



**T40/09/21**

**REQUEST TO CONDUCT 4<sup>TH</sup> INDUSTRIAL  
REVOLUTION (4.0IR) READINESS AND  
MATURITY ASSESSMENT FOR THE SOUTH  
AFRICAN LEATHER AND FOOTWEAR  
INDUSTRY**

**BID CLOSING DATE: TUESDAY, 19 OCTOBER  
2021 AT 11:00AM**

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**SECTION 1: GENERAL CONDITIONS OF BID**

## 1. Proprietary Information

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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

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- 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 Luyanda Dlamini</u>
Telephone Number:	<u>+27 11 269 3767</u>
Email address:	<u><a href="mailto:luyandad@idc.co.za">luyandad@idc.co.za</a></u>

- 2.2 Enquiries in relation to this RFP will not be entertained after **16h00 on 11 October 2021**.
- 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](http://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

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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

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- 4.1 Bid responses must be submitted in electronic format only and must be e-mailed to the dedicated e-mail address as provided herein.
- 4.2 Bid responses should be in generally acceptable / standard electronic file format/s (i.e. Microsoft suite of products or pdf) to enable access thereto by the IDC for purposes of evaluating responses received. Where documents are presented in a format which cannot be accessed by the IDC through generally acceptable formats, such bid response will be disqualified.
- 4.3 The closing date for the submission of bids is **19 October 2021** not later than **11:00 AM (before midday)**. No late bids will be considered. Bids must **only** be sent to [tenders@idc.co.za](mailto:tenders@idc.co.za). Bids sent to any other email address other than the one specified herein will be disqualified and will not be considered for evaluation. It is the bidder's responsibility to ensure that the bid is sent to the correct email address and that this is **received** by the IDC before the closing date and time in IDC's dedicated tender e-mail inbox / address ( [tenders@idc.co.za](mailto:tenders@idc.co.za) ).

- 4.4 Bidders are advised to submit / send its bid responses at least 15 minutes before the 11:00AM deadline to avoid any Information Technology (IT) network congestions or technical challenges in this regard which may result in bid responses being received late. IDC's e-mail servers are configured to receive e-mails with sizes up to 50MB.
- 4.5 The IDC will not be held responsible for any of the following:
- 4.5.1 bid responses sent to the incorrect email address;
  - 4.5.2 bid responses being inaccessible due to non-standard electronic file formats being utilised to submit responses by bidders;
  - 4.5.3 any security breaches and unlawful interception of tender / bid responses by third parties outside the IDC's IT network domain;
  - 4.5.4 bid responses received late due to any IT network related congestions and/or technical challenges; and
  - 4.5.5 bid responses with file size limits greater than IDC's e-mail receipt capacity of 50MB.
- 4.6 Only responses received via the specified email address will be considered.
- 4.7 Where a complete (Inclusive of all Schedules) bid response is **not received** by the IDC in its electronic email tender box ([tenders@idc.co.za](mailto:tenders@idc.co.za)) by the closing date and time, such a bid response will be regarded as incomplete and late. Such late and / or incomplete bid will be disqualified. **It is the IDC's policy not to consider late bids for tender evaluation.**
- 4.8 Amended bids may be sent to the electronic tender box ([tenders@idc.co.za](mailto:tenders@idc.co.za)) **marked** "Amendment to bid" and should be received by the IDC **before** the closing date and time of the bid.

## 5. Preparation of Bid Response

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- 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 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

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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**

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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

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- 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.
- 8.8 The IDC reserves the right of final decision on the interpretation of its tender requirements and responses thereto.

