



TERMS OF REFERENCE (ToR)

(SERVICES)

FOR THE PROCUREMENT OF A SERVICE PROVIDER TO PROVIDE PROJECT DEVELOPMENT SERVICES FOR THE MUNICIPAL ENERGY RESILIENCE PROJECT IN THE WESTERN CAPE

To:	The Bidder
From:	Supply Chain Management Unit

1. BID PARTICULARS

Project Description	Municipal Energy Resilience (MER): Project Development Services		
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Specifications Enquiries	Ajay Trikam		
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Bid Reference	EDT 008-20		
Bid Closing Date	22 December 2020	Bid Closing Time	11:00

1. PURPOSE

- 1.1. The objective of the MER project is to provide project development support and capacity building to implement renewable energy projects in municipalities across the province, for municipalities, businesses & households to generate, procure and sell own power, including but not limited to municipalities transacting directly with Independent Power Producers (IPPs).
- 1.2. The MER project is aimed at enabling economic growth through improving energy security, reducing business costs, building business confidence and attracting investment.
- 1.3. The MER project is a 3-year project aimed at improving the energy resilience of municipalities through facilitating the implementation of energy infrastructure development (public and private) for economic growth.
- 1.4. The MER project supports the post-Covid19 economic recovery and resilience plan, addressing resource resilience, investment, ease of doing business and infrastructure.
- 1.5. The Department of Economic Development & Tourism (DEDAT), specifically the Energy Directorate within the Green Economy Chief Directorate, therefore seeks to appoint a

service provider, with extensive energy technical expertise and experience, to provide project development services to assist in the implementation of the Municipal Energy Resilience (MER) project.

- 1.6. The project development services will be required for
Phase 1 of the MER project (further described in Section 2) entailing: Development of business cases for multiple renewable energy generation technologies and scales; identification of pioneering project opportunities for candidate municipalities; and development of a pioneering project roadmap for implementation in Phase 2 of the project. Note that this Terms of Reference (ToR) is only applicable to phase 1 and not phase 2 of the MER project.

2. BACKGROUND

South African and provincial context

- 2.1. South Africa has an electricity security, supply and resilience crisis, indicated by blackouts and rotational load shedding, due to shortages in reliable generation capacity at Eskom. Municipalities are also under financial pressure to maintain electricity revenues due to electricity sales losses as a result of load shedding, lost potential revenue due to stifled economic growth and consumers who are self-generating and defecting from the supply grid.
- 2.2. South Africa is experiencing an economic crisis ((stagnant and negative economic growth, unemployment, poverty, junk status and impact of Covid-19 pandemic)) and energy crisis, evidenced by the widening electricity supply gap with load shedding outages in 2020 already surpassing the 2019 cumulative total. While the Integrated Resource Plan (IRP2019) estimated the short-term electricity gap to be in the ranges of 2,000MW to 3,000MW, an updated January 2020 study by the CSIR suggests that the gap may be larger than 7,000MW.
- 2.3. The Covid-19 pandemic has had a significant negative impact on the economy, with the economy further contracting and fiscal debt mounting due to higher levels of unemployment. Investment in energy infrastructure is an important contribution to economic recovery - both to provide for basic resource needs, but also to improve economic competitiveness, build business confidence, create jobs and attract both domestic and foreign investment
- 2.4. The power sector structural reform currently underway through the unbundling of Eskom from a vertically integrated monopoly into the three different entities of Generation, Transmission and Distribution allows for the move towards decentralised power sector structures and a move away from the traditional utility model of a single buyer office (i.e. Eskom has been the only purchaser of electricity from Eskom generation and IPPs) to multiple sellers and buyers (municipalities and other entities could purchase directly from IPPs).
- 2.5. In his SONA address on 13 February 2020, the President of South Africa made declarations on changes to come in the electricity sector:
 - 2.5.1. "We are taking the following measures to rapidly and significantly increase generation capacity outside of Eskom"
 - 2.5.2. "We will also put in place measures to enable municipalities, in good financial standing, to procure their power from independent power producers (IPPs)"

