



***Request for proposal: Livestock Auctioneering Services for KwaZulu-Natal
Province***

**TERMS OF REFERENCE FOR THE PROVISION OF SUPPLY AND DELIVERY
LIVESTOCK AUCTIONEERING SERVICES FOR THE NATIONAL
AGRICULTURAL MARKETING COUNCIL FOR A PERIOD OF 18 MONTHS**

BID-NUMBER: NRMDP/KZN-T03/2020

DATE ISSUED: 09/10/2020

CLOSING DATE: 30/10/2020

TENDER SUBMISSION ADDRESS:

Old Mutual Building, Block A, 4th Floor

536 Francis Baard Street

Meintjiesplein Building

Arcadia

Pretoria

0001

Council Members: Mr. H. Prinsloo (Acting Chairperson), Ms. F. Mkile,
Mr. H. Mohane, Mr. B. Mokgatle, Ms. N. Mokose, Prof. D. Rangaka, Mr. G. Schutte.

1. PURPOSE OF THIS REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal (RFP) is to implore proposals from potential bidder(s) for the provision of Livestock Auction services to the NAMC.

This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential bidder required by NAMC for the provision of supply and delivery Livestock Auctioneering services to NAMC.

2. BACKGROUND

The National Red Meat Development Programme (NRMDP) project aims to create feedlot capacity for communal farmers in the rural areas. The project enhances the productivity of livestock in communal areas and farmers' returns. The key driver of the project is an increased income from raising cattle to developing livestock farmers throughout South Africa. The project further aims to use the livestock production and marketing activities of the NRMDP to increase income of these (emerging and communal) farmers and create employment opportunities in local communities, through raising cattle.

The NRMDP focuses primarily on formal markets and systemizing the informal markets. The programme further plays an important role in drought mitigation as a couple of Provinces in South Africa have been declared disaster areas with the recent drought. The project is available across provinces of South Africa and is funded by the Department of Rural Development and Land Reform (DRDLR) and the National Agricultural Marketing Council (NAMC).

3. OVERVIEW OF NAMC

The National Agricultural Marketing Council (NAMC) is a statutory body established in terms of the Marketing of Agricultural Products Act, 1996. The main function of the Council is to advise the Minister of Agriculture Forestry and Fisheries on issues relating to the marketing of agricultural products.

4. SCOPE OF WORK

Please refer to **Annexure A**: The bill of quantities - **BID-NUMBER: NRMDP/KZN-T03/2020**.

The successful bidder will be required to supply and deliver Livestock Auctioneering services across the feedlots situated within the Kwazulu-Natal Province as and when required, the physical addresses are stipulated on **Annexure A**.

5. SUBMISSION OF PROPOSALS AND ENQUIRIES

Documents with specific deliverables can be obtained from NAMC website (www.namc.co.za) or for collection between office hours: 08h00 to 16h00 at the attached address free of charge.

Applications/submission should be addressed to the:

National Agricultural Marketing Council (NAMC)

Old Mutual Building, Block A, 4th Floor

536 Francis Baard Street

Meinjiesplein Building

Arcadia

Pretoria

0001

OR

Chief Executive Officer

National Agricultural Marketing Council

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Private Bag x935

Pretoria

0001

On or before 30 October 2020 at 11h00am, enquires can be directed to:

Mr Evans Khosa or Mulalo Nelitshindwe at (012) 341 1115

Email address: EKhosa@namc.co.za

mnelitshindwe@namc.co.za

6. DURATION OF THE CONTRACT

The successful bidder will be appointed to provide livestock auctioneering services as and when required subjected to performance management.

7. TENDER SUBMISSION REQUIREMENTS

Except for the BEE certificate, bidders will not be evaluated further for approval without the following documents as part of the bid documents:

- Application forms to be registered on NAMC database
- Original Tax Clearance or Tax Compliance Status Pin Issued Certificate
- Original BEE certificate or certified copy
- Central Supplier Database (CSD) Summary Report
- Proof of company registration (CK1)
- Certified ID Copies of Company Directors/Partners / Trustees (whichever is applicable).
- SBD 1, SBD 3.1, SBD 4, SBD 6.1, SBD 6.2, SBD 8, SBD 9 (Documents attached)
- General Condition of contract (Initialised on every page)

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- **N:B!!! - All bidders are required to submit one original copy and five copies of their proposal (A single copy will not be accepted therefore; bidders will be disqualified automatically)**

Bids received after the closing date and time at the address indicated in the bid documents, will not be accepted for consideration and where practicable, they will be returned unopened to the Bidder(s).

8. EVALUATION CRITERIA

FUNCTIONALITY EVALUATION CRITERIA

1. BIDDER'S EXPERIENCE	
Years of experience of the bidder within the space of supply & delivery of livestock auction services (References of contactable clients that were serviced in the past 18 months and the proof of registration with the South African Institute of Auctioneers)	Max 30 points
Project Size in terms of Rand Value of previous project similar to livestock auctions services	Max 20 points
Project Volume in terms of Rand Value of previous project similar to livestock auctions services	Max 20 points
2. PROPOSAL	
Detailed proposal how all the services required within the scope of work will be delivered and the costs per auction as per the bill of quantities.	Max 30 points
Total	100
Minimum Threshold	65

Evaluation Criteria for Functionality is as Follows:

NB: Bidders who fail to meet the minimum score of 65 points out of 100, will not be considered for evaluation in terms of Price and B-BBEE.