## 9. Undertakings by the Bidder

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- 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**

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- 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**

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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 dtic** 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, Industry and Competition (**the dtic**) and to ensure full compliance with the minimum local content threshold, if relevant, before submitting its response to this tender. **the dtic's** latest list of designated sectors can be accessed on: <http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/industrial-procurement/> and the National Treasury latest instruction

notes can be accessed on <http://ocpo.treasury.gov.za/Pages/default.aspx>. In the event of any conflict between the dtic and National Treasury on specified local content minimum thresholds, the IDC reserves the right to apply the most relevant during the adjudication of this RFP. The inclusion of minimum local content thresholds is therefore included in this RFP by reference to the relevant websites listed herein, for products listed (where applicable). For Local Content requirements, it will be required that only locally produced or manufactured goods, with a stipulated minimum threshold for local content will be considered.

## **12. Response Format (Returnable Schedules)**

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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 Bidders must submit a B-BBEE verification certificate indicating the contribution level of the bidding entity. For Exempted Micro Enterprises (EME) with an annual revenue of less than R10 million and Qualifying Small Enterprises (QSE) with an annual revenue of between R10 million and R50 million per annum, a sworn affidavit confirming the annual total revenue and level of black ownership may be submitted. 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 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 2 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 3 of this RFP document) *(Must be submitted as a separate file/document marked Schedule 4: Price Proposal)*

## 13. Evaluation Criteria and Weightings

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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
- Completion of all Standard Bidding Documents and other requirements, as reflected in this RFP, which covers the following:
  - Section 2: Statement of compliance with the Functional Evaluation Criteria for this RFP
  - Section 3: 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 regard to the other Functional Requirements, the following criteria (set out in more detail in section 2 of this RFP document) and the associated weightings will be applicable:

<b>ELEMENT</b>	<b>WEIGHT</b>
BIDDER'S EXPERIENCE IN 4IR READINESS ASSESSMENT	30%
PROPOSED METHODOLOGY AND 4IR ASSESSMENT PROVEN TOOL	30%
QUALIFICATIONS, SKILLS, AND EXPERIENCE OF THE PROPOSED TEAM LEADER	10%
QUALIFICATIONS, SKILLS, AND EXPERIENCE OF THE PROPOSED TEAM MEMBERS	10%
SKILL TRANSFER PLAN	5%
PROJECT PLAN	5%
PRESENTATIONS	10%
<b>TOTAL</b>	<b>100%</b>

**Note: Bidders who score 63 points out of 90 points (70%) or more 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% 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:

<b>CRITERIA</b>	<b>POINTS</b>
Price	80
B-BBEE	20
<b>TOTAL</b>	<b>100 points</b>

## **14. Promotion of Emerging Black owned Service Providers**

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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**

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### **1. Special instructions to bidders**

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- 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**

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

The purpose of this project is to conduct intensive assessment of the status of the 4<sup>th</sup> Industrial Revolution Readiness (4.0IR), Artificial Intelligence (AI), and Augmented Reality (AR) in South African Leather, Leather Goods and Footwear Industry.

The Service Provider will develop a strategy in relation to the approach to be taken to introduce the 4.0IR transformation to the industry.

### **3. Background Information**

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The South African leather and footwear manufacturing industry grew at an average rate of 10% annually from 2012 recording highest footwear production and revenue in the history of South Africa in 2016. A slight decline in footwear production of -1.7% was registered in 2017 mainly due to the adverse local trading conditions and consumer confidence. Three (3) footwear manufacturers received the Black Industrialist Scheme (BIS) subsidy from **the dtic** on an investment commitment above R140 million. The annual Gross Fixed Capital Formation in the Leather, Leather Goods and Footwear industry increased from R208 million in 2010 to R334 million in 2015 at its peak. About fifty-one (51) new Leather, Leather Goods and Footwear companies established from 2012 to October 2018.

The Leather & Footwear employment trend reveals that +2117 new jobs were created from 2012 to 2017 by Leather, Leather Goods and Footwear industry.