- 2.6. Subsequently, the Department of Mineral Resources and Energy (DMRE) developed draft regulations to enable new generation capacity for municipalities which were gazetted on 16 October 2020.
- 2.7. The procurement of energy at utility scale and distribution scale (i.e. bulk energy from IPPs), under conditions of developing and evolving policies and regulations is a complex and challenging task. Municipalities (including metropolitan, district and local municipalities) may not have the policies, plans, resources, funding, or procurement expertise to procure wholesale electricity from sources other than Eskom, specifically IPPs. Neither have all municipalities' electricity reticulation and distribution systems been technically evaluated to clarify their readiness for the implementation of electricity generation. While not all municipalities will qualify to procure energy directly from IPPs, some might be buyers from a Power Pool, a metropolitan bulk buyer or wholesaler. A key component of the project is to improve the resilience of municipal revenue and enable the balancing of energy security with a new, more reliable, more secure and less expensive future electricity price path to sustain and grow the economy. Additionally, the opportunity exists for new generation capacity to be developed within municipalities.
- 2.8. With South Africa being a signatory to the Paris Accord and a high greenhouse gas emitter, it is required to significantly reduce its greenhouse gas emissions. South Africa's Carbon Tax Act of 2019 is a step towards reducing the country's emissions and places further pressure on the economy to reduce its carbon footprint. With Eskom's coal fleet contributing approximately 60% of South Africa's CO₂ emissions, increasing international moves towards carbon border adjustments will require the country's energy supply to move towards carbon neutrality to improve competitiveness and maintain and grow exports.

Provincial and Departmental strategy, plans and objectives

- 2.9. The Provincial Strategic Plan (PSP) is a five-year strategic plan with the vision of a safe Western Cape where everyone prospers. This vision is expressed in five strategic priorities identified for 2019 – 2024, the Western Cape's Vision-Inspired Priorities (VIPs), including VIP 2: Growth and Jobs.
- 2.10. VIP2 includes priorities on resource resilience and investment through promotion and catalytic infrastructure.
- 2.11. The Western Cape Government's post Covid-19 economic recovery plan includes a strategic focus on resource resilience (including energy infrastructure), recognised as key to creating an enabling environment to attract investment.
- 2.12. To facilitate the above, the Western Cape Government (WCG) continues to be committed to advancing the green economy – one that is low carbon, resource efficient, and socially inclusive. Energy supply choices and energy efficiency measures are critical determinants of this commitment; equally, understanding resource flows in the regional economy is critical to our ability to provide the appropriate support for the decoupling of economic growth from resource consumption. The Department of Economic Development and Tourism (DEDAT) is the lead department in facilitating the development of a robust green economy in the Western Cape – in particular, achieving energy security and energy price stability.
- 2.13. The energy-related long-term strategic outcome of the PSP and Covid-19 economic recovery plan is to improve the resource resilience of the Western Cape Economy, with a target of 500 MW of lower carbon electricity being produced in the Western Cape within 5 years. Part of the MER project will be to define the strategies and optimal mix of energy projects to meet this overall target.

- 2.14. The Western Cape Government recognises that this initiative is a medium to long term programme with multiple dependencies and timelines. The philosophy underlying the entire programme is that infrastructure development is a key catalyst to improve energy resilience and that Government has a key role to play in facilitating and driving the development of municipal and other energy infrastructure in the province. This is aligned with NDP and MTSF priorities "Economic transformation and job creation" and "A better Africa and World"

