

Which documents do I need to tender?

By Werner van Rooyen, Director of HowToTender (Pty) Ltd which specializes in tender consulting and tender training.

The last week we were asked to help a lady to respond to a request for quotation to provide cleaning services to a Public Entity. It seemed easy at first but once we got to the stage where we had to submit the required and mandatory documents the problems started. The main reason it became a challenge was that this particular business that required our services was a start-up business and being a start-up means that this business is going to struggle to comply with all the required and mandatory documents.

The 6 required and mandatory documents are essential if you want to be successful in your response. The Public Entity stated it very clearly on the request for quotation that if you do not attach these documents to your response you will be disqualified. The required and mandatory documents that the Evaluation Committees look for in any tender response are:

1. Tax Clearance Certificate

1. If you have ever responded to any tender, you will know that you must submit a Tax Clearance certificate. The importance of this certificate cannot be over emphasized. Remember that your Tax Clearance certificate must be an **ORIGINAL** certificate. No copies are allowed. Original Valid Tax Clearance Certificate (verification will be done with SARS);

2. Standard Bidding Document 4 (SBD 4) - Declaration of interest

The declaration of interest records any existing relationship and/or acquaintance with the organ of state's employees. This ensures that employees of the organ of state are not involved in any way in your tender response.

3. Standard Bidding Document 6.1 (SBD 6.1) - Preference Points.

With this document, you will be able to claim Preference Points according to your Broad-based Black Economic Empowerment (B-BBEE) Status Level. This document must be fully completed. That includes the section on Sub-contracting.

4. B-BBEE Certificate

You can obtain a B-BBEE certificate from your Registered Auditor or from a SANAS accredited Verification Agency. The certificate must either be an original or a certified copy and it must be valid during the tender evaluation process. B-BBEE certificates are only valid for a period of twelve months. Original or Certified copy of Valid BBEE Certificate (from SANAS accredited Verification Agency) or from the Auditors approved by the Independent Regulatory Body of Auditors (IRBA);

Any EME (Exempt Micro Enterprise) or QSE (Qualifying Small Enterprise) is only required to obtain an affidavit on an annual basis, confirming the following;

- a. Annual Total Revenue of R10 Million or less (EME) or Revenue between R10 Million and R50 Million for QSE;
- b. Level of Black Ownership

ANY MISREPRESENTATION IN TERMS OF THE ABOVE CONSTITUTES A CRIMINAL OFFENCE as set out in the BBEE Act as amended;

5. Standard Bidding Document 8 (SBD 8) - Past Supply Chain Management Practices.

This document must be completed to ensure that you have not abuse the Supply Chain System in the past and that you are not one of the seven hundred people listed on the National Treasury's website as such.

6. Standard Bidding Document 9 (SBD 9) - Certificate of Independent Bid Determination.

This document serves as a certificate of declaration that all reasonable steps have been taken to prevent any form of bid rigging. It also ensures that there is no bidding from parties who have interest in more than one tender response for that specific tender.

Remember that these six key evaluation documents only apply to tenders or request for proposal for Government tenders.

Procuring entities regularly also require that you submit the following – make sure which documents are requested in the tender documents

- Certified copy of Company Registration Document that reflect Company Name, Registration number, date of registration and active Directors or Members;
- Certified copy of Shareholders' certificates;
- Certified copy of ID documents of the Directors or Members;
- Last three years audited/reviewed financial statements;
- Letter of guarantee from a registered Financial Institution or Financier covering 3 months' operational costs as per Bidder's proposed costs;
- Proof of Public Indemnity Cover for minimum of R1 million;
- Letter of Good Standing with Department of Labour for Unemployment Insurance Fund;
- Letter of Good Standing with Department of Labour for Compensation for Occupational Injuries and Diseases.
- Proof of compliance/registration with the Industry Regulator / Association.

Most of these documents are fairly easy to obtain and will not be a problem but when it comes to guarantees and Public Indemnity it starts to get costly. This is the challenge – getting guarantees and insurance are expensive and belonging to associations also costs money and most start-ups simple cannot afford this. The result is that they end up not being awarded the tender because of this and that is unfortunate because it is in fact the start-ups that need contracts like these.

In our daily endeavours responding to tenders on behalf of companies, we try and overcome these obstacles, it is sometimes difficult, but we try to get a solution around for each obstacle.

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/>

Contact us at estelle@howtotender.co.za should you require more information.

You can also purchase a Tender Manual (Handbook) on our website <https://howtotender.co.za/> which is a step by step guide how to respond to a South African Tender. It includes examples of completed SBD forms.