The potential for Augmented Reality (AR) to transform the Leather, Leather Goods & Footwear industry is huge. Such technologies are being used globally at several stages of product development and manufacturing process as well as at the point of sale. It is reported that the use of Artificial Intelligence (AI) is contributing to an improved understanding of trends and apart from its use in retail stores provide customers with a better service. The use of AR is allowing brands and retailers to replace physical samples



with digital equivalents, thereby allowing them to save time and resources. A number of world brands and retailers including Amazon, American Apparel, Burberry, Dior, Farfetch, Gap, Tommy Hilfigre, Yoops Net a Porter Group (YNAP) and ZARA are already using AI and AR technologies. Recently **the dtic** was informed that the digital technologies were transforming all industries, from farming to manufacturing and the established domestic manufacturing industries could also be “left behind” in the event that they did not adapt to technological shifts.

The assessment is intended to provide an overview of AI & AR used in the industry operations, the 4<sup>th</sup> Industrial Revolution readiness / maturity, evaluation of necessary skills and skill gaps of key players in the Leather, Leather Goods & Footwear industry.

The concept of Artificial Intelligence (AI), Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness (4.0IR) have been proposed as an effective industry development tool. The integrated industrial township precinct development have numerous economic and social advantages, including: the engagement of the local population in industrial activities; provision of a sustainable form of income for local citizens; provision of economic protection to dependents and families; provision of access to education and training; provision of access to health care; and facilitation of the development of the service sector and allied industries including demarcation of land for further expansion of the footwear industry and its sustainability.

#### **4. Problem Statement**

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The world is changing in terms of new technologies and future technologies. The potential for 4.0IR, AI / AR to transform the Leather, Leather Goods & Footwear industry is huge and such technologies are being used globally at several stages of product development process. The South African Leather, Leather Goods and Footwear companies need to be part of this 4.0 Industrial Revolution

The assessment will provide an overview of AI & AR used in the industry operations, the 4<sup>th</sup> Industrial Revolution readiness / maturity, necessary skills, and skill gaps of key players in the Leather, Leather Goods & Footwear industry.

The world is rapidly changing into a 4.0IR and becoming efficient and even more competitive. The SA LFLG industries have a challenge to keep up with the new technology development. How government should play a role into ushering the industry into the 4<sup>th</sup> industrial revolution? Some of the industry challenges are:

- Lack of knowledge on the increasing digitalization and interconnection of products;
- Lack of revolutionization of company products and services portfolios;
- No proper strategies and organizational benchmarks; and
- Lack of specific skills pertaining to industry 4.0 technologies and practices.

## 5. Objectives

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The objectives of the assignment are to:

- Conduct an assessment of status Industry 4.0 maturity and suggest a strategy for Leather, Footwear and Leather Goods Readiness for 4.0IR, AR and AI transformation;
- Determine Industry 4.0 maturity and readiness level for identified companies and a strategy for their development;
- Create a high level technology roadmap towards improved Industry 4.0 maturity and smart factory level; and
- Report on individual assessments as well as Industry level status.

## 6. Methodology

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The service provider is expected to clearly stipulate an appropriate approach, use proven 4.0IR assessment proven tools and provide a step-by-step explanation of the proposed process to reach the end result of this requirement.

They will be expected to outline a methodology with the reason for the choice of the particular method and assessment tool, identify the pros, cons and risk factors.

The service provider will be expected to use appropriate assessment techniques or approaches based on the need and achieve the highest participation rate possible of individual companies into the process.

The Service Provider should possess verifiable proven past track record in conducting in conducting intensive industry assessment of the 4<sup>th</sup> Industrial Revolution Readiness (4.0IR), Artificial Intelligence (AI) and Augmented Reality (AR).

## 7. Scope of Work

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The service provider will be required to undertake an in depth analysis of the assessment of fifteen (15) manufacturers to provide an overview of AI & AR used in the industry operations, the 4<sup>th</sup> Industrial Revolution readiness / maturity, necessary skills and skill gaps of key players in the Leather, Leather Goods & Footwear industry.