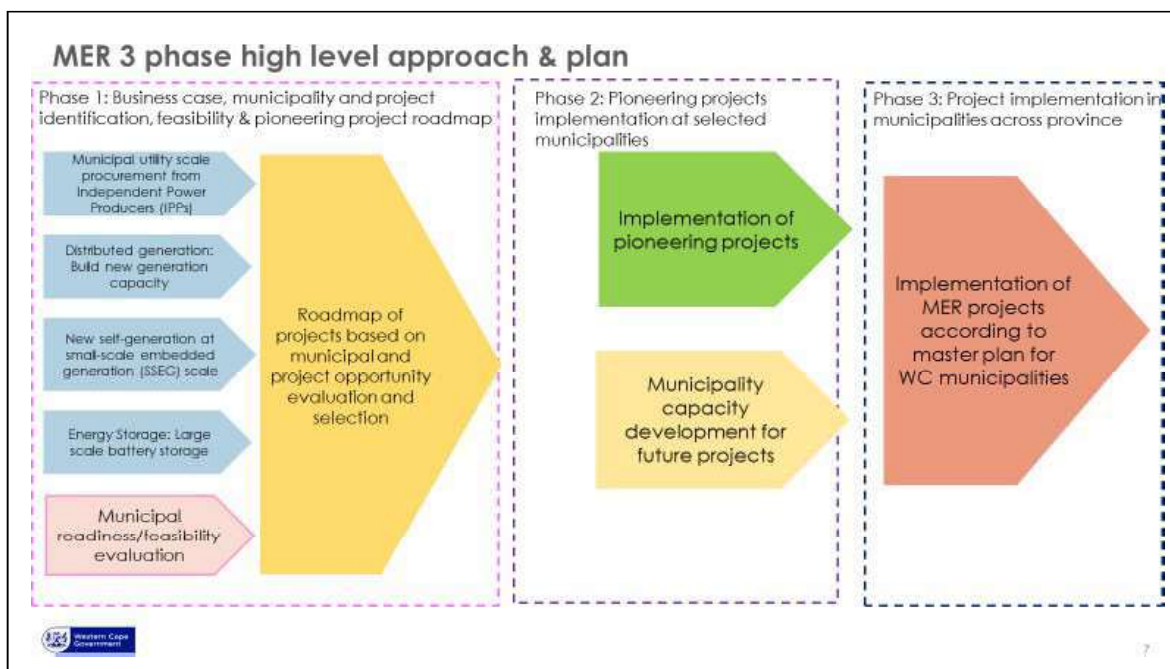
Project approach

The proposed MER project approach comprises of three implementation phases, with the outputs/deliverables of Phase 1 of the project leading, informing and influencing Phases 2 and 3. The part of the project that is to be undertaken under this contract is clarified in Section 3.

1. **Phase 1:** Development of business cases; municipal evaluation; project identification and feasibility; and pioneering project roadmap.
 - 1.1. Municipal readiness evaluation of all local municipalities (and district municipalities where applicable) to select candidate municipalities for initial, pioneering energy projects and to identify municipal grid capacity, technical capacity, financial standing and other gaps and development needs for further renewable energy project implementation. This work is currently underway and does not form part of the scope of work required for this TOR.
 - 1.2. Development of business cases for four MER project components (includes multiple renewable energy technologies and scales) towards identification and implementation of project opportunities in candidate municipalities. The business cases will be developed for the following four MER project components:
 - 1.2.1. Municipal utility scale procurement from Independent Power Producers (IPPs)
 - 1.2.2. New distributed generation capacity at sub-utility scale
 - 1.2.3. New self-generation at small-scale embedded generation (SSEG) scale (under 1MW)
 - 1.2.4. Energy Storage: Large scale battery storage
 - 1.3. Project identification & prioritisation and development of a roadmap of potential pioneering projects for Phase 2, based on municipal and project opportunity evaluation and selection. This will include the identification of appropriate transaction / procurement mechanisms (e.g. Independent Power Producer (IPP) auctions or direct power purchase agreement (PPA); Public Private Partnerships (PPP); or other transaction/funding sources such as grants, concessional finance, private investment, debt: blended finance approach etc.).
2. **Phase 2:** Implementation of pioneering projects at selected candidate municipalities
 - 2.1. Project scoping & development of specific pioneering projects
 - 2.2. Identify project implementation partners, transaction structures, funding/financing and other project enabling factors to enable implementation. This includes project feasibility studies.
 - 2.3. Development of technical/financial/other capabilities for municipalities to undertake identified projects & potential future projects and transactions

