



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

# GUIDE TO TENDERING AT THE CITY OF CAPE TOWN

Making progress possible. Together.



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# INTRODUCTION





The City of Cape Town (or “the City”) is a large metropolitan municipality in South Africa that employs more than 27 000 people. The vast Cape Town municipal area is characterised by high population densities, bustling movement of people, goods and services, extensive development, and multiple business districts and industrial areas.



The City wishes to increase opportunities for income generation for the people of Cape Town. One way of doing this is by procuring goods and services from local businesses, thereby stimulating and promoting local economic development through healthy competition. A specific aim is to increase small businesses’ access to these procurement opportunities.



The City procures goods and services through a tendering process. This guide is designed to assist those who want to take part in this process and tender for City opportunities. The guide does not substitute any legislation, however, and should not be used for legal interpretation.



# WHAT IS TENDERING?



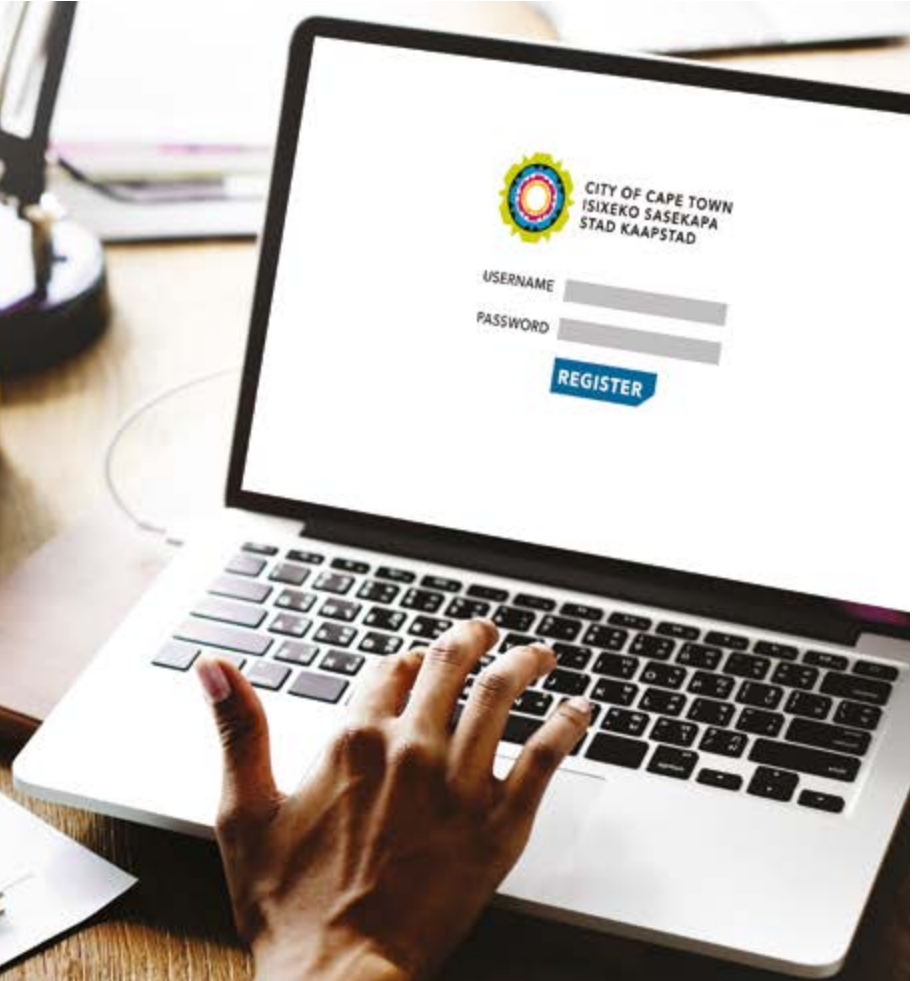
Tendering refers to the process of making a formal written offer to carry out work or supply goods for a stated, fixed price.

The tendering process is a formal, structured procedure to obtain offers from different potential suppliers or contractors, all competing for the tender award.

Releasing tenders for work and services is a legal obligation for public-sector organisations worldwide, including the City.

Tenders are normally listed on an organisation's website and in traditional print media. Electronic procurement and tendering systems are also increasingly used.

