reference purposes:

- The RFP/Bid number;
- A description of the goods/services required;

- The address where bid/proposals can be obtained
- The deposit that has to be paid to obtain the bid/proposal document
- The address where the required goods/services must be delivered
- The closing date for submission of bids/proposals;
- The duration of contract where a term agreement is called for
- The details of the site/briefing meeting such as the venue, date and time thereof;
- The location of the VUT tender box and the method of lodging bids/proposals.

**(b) Instructions to Bidders**

As the title indicates, this form contains instructions to bidders, which must be scrutinized thoroughly and complied with. These include

- Instructions for lodging bids
- Terms and conditions
- Submission, receipt and opening of the bid/proposal
- Evaluation criteria
- Validity period of bid/proposal

**(c) Form of Bid, Declaration of Interest and Declaration of Independent Bid Determination**

These forms must be studied and completed carefully, as it contains several important conditions.

**(d) Specification Cover Page**

This form serves as the cover page to the specifications, containing information and requirements to which the goods/services must comply. Should samples and/or SABS certificates be required, this is also indicated on this form. The specifications must be studied carefully against each requirement and it must be indicated whether the goods/service being offered comply with the specified requirements by inserting “YES” or “Comply”. Any deviation from the specification must be clearly indicated. Incorrect or misleading information furnished by a bidder may invalidate the bid/proposal. All offers are evaluated for compliance against the information furnished against the specifications. Should a RFP/Bid document make

reference to a specification, bidders must ensure that the relevant specification is attached to the RFP/Bid document. However, if the requirement is subject to a SABS specification, such must be obtained directly from:

The SA Bureau of Standards

Private Bag X7911

Pretoria 0001

Tel: (+27 12) 428-7911

Fax: (+27 12) 428-6825

Together with the specification itself this document may also contain some special conditions. These conditions are supplementary to conditions contained in the General Conditions of Contract and have important information, which must be scrutinised thoroughly. **Any deviation from these conditions may invalidate the bid/proposal. Special conditions must be studied with care, as any deviation there from may result in the disqualification of a bid/proposal.** Should any of the special conditions be in conflict with the conditions contained in the General Conditions of Contract the special condition will take precedence.

**(e) Price Schedule**

Particulars of the quantity of goods/services required, the description of the requirements and the unit of measure, are furnished on this form. On this form provision is made for the bidder to insert the following information:

- The price per unit of measure
- The price basis (firm or non-firm/variable)

**GREAT CARE MUST BE TAKEN WITH THE CALCULATION OF BID PRICES, AS AMENDMENTS TO THE BID PRICE AFTER THE CLOSING DATE WILL RESULT IN THE BID/PROPOSAL BEING DISQUALIFIED.**

The price quoted by the bidder must be inclusive of Value Added Tax (VAT). When calculating the bid price, the bidder must ensure that all overhead costs are taken into account and that the actual price quoted will provide for a reasonable profit. When requested to do so, bidders must be able to furnish a complete breakdown of the price. Please note that bids/proposals are in

competition with each other and although price is not the only criterion taken into consideration, it is the policy of the VUT to accept the best product at the most favourable total cost of ownership, with due consideration of the interests of the local communities. Bid prices could be indicated as “firm” or “non-firm”:

Firm prices are deemed to be fixed prices, which are not subject to any adjustments, except for statutory changes in VAT and any levy related to customs and excise duties.

A price is non-firm when it is, for example, subject to rate of exchange claims and/or published indices. The appropriate escalation formula must then be indicated.

It should be noted that for evaluation purposes, all non-firm bid prices are weighed by adding a factor representing implied price adjustments. These forms also make provision for the bidder to insert the following additional information, if applicable:

- Model, specification and guarantee offered;
- Manufacturing information;
- Information pertaining to equipment or machinery;
- Importation information;
- Delivery basis.

The bidder must always indicate whether the goods/services offered is strictly to specifications and if not, to furnish details of the deviations. This is necessary in order for the VUT to make a fair assessment of the goods/services offered. The specifications must be studied carefully against each requirement and it must be indicated whether it complies with the specified requirements by inserting “Yes” or “Comply”. Any deviation from the specification must be clearly indicated. **Incorrect or misleading information furnished by a bidder may invalidate the bid/proposal.**

**(f) Bidders Information**

Bidders are urged to complete this document accurately, as the information in this form will serve the following purposes:

- Background information in the evaluation and adjudication process;



- Supporting the VUT in the implementation of a system of preferences as required by the Preferential Procurement Policy Framework (PPPF) Act.

**Failure to complete the form in full may result in the bidder not being considered for that bid.** This document also requests pertinent information regarding the bidder's enterprise. It is therefore incumbent on all bidders/tenderers to complete this form.