- 2.4. Implementation of specific pioneering projects
- 2.5. Municipal capacity development (electricity network capacity and systems) for implementation of future / further energy projects
- 2.6. Implementation evaluation including learnings and optimisation for implementation at other municipalities.
3. **Phase 3:** Project implementation in municipalities across province
 - 3.1. Develop a pipeline of further energy projects to inform implementation
 - 3.2. Develop an implementation master plan for a programme of project implementation across Western Cape municipalities
 - 3.3. Identify project implementation partners, transaction structures, funding/financing and other project enabling factors to enable implementation at scale across the province.
 - 3.4. Begin to implement further MER projects across the province.
 - 3.5. Continued support to municipalities to implement identified projects

The following diagram further illustrate the project approach detailed above:



3. NATURE AND SCOPE OF SERVICES TO BE RENDERED

Description/specification of services required from service provider, concomitant expertise and experience required

The Department requires highly experienced technical specialist expertise to develop component business cases and a roadmap of projects as detailed in the MER project phase 1 approach above.

The specific services required are as follows:

Services	Consultants expected outputs/deliverables/tasks
<ol style="list-style-type: none"> 1. Business case development <ol style="list-style-type: none"> 1.1. Definition of each of the four project components below and technical options to be covered by the business cases: <ol style="list-style-type: none"> 1.1.1. Municipal utility scale electricity procurement from Independent Power Producers (IPPs). 1.1.2. New distributed generation capacity at sub-utility scale. 1.1.3. New self-generation at small-scale embedded generation (SSEG) scale (under 1 MW). 1.1.4. Energy Storage: Large scale battery storage. 1.2. Finalise business case report structure and content. For each business case, this is to include but not limited to: <ol style="list-style-type: none"> 1.2.1. Multiple renewable energy technologies and scales 1.2.2. Cost options 1.2.3. Scale of investment required 1.2.4. Potential location issues 1.2.5. Risks (regulatory, project implementation and financial) 1.2.6. Municipal readiness needs 1.2.7. Infrastructure needs 1.2.8. Timelines for new capacity to be grid connected 1.2.9. Procurement mechanisms 1.2.10. Regulatory challenges and solutions 1.2.11. Localisation requirements 1.2.12. Local economic development requirements 1.3. Develop and finalise business cases for each project component where applicable according to content areas described above 1.4. Assess candidate municipality selection criteria developed in the municipal readiness evaluation¹ to identify pioneering municipalities. 1.5. Develop energy solution and technologies selection / prioritisation criteria to determine applicable solutions for business cases 1.6. Develop transaction/procurement methods selection / prioritisation criteria to determine most suitable method for project implementation per component. 	<ol style="list-style-type: none"> 1. Business case reports <ol style="list-style-type: none"> 1.1. Defined, structured and finalised business cases by project component (4) including different technology solutions and procurement mechanism options as described in services. 1.2. Finalised criteria for selection of: <ol style="list-style-type: none"> 1.2.1. Municipalities (including proposed amendments to the criteria if required); 1.2.2. energy solution & technologies; and 1.2.3. transaction type / procurement mechanism.