# SUPPLIER REGISTRATION





To take part in the City's tendering process, suppliers must (i) register to do business with the City, and (ii) activate supplier self-service on the City's e-Services portal.

### 3.1 REGISTER TO DO BUSINESS WITH THE CITY

Registering to do business with the City is a two-step process involving registration on National Treasury's central supplier database, followed by registration on the City's own supplier database.

#### Step 1:

##### National Treasury central supplier database (CSD)

Suppliers must first register on National Treasury's CSD. You will be issued a CSD number, which you will need for step 2 below. Note that in joint venture partnerships, each member must register separately.

#### Step 2:

##### City's supplier database

Successful tenderers must register as service providers on the City's own supplier database within seven days of a tender award. You will be issued a unique City vendor (supplier) number. Until this registration has been done, no orders can be raised or payments processed from any contract resulting from a successful tender. Again, each member of joint venture partnerships must register separately.

Registration forms for step 2 are available from the City's Supplier Management Unit at the Cape Town Civic Centre, or on the City's website, [www.capetown.gov.za](http://www.capetown.gov.za).

### 3.2 ACTIVATE SUPPLIER SELF-SERVICE ON THE CITY'S E-SERVICES PORTAL

Registration on the e-Services portal allows you to maintain and update your own profile as a City supplier. This is a requirement to complete your supplier registration.

To do so, scan the following list of documents one by one in PDF format and upload them to the e-Services portal:

- **Letter of authorisation from your company director or owner**

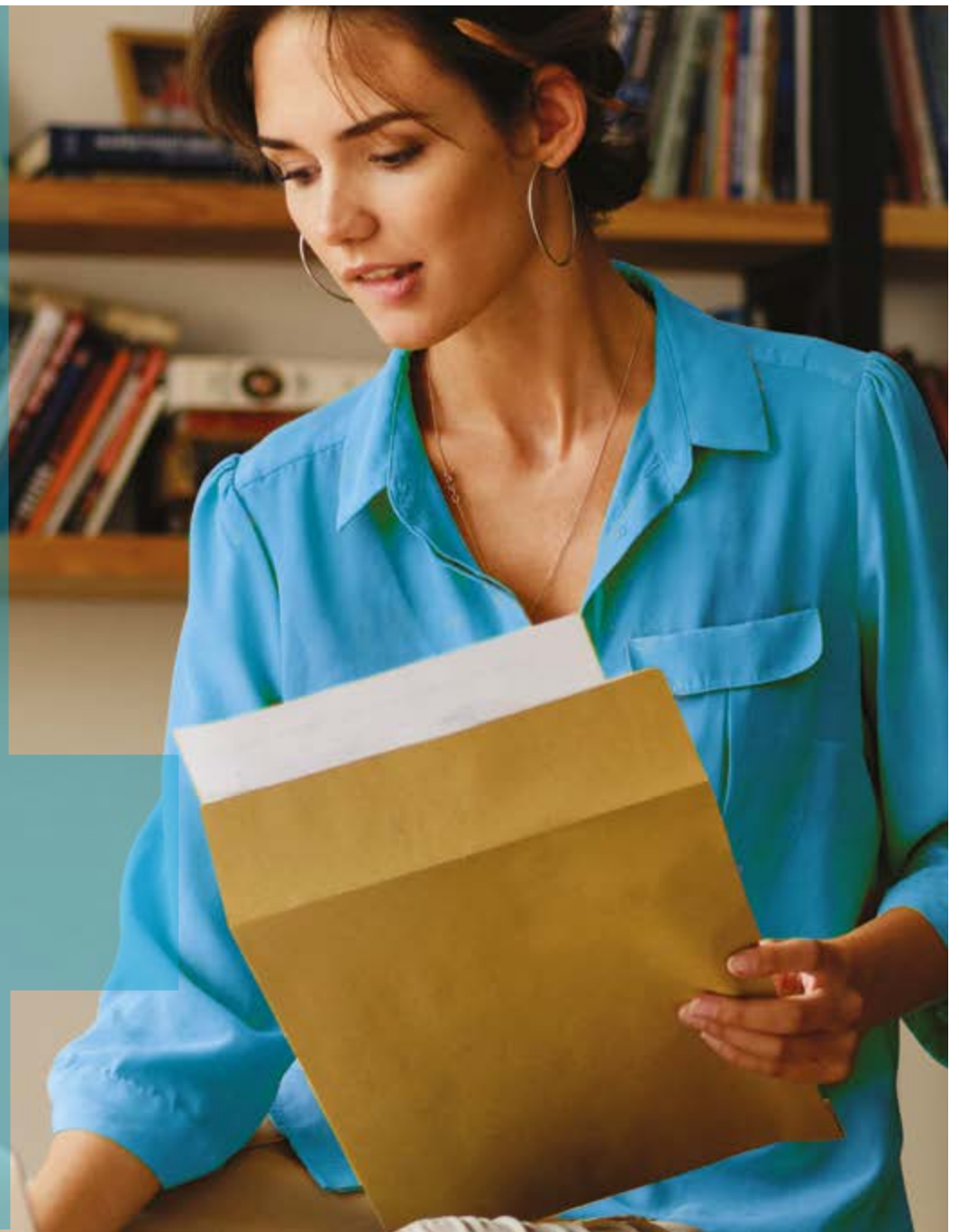
This letter confirms the status of the person authorised to act on behalf of the company and who has been nominated as administrator. It must be completed and signed on a letterhead displaying the company logo. If you have no official letterhead or logo, display the full company name with registration number as per the Companies and Intellectual Property Commission (CIPC) registration document. (Sole proprietors are not required to supply a CIPC number.) Also clearly show the company's postal address.