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Preference Point System

- Only bids that achieve the minimum qualifying score for functionality will be evaluated further in accordance with the 80/20 preference point system, as contemplated in the Preferential Procurement Policy Framework Act 5 of 2000. The formulae to be used in calculating points scored for price is as follows:

Where

P_s = Points scored for comparative price of bid or offer under consideration

P_t = Comparative price of bid or offer under consideration

P_{min} = Comparative price of lowest acceptable bid or offer.

- Points scored will be rounded off to the nearest 2 decimal places.

Calculation of points for B-BBEE status level of contributor

Points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (80/20 system)
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

N:B - A Bid will not be disqualified from the bidding process if the bidder did not submit a certificate substantiating the B-BBEE status level of contribution or is a non-compliant contributor. Such a bidder will score zero (0) out of a maximum of 20 points respectively for B-BBEE.

Joint Ventures, Consortiums and Trusts

A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Bidders must submit concrete proof of the existence of joint ventures and/or consortium arrangements. **NAMC** will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.

The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner, who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

Sub-contracting

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.

The following is an extract from the PPPFA Act:

11(8) "A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the

value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.”

11(9) “A person 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 than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.”

i. (80 + 20 = 100 points)

The Price and BBEE points will be consolidated.

9. TAX VERIFICATION ON THE CENTRAL SUPPLIER DATABASE

- 9.1.** The supplier is required to submit a good standing original tax clearance, hence the tax status will be verified directly on the Central Supplier database (CSD) prior to the awarding of competitive bids.
- 9.2.** Where the recommended bidder is non-tax compliant, the bidder will be notified in writing and a period of 7 working days will be granted to a supplier to resolve their tax obligations with SARS.
- 9.3.** Should the recommended bidder fail to submit a written proof of their tax compliance status in terms of paragraph **9.2**, the accounting officers will reject the bid submitted by the bidder.

GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder(s) under this bid is conditional, amongst others, upon –

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- a. The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which NAMC is prepared to enter into a contract with the successful Bidder(s).
- b. The bidder submitting the General Conditions of Contract to NAMC together with its bid, duly signed by an authorised representative of the bidder.

SERVICE LEVEL AGREEMENT

Upon award NAMC and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by NAMC, more or less in the format of the draft Service Level Indicators included in this tender pack.

The NAMC reserves the right to vary the proposed draft Service Level Indicators during the course of negotiations with a bidder by amending or adding thereto.

Bidder(s) are requested to:

- a. Comment on draft Service Level Indicators and where necessary, make proposals to the indicators;
- b. Explain each comment and/or amendment; and
- c. Use an easily identifiable colour font or “track changes” for all changes and/or amendments to the Service Level Indicators for ease of reference.

The NAMC reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to NAMC or pose a risk to the organisation.

SPECIAL CONDITIONS OF THIS BID

The NAMC reserves the right:

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To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000)

To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

To accept part of a tender rather than the whole tender.

To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.

To correct any mistakes at any stage of the tender that may have been in the Bid documents or occurred at any stage of the tender process.

To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

Award to multiple bidders based either on size or geographic considerations.

The NAMC REQUIRES BIDDER(S) TO DECLARE

In the Bidder's Technical response, bidder(s) are required to declare the following:

Confirm that the bidder(s) is to: –

- a. Act honestly, fairly, and with due skill, care and diligence, in the interests of NAMC;

- b. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
- c. Act with circumspection and treat NAMC fairly in a situation of conflicting interests;
- d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with NAMC;
- f. Avoidance of fraudulent and misleading advertising, canvassing and marketing;
- g. To conduct their business activities with transparency and consistently uphold the interests and needs of NAMC as a client before any other consideration; and
- h. To ensure that any information acquired by the bidder(s) from NAMC will not be used or disclosed unless the written consent of the client has been obtained to do so.

CONFLICT OF INTEREST, CORRUPTION AND FRAUD

NAMC reserves its right to disqualify any bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of NAMC or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity")

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- a. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- b. seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- c. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of NAMC's officers, directors, employees, advisors or other representatives;
- d. makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- e. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- f. pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- g. has in the past engaged in any matter referred to above; or
- h. has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such

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bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

The bidder should note that the terms of its Tender will be incorporated in the proposed contract by reference and that NAMC relies upon the bidder's Tender as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.

It follows therefore that misrepresentations in a Tender may give rise to service termination and a claim by NAMC against the bidder notwithstanding the conclusion of the Service Level Agreement between NAMC and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

PREPARATION COSTS

The Bidder will bear all its costs in preparing, submitting and presenting any response or Tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing NAMC, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

INDEMNITY

If a bidder breaches the conditions of this bid and, as a result of that breach, NAMC incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds NAMC harmless from any and all such costs which NAMC may incur and for any damages or losses NAMC may suffer.

LIMITATION OF LIABILITY

A bidder participates in this bid process entirely at its own risk and cost. NAMC shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Bidder's participation in this Bid process.

TENDER DEFAULTERS AND RESTRICTED SUPPLIERS

No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. NAMC reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

GOVERNING LAW

South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that NAMC allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and NAMC will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's tender(s) will be disclosed by any bidder or other person not officially involved with NAMC's examination and evaluation of a Tender.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Tender. This bid and any other documents supplied by NAMC remain proprietary to NAMC and must be promptly returned to NAMC upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidder(s) must secure NAMC's written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

AVAILABILITY OF FUNDS

Should funds no longer be available to pay for the execution of the responsibilities of this bid (**NRMDP/KZN-T03/2020**) the NAMC may terminate the Agreement at its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure: Provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.