¹ The Municipal Readiness Evaluation will be provided and will highlight prospective candidate municipalities (expected to be between 3-5 municipalities)



<p>2. Energy projects development (including amalgamation of business case outputs with municipal readiness evaluation¹)</p> <p>2.1. Identify, evaluate and select potential pioneering energy projects/opportunities according to project criteria developed in 1.4 -1.6 above (i.e. municipal readiness, applicable energy technology/solutions, transaction type/procurement mechanism) as well as any other applicable criteria.</p> <p>2.2. Following from the selection in 2.1, undertake pre-feasibility analysis of potential pioneering project/s, including evaluation by project dimension and scale (municipal/entity, transaction/procurement type, technology/solution type etc.) to be implemented in Phase 2: Implementation of pioneering projects. (Service provider will need to engage directly with relevant municipalities in person and/or through virtual arrangements – access will be facilitated through Western Cape Government) Undertake pre-feasibility analysis of mature energy projects underway in municipalities.</p> <p>2.3. Using 2.2 and 2.3 identify five pioneering projects for which implementation will be started in Phase 2: Implementation of pioneering projects at selected municipalities. (phase 2 implementation not part of the scope of this Terms of Reference)</p>	<p>2. Energy projects reports</p> <p>2.1. Methodology for identifying pioneering projects</p> <p>2.2. Identification, evaluation and selection of potential pioneering energy project opportunities according to project dimensions criteria.</p> <p>2.3. Pre-feasibility analysis of potential pioneering projects selected, including evaluation by project dimension and scale</p> <p>2.4. Identification of pioneering projects for implementation in phase 2. (phase 2 implementation not part of the scope of this Terms of Reference)</p>
<p>3. Pioneering projects roadmap development (including evaluating & development of plans to fill municipal capacity gaps)</p> <p>3.1. Develop a roadmap of pioneering energy projects detailing implementation plans for each that include, but are not limited to:</p> <p>3.1.1. Potential technical requirements (e.g. point of connection)</p> <p>3.1.2. Financial and cost implications</p> <p>3.1.3. Timelines for project development</p> <p>3.1.4. Regulatory and other authorisations required</p> <p>3.1.5. Key procurement/transaction milestones</p> <p>3.1.6. Economic development and localisation</p> <p>3.2. Identify municipal capacity gaps to implement pioneering projects including but not limited to:</p> <ul style="list-style-type: none"> Legislative requirements (e.g. mention of inclusion of energy projects in IDP) technical and financial skills Electricity masterplan (EMP) Grid impact study Cost of Supply (CoS) studies financial/revenue tariff modelling. <p>3.3. Provide municipal capacity development plan to address gaps for each pioneering project.</p>	<p>3. Pioneering projects roadmap reports</p> <p>3.1. A roadmap of projects</p> <p>3.2. Identification of municipal capacity development required (including technical and financial skills, Electricity Masterplan (EM), Cost of Supply (CoS) studies, financial/revenue tariff modelling).</p> <p>3.3. Municipal capacity development plan to address gaps for pioneering projects</p>

Effective 15 September 2020



4. EVALUATION METHODOLOGY

4.1. Bids shall be evaluated in terms of the following process:

4.1.1 **Phase 1:** Compliance checking: during this phase, bids will be verified against the minimum requirements as set out in this Terms of Reference.

4.1.2 **Phase 2:** Compliant bids will, thereafter, be evaluated against the criteria and weights for functionality depicted in the following table:

1 – POOR 2 – FAIR 3 – AVERAGE 4 – GOOD 5 – EXCELLENT

	Criteria: Functionality	Weight	Reference
	Experience, expertise & qualifications	60	
1.	<p>Lead consultant experience relevant to the assignment (highest relevance: energy-related and catalytic infrastructure-related).</p> <p>Specific areas of experience required:</p> <ul style="list-style-type: none"> managing teams in complex programmes / projects Business case development & evaluation Project prioritisation, planning & development Energy related policy and legislation <p>Highlight any of the above that are energy and / or catalytic infrastructure -related and provide references for all areas of experience above</p> <p>Clearly indicate the lead consultant in the proposal.</p>	20	7.2, 7.3
2.	<p>Key Staff experience relevant to delivery of the assignment, business case development and evaluation and Project prioritisation, planning & development experience in catalytic infrastructure ideally in energy related assignments.</p> <p>Average experience of key staff (identify 4 people spending most time on the project - e.g. business case leads - excluding the lead consultant):</p> <p>Preference given to energy related experience and references for all areas of experience above. Clearly indicate the main persons in the proposal.</p>	15	7.2, 7.3