- **A copy of the administrator's ID, and a copy of the ID for the person nominated as administrator**
- **A copy of the sales person's ID, and a copy of the ID for the person nominated in the sales role**

- **A copy of the ID for the person nominated in the authorising role**
- **South African Revenue Service (SARS) PIN certificate**
- **Proof of address, such as a utilities bill or any other document displaying the address**
- **Broad-based black economic empowerment (B-BBEE) certificate or a sworn affidavit confirming B-BBEE status**
- **Confirmation of bank account**
- **Full CIPC document listing all company directors' names (not applicable to sole proprietors)**

Where any of these documents consist of more than one page, scan all pages as one PDF file. Save all your scanned files on a memory stick.

# SUBMITTING A TENDER



The City's Supply Chain Management Department manages the supply and acquisition of all goods and services on behalf of the municipality. They use a fair, transparent, competitive and cost-effective system for this purpose, as required by the constitution.



Goods and services that have been put out to tender are advertised on the City's website and in the print media. By submitting a tender offer in response to such an advertisement, a tenderer commits to provide the whole of the works, services or goods as specified. A tenderer may submit only one offer (or bid) on the original tender documents issued by the City. The bid must be signed by the person authorised to do so.




Tenderers may bid either as a single entity or as a member of a joint venture. Tender submissions by joint ventures comprising two or more firms must include the document of formation of the joint venture, or any other document signed by all parties.

Most tender forms are completed in English. If this is not possible, the tender form must be completed as an original official document in the bidder's language, and be accompanied by an English translation.



Once completed, tenders must be placed in a sealed envelope and dropped into the tender box specified on the front page of the tender document, on or before the closing date and time. All tender and quotation boxes are located on the concourse level (second floor) of the Civic Centre at 12 Hertzog Boulevard, Cape Town. If your tender submission is too large to fit into the allocated box, please ask for help at the public counter.

A person wearing a light blue long-sleeved shirt is shown from the chest up, looking down at a document they are holding. They are holding a black pen in their right hand, ready to write. The document has some text and a table with columns. The background is blurred, showing what appears to be an office or meeting room. There are some dark blue and teal geometric shapes overlaid on the image, including a large semi-circle on the left side.

# KEY DOCUMENTS NEEDED FOR YOUR TENDER

In addition to completing the City's tender form, bidders need to include certain additional supporting documents. Key among these are the following two:



- **Proof of B-BBEE level**

To qualify for preference points, tenderers must submit a document (certificate, sworn affidavit or any other required document prescribed by the B-BBEE Act) proving their B-BBEE level.



- **Evidence of tax compliance**

Tenderers must be registered with SARS, their tax affairs must be in order, and they must be tax compliant. Each party to a consortium or joint venture must submit a separate SARS-compliant tax pin.

