

## Tenders and Joint Ventures

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Countless tenders have been awarded to Joint Ventures and many more tenders will be awarded to Joint Ventures. Do not underestimate the power of Joint Ventures.

The advantage of having a Joint Venture when you bid for a contract is that you combine the skills sets of the participants involved in the Joint Venture. Another advantage is that you minimize your risk and exposure towards the bid and the participants also share the profits as well as the costs in the Joint Venture.

A Joint Venture can be described as a business enterprise where two or more participants come together to share their expertise to win a specific contract for a set period of time. A Joint Venture is a separate entity and is not part of the individual participant's own enterprise. Therefore a Joint Venture must have its own set of rules by which it is managed, and this is called a Joint Venture Agreement.

A Joint Venture agreement must include some minimum rights and duties. This includes:

- The way the participants will share the profit or loss;
- The duties of each participant towards the Joint Venture;
- The reason the Joint Venture has been established;
- The start and end date of the Joint Venture; and
- The persons who will be the representatives of the Joint Venture.

If you want a copy of a Standard Joint Venture Agreement visit our website [www.howtotender.co.za](http://www.howtotender.co.za) where you can buy a JV Agreement online. When it comes to tenders in South Africa, you must remember to include your duly signed Joint Venture Agreement in your proposal. If you do not comply with this rule, your tender can be disqualified.

Another especially important thing to remember, when bidding through a Joint Venture, is to include a consolidated B-BBEE certificate. This means that you will have to obtain a new B-BBEE certificate for the Joint Venture which consolidates each participant's B-BBEE status level.

Remember then if you want to bid for a specific tender and you do not have all the necessary skills, resources, infrastructure, or capital you can always look for partners who can join forces with you through Joint Ventures. Joint Ventures can achieve the success you always wanted without being trapped in a never-ending partnership or shareholding scenario.

To learn more about this and many other tender conditions attend our "Become a Tender Expert" 2-Day workshops presented in Johannesburg, Pretoria, Durban, Port Elizabeth, and Cape Town. Book and pay online at <https://howtotender.co.za/tender-expert-form/>

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