	Criteria: Functionality	Weight	Reference
3.	Electricity/power sector-related experience: technical, financial, economic development, legal & other knowledge required for assignment: <ul style="list-style-type: none"> 1. Municipalities/ local government 2. Energy technologies & solutions 3. Transaction/ procurement / financial (i.e. either IPP, PPA, PPP, RFP, concessional financing, debt financing, blended financing mechanisms) (at least a minimum of 3 years' experience) <p>Clearly indicate the years of experience per team member for each of the above.</p>	15	7.2, 7.3
4.	Qualifications of key personnel – lead consultant & other key staff (e.g. business case leads) & others (identify 5 people spending most time on the project)	10	7.2, 7.3
5.	Response, methodology and project plan	40	
5.1.	Response to assignment, including insight, content and context. Demonstrate comprehension and insight into assignment themes: <ul style="list-style-type: none"> 1. Business case development & evaluation 2. Project prioritisation, planning (roadmap) and development 3. MER project components (utility scale generation, sub-utility (distributed generation, SSEG and energy storage), and 4. Energy project dimensions (municipalities, technology/solutions, transactions/procurement). 	10	7.1
5.2.	Proposed methodology & approach, indicating logic and rationale of the methodology and an innovative approach – evaluation dimensions: <ul style="list-style-type: none"> 1. Clear & concise approach 2. Clear & concise methodology 3. Logical flow and structure of proposal 4. Innovation displayed by comments on and insight into the most effective manner of achieving the project's aims, and 5. Clear and effective application of key staff experience & expertise to assignment 	15	7.1



	Criteria: Functionality	Weight	Reference
5.3.	Proposed project plan elements appropriately covered in proposal: 1. Work breakdown structure 2. Timescales (Gant chart) 3. Deliverables/outputs 4. Milestones 5. Resources & the allocation thereof 6. Stakeholder management 7. Budget breakdown 8. Monitoring 9. Reporting/communication	15	7.1
	Total	100	
	Minimum Threshold	70%	

NB: Bids that score less than 70% of the points for functionality will be disqualified and not evaluated further.

- 4.1.3 **Phase 3:** Thereafter, only qualifying bids are evaluated in terms of the 80/20 preference points system, where the 80 points will be used for price and the 20 points are awarded to the bidder for attaining B-BBEE status level contributor in accordance with their BEE Certificate.

5. DURATION OF CONTRACT

5.1. This assignment is for a 4 month period

5.2. Commencing 15 January 2021

5.3. Completion 31 May 2021 - Business case development deliverables (i.e. point 1 of Section 3) are largely to be completed before the end of March 2021; energy projects development deliverables (point 2 of Section 3) are largely to be completed by the end of April 2021; and pioneering projects roadmap development deliverables (point 3 of Section 3) are to be completed by the end of May 2021

5.4. It is anticipated that the lead consultant and 4 people (e.g. business case leads, that are spending most time on the project) will be at least 90% allocated to the project for the duration of the project.

6. REPORTING AND MONITORING

6.1. The appointed Project Development Services lead consultant will report to the Director: Energy (Green Economy)

6.2. Provide monthly progress reports applicable according to outputs specified in section 3 above.

6.3. Additional to the deliverables required as specified in section 3, the service provider will be required to also undertake the following:

6.3.1. make allowance for meetings expected to be with up to 10 stakeholder groups (e.g. relevant municipalities/forums) in order to obtain buy-in/inputs towards progressing the work



- 6.3.2. Presentation of the final report on all deliverables to an interdepartmental project steering committee at the end of the project
- 6.4. Monitoring and Evaluation will occur through:
- 6.4.1. A monthly project progress meeting between the Director, project manager and lead consultant and any other members of the service provider's team as relevant, with a fortnightly check-in meeting between the project manager and the lead consultant.
- 6.4.2. The Steering Committee (Steercom) that will meet on a bi-monthly basis to evaluate progress and to make key decisions related to the development and unfolding of the project. The service provider should make provision to make presentation at least once a month to the steering committee to facilitate decision making on the project.