### Phase 1: Assessment

- Assessment should be done on operational models and skills related to future technologies;
- Investigation advantages into Learning Factory collaboration;
- An estimation of total trade revenue, social cost generation and government revenue generation to be expected if the 4.0 readiness and maturity was functioning at a full operational level;

- In order to ascertain the level of effort required to uplift and support manufacturers who would potentially be eligible for assistance to reach greater 4IR maturity and smart factory status, the current level of technology, skills and other related parameters are to be assessed;
- The companies to be assessed will be identified by the service provider and industrial associations. Criteria for selection will be established in advance;
- The scope of this project includes assessment of fifteen (15) manufacturers within the Leather and Footwear sector with Industry level feedback to be provided as well as individual reports per manufacturer;
- From the assessment, specific areas in need of improvement should be highlighted and a technology roadmap should be developed with input from the individual manufacturers, Industry Level roadmap and **the dtic**;
- The industry level assessment results and respective technology roadmap is to be aligned and compared to International best practices for which research and possible visit(s) may be required;
- From this roadmap, phased projects should then be scoped and planned for implementation in order to take the South African Leather and Footwear Industry to a more efficient, advanced and productive level; and
- Individual company report should be compiled including an overall report must be compiled.

## **Phase 2: Recommendations**

- The appointed service provider will be required to develop key recommendations from the work emanating from this TOR on the status of Artificial Intelligence (AI), Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness (4.0IR) in the South African Leather, Leather Goods and Footwear Industry; and
- The service provider will be required to undertake all work pertaining to this assessment, the status of Artificial Intelligence (AI), Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness (4.0IR) in the South African Leather, Leather Goods and Footwear Industry, as specified in the previous section, for the successful completion of the project.

## **Phase 3: Development of the strategy for the sector**

- The digitization and 40IR transformation strategy should be developed taking into account the South African context and the challenges that the sector is facing with.

## 8. Deliverables

The service provider will be required to produce:

Phases	Activities	Outputs	Timeframes
Phase 1.	Inception Report	<p>Upon appointment, the service provider will be expected to draft an inception report that will detail the overall approach, methodology and expected timeframe in which each phase of the project activities will be completed. The inception report will serve as a discussion document and will be the basis on which the detailed approach to the project is agreed upon. The inception report is an interim deliverable that is expected to be completed in one (1) month from the time that the Service Level Agreement (SLA) is signed with the service provider.</p>	15 Days upon signing of SLA
Phase 2.	<p>Assessment, the status of Artificial Intelligence (AI), Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness (4.0IR) of 15 manufacturers in the South African Leather, Leather Goods and Footwear Industry.</p>	<p>Undertake in-depth analysis of the assessment of the fifteen (15) manufacturers and provide overviews of AI &amp; AR used in the operations, the 4<sup>th</sup> Industrial Revolution readiness/ maturity, necessary skills &amp; skill gaps of key players in the Leather, Leather Goods and Footwear Industry using proven assessment tool.</p> <ul style="list-style-type: none"> <li>• Assessment should be done on operational models and skills related to future technologies.</li> <li>• Investigation advantages into Learning Factory collaboration</li> <li>• An estimation of total trade revenue, social cost generation and government revenue generation to be expected if the 4.0 readiness and maturity was functioning at a full operational level.</li> <li>• In order to ascertain the level of effort required to uplift and support manufacturers who would potentially be eligible for assistance to reach greater 4IR maturity and smart factory status, the current level of technology, skills and other related parameters are to be assessed.</li> <li>• From the assessment, specific areas in need of improvement should be highlighted and a technology roadmap should be developed with input from the individual manufacturers, Industry Level roadmap and <b>the dtic</b>.</li> </ul>	6 Months