7. SERVICE PROVIDERS PROPOSAL

The bidder is required to submit a detailed and comprehensive proposal of not more than 25 pages (excluding other supporting documentation required), as a bid in response to these terms of reference. Service providers are required to prepare their proposal in accordance with the instructions outlined below:

Ref	Document Title	Content
7.1.	Proposal	<p>The bidder should specifically respond to the specification of services and outputs identified in Section 3: Nature and scope of services to be provided, as well as in reference to the key parts of Section 2: Background, specifically noting the project approach and <u>phase 1</u>. The proposal should comprise the following:</p> <ol style="list-style-type: none"> 1. Executive Summary - a brief overview of the assignment identifying the main features and benefits of the proposed work. 2. Company / consortium / joint venture overview / profile (max 2 pages) 3. Understanding of the Scope of Work: <ol style="list-style-type: none"> a. Response to the assignment including proposed solution to delivering on the Scope of Work covering all items in Section 4: 5.1. b. Proposed methodology & approach to the project including any assumptions made and any additional insight and comments on the assignment covering all items in Section 4: 5.2. c. Project plan covering all items in Section 4: 5.3
7.2.	Proposed team/ individuals' CVs	<p>CVs (max 2 pages per person) of the key personnel that will be working on the project, clearly indicating the project lead and noting each team member's role, relevance and appropriateness to this project and stating:</p> <ul style="list-style-type: none"> • Qualifications - Provide details of the skills and qualifications for each individual and/or team member (see Section 4: 4) • Number of years' experience and expertise relevant to this assignment - Provide details of the professional experience pertinent to the Scope of Work (see Section 4: 1, 2 & 3) • Synopsis of relevant projects that the individual and/or each team member has worked on and, specifically, in complex programme & project management, business case development and evaluation, and electricity and power sector (see Section 4: 1, 2 & 3). • Written confirmation that the key personnel (as defined in criteria 4 in section 4) will be available for the entire duration of the contract at the required allocation of 90%



7.3.	Annexure A: Table summary of qualifications, allocation and experience.	Project team members & roles in team; academic qualifications, rate per hour, hours per month, project references by project and experience relevant to assignment.
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8. BRIEFING SESSION

8.1. A non-compulsory information / briefing session will be held on the 20 November 2020 at 14:00 on the Microsoft Teams platform. Service providers that intend to attend the non-compulsory briefing session will be required to register their interest via email through the procurement practitioner email address supplied. This registration of interest must be done by 19 November at 14:00 so that an MS Teams meeting invitation can be provided.

9. MINIMUM REQUIREMENTS FOR A VALID BID

9.1. Service providers that fail to adhere to any of the following, will be rendered non-compliant:

9.1.1. Bidders must submit proposals inclusive of VAT before the bid closing date and time.

9.1.2. Bidders must be registered on Central Supplier Database (CSD).

9.1.3. Each party participating in a Joint Venture must be tax compliant and must provide a WCBD 4.

9.1.4. Consortiums must provide a WCBD 4 and must be tax compliant.

10. COMPULSORY RETURNABLE DOCUMENTS

The following documents are compulsory and must be submitted according to the table below. Failure to submit documents listed under Table 1 below will result in disqualification.