Phases	Activities	Outputs	Timeframes
		<ul style="list-style-type: none"> <li>The Industry level assessment results and respective technology roadmap is to be aligned and compared to International best practices for which research and possible visit(s) may be required.</li> </ul>	
<b>Phase 3.</b>	Development of the strategy for the sector	<ul style="list-style-type: none"> <li>From this roadmap, phased projects should then be scoped and planned for implementation in order to take the South African Leather and Footwear Industry to a more efficient, advanced and productive level. Individual company report should be compiled and also the over whole report should be compiled. The strategy should be implementable in the immediate taking to account the South African context and the challenges that the sector is facing with.</li> </ul>	1.5 Months
<b>Phase 4</b>	Assessment report and presentation of report to relevant stakeholders	The service provider is expected to provide the assessment report with recommendations and present the report to <b>the dtic</b> and relevant stakeholders	1 month

**Comments:** Monthly progress reports and meetings with **the dtic** should be held on every agreed date of the month with the steering committee to report on the progress.

#### **Submission of the final report**

The service provider will report to **the dtic** for the duration of the assessment. The final report and presentation will be signed off by the project leader with the approval of the Director, after the industry stakeholders before the contract is deemed fulfilled and final payment is made. **the dtic** will have the final say on the approval of the projects that will be submitted in the following format:

- Final report with notes of the methodology and 4.0IR assessment tool used;
- Executive Summary in Word Format;
- PowerPoint presentation of the report;
- Four (4) hard copies of the final report;
- Three (3) copies of a flash disc version of the Executive Summary; and
- Final report.

**Please note that the service provider will be required to source their own key statistics and data relevant to this project.**

The deliverables for the project include:

i. Inception Report:

Once the appointment has been made the service provider has **five (5) working days to submit the inception report** detailing the scope of work, methodology and deliverables etc., for the duration of the project.

ii. Interim Reports:

Interim Reports on relevant data and information, outline of relevant theoretical background data, and information collected and preliminary results to be drafted and submitted.

iii. Presentation and Final report

A presentation will be made to **the dtic**, prior to finalization of input for the final presentation and report. Report on findings and specific recommendations covering the project objectives. The results derived must be quality controlled, analysed and interpreted in accordance with the objectives and scope of the study.

## 9. Skills Transfer Plan

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As part of this tender, the service provider is required to provide skills-transfer to build **the dtic** human resource capacity. As a minimum, this should involve working closely with the project leader.

**the dtic** will closely monitor the implementation and progress of skills transfer to the three (3) **the dtic** 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.

## 10. Technical Evaluation Criteria

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### 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 is required to demonstrate their relevant as well as wide experience and knowledge of providing similar services. The bidder and/or their proposed team are required to have demonstrable experience in the following combination of fields, Artificial Intelligence (AI) Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness Assessment (4.0IR), with an ability to work with industry.</p> <p>To substantiate, the bidder must provide a <b>minimum of one (1)</b> relevant contactable references of projects where they provided similar services. Bidders should also provide case studies detailing the type of project, the period of the project, the magnitude of the project and the result of the project. Reference letters from former clients will be an added advantage. Please refer <b>to Table (a) of Annexure 7</b> of this document for the format in which the required information must be provided.</p>			
<p><b>Substantiate / Comments</b></p>			

<b>10.1.2. BIDDER'S PROPOSED METHODOLOGY</b>	<b>Comply</b>	<b>Partially Comply</b>	<b>Not Comply</b>
<p>Bidders must demonstrate a thorough understanding of the objectives and deliverables of this project.</p> <p>Bidders must provide a detailed proposal of the methodology / approach to be used to carry out the scope of work outlined above and clearly demonstrate how the objectives and deliverables will be achieved.</p> <p>The proposal must outline, amongst other things, the following:</p> <ul style="list-style-type: none"> <li>• Step-by-step explanation of the proposed process to reach the end result of this requirement. Desktop and first-hand research approach;</li> <li>• Outline the reason for choosing why a particular method and assessment tool was chosen, as well as its pros, cons and risk factors;</li> <li>• 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; and</li> <li>• Identification of stakeholders to engage in the process.</li> </ul>			
<b>Substantiate / Comments</b>			