Table 1: List of Compulsory Bid Documents and requirements

Document that must be submitted	Description/ Instructions
Proposal and / or portfolio of evidence	Bidders proposal and supporting documentation
WCBD 1	Invitation to bid – Complete and sign
WCBD 3.3	Pricing Schedule
WCBD 4	Declaration of Interest, Declaration of Bidder's Past Supply Chain Management Practices and Certificate of Independent Bid Determination – Complete and sign
WCBD 6.1	Preference Points Claim Form complete and sign NB: ONLY THE B-BBEE STATUS STATED ON THE COMPLETED WCBD 6.1 WILL APPLY TO THE EVALUATION OF THIS BID AND NOT THE B-BBEE STATUS ON THE WCSD OR CSD.

11. JOINT VENTURE/CONSORTIUM



- 11.1. If a Joint Venture/Consortium claims B-BBEE points, a consolidated B-BBEE scorecard must be submitted.

12. SUB-CONTRACTING

- 12.1. A person awarded a contract must only enter a subcontracting arrangement with the approval of the department.
- 12.2. A bidder may not be awarded points for B-BBEE status level of contributor if the bid documents indicate that the bidder intends sub-contracting more than 25% of the value of the contract to any other person not qualifying for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 12.3. A bidder awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

13. REGISTRATION ON SUPPLIER DATABASES

- 13.1. Prospective bidders must be registered on the Central Supplier database (CSD) at the time of bid closure.
- 13.2. All prospective bidders who are not registered on the Central Supplier Database are requested to self-register on www.csd.gov.za. For further assistance with the registration process, please contact National Treasury on (012) 315 5509 or e-mail csd@treasury.gov.za.
- 13.3. **Registration on databases and compliance of tax status will be verified at the time of the award.** Where the successful bidder is not tax compliant, the department will notify the bidder in writing of their non-compliant status and the bidder will be requested to submit written proof from SARS of their tax compliance status or proof that they have arranged to meet their outstanding tax obligations within 7-working days.

14. CONTRACTUAL ASPECTS

- 14.1. The contents of this document shall be deemed to constitute the Special Conditions of Contract applicable to this bid and shall be read together with the General Conditions of Contract issued in accordance with Chapter 16A of the Treasury Regulations.
- 14.2. Where, however, the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract shall prevail.
- 14.3. The bid document, together with the specifications contained in this document, shall constitute part of the Contract.
- 14.4. Bidders shall not perform any work or render any services in terms of the Contract unless in receipt of a written instruction to this effect by the Department.
- 14.5. The successful bidder may not assign his/ her obligations.
- 14.6. The successful bidder must advise the Head of Department of Economic Development and Tourism immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

15. DISCLAIMER



- 15.1. Bidders must make and rely on their own investigations and satisfy themselves as to the correctness of all aspects of the bid. The Department will not be liable for any incorrect or potentially misleading information in relation to any part of this document and any accompanying bid documents.
- 15.2. The department reserves the right not to appoint any contracted partner who does not comply with the conditions of this bid or if information is obtained by the department about a bidder that could put the department at risk.
- 15.3. The department reserves the right to cancel this bid should the budget not be available at the time of award to cover the full quote of this tender or if the need does not exist anymore or the specification has changed.

16. ABSENCE OF OBLIGATION

- 16.1. No legal or other obligation shall arise between bidders and the Department unless and until the formal appointment documentation has been signed. The Department is not obliged to proceed with any proposals of any bidder. The Department also reserves the right to request changes to any proposed consortia.

17. INDEMNITY

- 17.1. The successful bidder will indemnify, protect, defend and hold harmless the Department from and against any and all claims, demands, actions and proceedings whatsoever including all fees, costs and expenses incurred in respect thereof arising out of:
 - a) Any claim of any taxes payable by the bidder.
 - b) Any claim for Workmen's Compensation Insurance or for any loss for which the bidder is liable.
- 17.2. Any claim by a third party including any employees of the Department or of the bidder for any loss resulting from any bodily injury and or damages to property by any act or omission of the bidder or any of its employees, servants or agents.

End.