<b>10.1.3 QUALIFICATIONS AND SKILLS OF THE PROPOSED PROJECT TEAM LEADER</b>	<b>Comply</b>	<b>Partially Comply</b>	<b>Not Comply</b>
<p>The proposed team leader is required to have a wide experience and knowledge of Artificial Intelligence (AI) Augmented Reality (AR) and 4<sup>th</sup> Industrial Transformation. The leader is to also possess an Engineering or related specialised qualification.</p> <p>The bidders must submit, as part of its proposal, the following:</p> <ul style="list-style-type: none"> <li>• CV of team leader which must clearly highlight qualifications, areas of experience/competence relevant to the tasks and objectives of this project as outlined above.</li> <li>• Case studies detailing the type of projects, the period of the projects, the magnitude of the projects and the result of the projects.</li> <li>• Please refer to <b>Table (b) of Annexure 7</b> of this document for the format in which the required information must be provided.</li> </ul>			
<b>Substantiate / Comments</b>			

<b>10.1.4 QUALIFICATIONS AND SKILLS OF THE PROPOSED PROJECT TEAM MEMBERS</b>	<b>Comply</b>	<b>Partially Comply</b>	<b>Not Comply</b>
<p>The proposed team members are required to have demonstrable experience each in the following combination of fields, Artificial Intelligence (AI) Augmented Reality (AR) and 4<sup>th</sup> Industrial Revolution Readiness (4.0IR). The proposed key staff should have ability to work with industry. The team members are to also possess an Engineering or related specialised qualification.</p> <p>The bidders must submit, as part of its proposal, the following:</p> <ul style="list-style-type: none"> <li>• CVs of team members which must clearly highlight qualifications, areas of experience/competence relevant to the tasks and objectives of this project as outlined above.</li> <li>• Case studies detailing the type of projects, the period of the projects, the magnitude of the projects and the result of the projects.</li> <li>• Please refer to <b>Table (c) of Annexure 7</b> of this document for the format in which the required information must be provided.</li> </ul>			
<b>Substantiate / Comments</b>			

<b>10.1.5 SKILLS TRANSFER PLAN</b>	<b>Comply</b>	<b>Partially Comply</b>	<b>Not Comply</b>
<p>The outcome of the skills transfer plan is to capacitate at least three (3) <b>dtic</b> staff members on the process from inception to conclusion of the assessment. The skills transfer plan must therefore include the involvement of the three (3) <b>the dtic</b> staff members during the different stages of this project to facilitate this transfer plan and to enable <b>the dtic</b> to conduct similar studies on its own in future.</p> <p>The bidder must provide a skills transfer plan that will articulate how skills transfer will take place with <b>the dtic</b> over the period of the project to build capacity in the research methodology relevant to the scope of this tender. The plan must also demonstrate relevant tools, knowledge databases and provide research training to nominated staff member(s) of <b>the dtic</b>.</p>			
<b>Substantiate / Comments</b>			

<b>10.1.6 PROJECT PLAN</b>	<b>Comply</b>	<b>Partially Comply</b>	<b>Not Comply</b>
<p>The bidder must provide a detailed project plan which is to include key timelines to conduct an assessment and the development of turnaround strategies within a period not longer than nine (9) months from commencement date. The plan must indicate the key activities, timelines and milestones/deliverables.</p>			
<b>Substantiate / Comments</b>			

### 10.1.7 PRESENTATIONS

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

<b>Presentations</b>	<b>Maximum points</b>
Interpretation of the TOR	2%
Bidder's Relevant Experience	4%
Proposed Methodology and Proven Tool	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
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**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 <b>National Treasury Instruction 01 of 2013/2014: Cost Containment Measures</b> 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.)
<b>INCEPTION REPORT</b>				
<b>SITUATIONAL ANALYSIS</b>				
<b>ASSESSMENT OF FIFTEEN (15) MANUFACTURERERS ON THE STATUS OF ARTIFICIAL INTELLIGENCE (AI), AUGMENTED REALITY (AR) AND 4<sup>TH</sup> INDUSTRIAL REVOLUTION READINESS (4.0IR)</b>				
<b>ASSESSMENT REPORT AND PRESENTATION OF REPORT TO RELEVANT STAKEHOLDERS</b>				
<b>SKILLS TRANSFER TO THREE (3) DTI OFFICIALS.</b>				
<b>FINAL REPORT</b>				
<b>DISBURSEMENTS</b>				
<b>TOTAL BID PRICE (VAT EXCL.)</b>				

**Notes: 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:**

<b>Cost Element</b>	<b>Cost (VAT Excl.)</b>
<b>Total Disbursements</b>	

**9 SUMMARY OF THE PROPOSAL**

<b>DESCRIPTION</b>	<b>BIDDER’S PROPOSAL</b>
<b>Number of resources (personnel)</b>	
<b>Project duration (in hours)</b>	
<b>Project duration (in months)</b>	

**Price Declaration Form**

Dear Sir,

Having read through and examined the Request for Proposal (RFP) Document, RFP no. **T40/09/21**, the General Conditions, and all other Annexures to the RFP Document, we offer to **conduct the 4<sup>th</sup> Industrial Revolution (4.0IR), Readiness and Maturity Assessment for the South African Leather and Footwear Industry** as detailed in Section 2 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

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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

<b>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:</b>	
<b>Supplier Number</b>	
<b>Unique registration reference number</b>	

### BIDDING STRUCTURE

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

### REQUIRED INFORMATION

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

<b>If Individual Bidder:</b>	
Email address	
Postal Address	
Physical Address	

<b>If Joint Venture or Consortium, indicate the following for each partner:</b>	
<b>Partner 1</b>	
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	
<b>Partner 2</b>	
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	

<b>If bidder is a Prime Contractor using Sub-contractors, indicate the following:</b>	
<b>Prime Contractor</b>	
Name of Company	
Registration Number	
Vat registration Number	
Contact Person	
Telephone Number	
Cellphone Number	
Fax Number	
Email address	
Postal Address	
Physical Address	
<b>Sub contractors</b>	
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

<b>1. TAX COMPLIANCE REQUIREMENTS</b>		
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.	
<b>2. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>		
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><b>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.</b></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, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a>, 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 state<sup>1</sup>, 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, shareholder<sup>2</sup>): .....

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.

<sup>1</sup>“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

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SBD 9

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Standard Bidding Document (SBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *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:

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

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

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

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(Bid Number and Description)

in response to the invitation for the bid made by:

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(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 consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;

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<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

- (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









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

Name	Qualifications	Experience / Competence relevant to the tasks of this project	Relevant Case Studies	
			Type of Project, Project Period, Magnitude and Results of the Project	CV Attached Yes/No

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

Name	Qualifications	Experience / Competence relevant to the tasks of this project	Relevant Case Studies	
			Type of Project, Project Period, Magnitude and Results of the Project	CV Attached Yes/No

## **Annexure 8: BEE Commitment Plan**

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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**

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### **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)**

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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, 2017, 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, 2017 (Regulation 8) make provision for the promotion of local production and content.
- 2.2. Regulation 8(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 2.3. Where necessary, for tenders 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) on the date of advertisement of the bid as indicated in paragraph 3.1 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.**

2.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

**3. 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>
_____	_____ %

3. Does any portion of the goods or services offered have any imported content?

*(Tick applicable box)*

YES		NO	
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3.1 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 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on [www.resbank.co.za](http://www.resbank.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.

4. 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: IDC**

**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.thedti.gov.za/industrial\\_development/ip.jsp](http://www.thedti.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
- (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 3.1 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 3.1 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 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

**SIGNATURE:** \_\_\_\_\_

**WITNESS No. 1** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**WITNESS No. 2** \_\_\_\_\_

**DATE:** \_\_\_\_\_