# SOME TENDER CONDITIONS EXPLAINED



Be sure to read every new tender invitation carefully and assess what is required, as specifications differ from one tender to the next. To have the best chance of success, ensure that you comply with all tender conditions. Some typical tender conditions are explained below, arranged alphabetically for ease of reference.

### **Compliance with Occupational Health and Safety Act 85 of 1993**

Check the requirements of the Occupational Health and Safety Act and make provision for any costs to comply. This may include submitting a health and safety plan that shows the necessary competencies and resources required to deliver the goods or services under the act. Note, however, that if such a plan is required, the City will request it in writing.

### **Confidentiality and copyright of documents**

Everything with regard to a tender is confidential. You may use and copy the documents issued by the City only to prepare and submit the relevant tender offer.

### **Cost of tendering**

The City is not liable for any costs you may incur to prepare and submit a tender offer.

### **Decimal places**

The City scores financial offers, preferences and functionality to two decimal places.

### **Evaluation of tender offers**

The City reduces each responsive tender offer to a comparative price, which is then evaluated as specified in the tender conditions. Where functionality scoring forms part of a bidding process, each member of the bid evaluation committee must provide a score. The individual scores are then added up and averaged to determine a final score.

Note that the evaluation and acceptance of a tender, as well as any resulting contract, is subject to the City's Supply Chain Management Policy as at the advertised date of the bid. The policy is available for download from the City's website.

### **Grounds for rejection and disqualification**

A tenderer who is found to have tried to influence the processing of tender offers will be disqualified.

### **Local production and content**

If the raw material or input for a specific item is not available locally, suppliers need to obtain written authorisation from the chief director of Industrial Procurement, Department of Trade and Industry, to import the material or input. Dial 012 394 3927, send a fax to 012 394 4927, send an email to [CMatidza@thedti.gov.za](mailto:CMatidza@thedti.gov.za), or visit [www.thedtic.gov.za/sectors-and-services-2/industrial-development/](http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/). For any further clarification, contact the relevant City department.

### **Nondisclosure**

The City will not disclose information about the evaluation of a tender to anyone until after the contract has been awarded to the successful tenderer.

### **Opening of tender submissions**

Unless the two-envelope system is followed (explained on page 17), submissions must be opened in the presence of tenderers' agents, at the time and place stated in the tender conditions. In such a case, a City official will announce the name of each tenderer whose tender offer is opened, as well as the prices and preferences indicated, where possible.

### **Prepare contract documents**

If necessary, the City will revise contract documents to provide for:

- notices issued during the tender period;
- inclusion of some of the returnable documents; and
- other revisions agreed between the City and the successful tenderer.

## Prequalification criteria for preferential procurement

Prequalification criteria set a minimum bar of capability for prospective bidders. These criteria are normally contained in a schedule that tenderers must complete, providing all necessary supporting documents.

Tenderers who meet the following prequalification criteria are generally declared responsive:

- A stipulated minimum B-BBEE level
- An exempt micro-enterprise (EME) or a qualifying small enterprise (QSE). EMEs are entities with an annual turnover of R10 million or less, while QSEs are those with an annual turnover of R10 million to R50 million.
- A tenderer who subcontracts a minimum of 30% to:
  - an EME or a QSE that is at least 51% black owned;
  - an EME or a QSE that is at least 51% owned by black youth;
  - an EME or a QSE that is at least 51% owned by black women;
  - an EME or a QSE that is at least 51% owned by black people with disabilities;
  - an EME or a QSE that is at least 51% owned by black people living in rural or undeveloped areas or townships;
  - a cooperative that is at least 51% black owned;

- an EME or a QSE that is at least 51% owned by black military veterans;
- an EME or a QSE.

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### Pricing the tender offer

Carefully follow all pricing instructions as stated on the price schedule.

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### Provide other material

The City may request the tenderer to provide any other material relevant to the tender offer. This may relate to the tenderer's commercial position (including joint venture agreements), preferencing arrangements, or samples of materials considered necessary for tender evaluation. Failure to provide the requested material by the stated deadline without an acceptable excuse may render the tender nonresponsive.

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### Reference documents

Obtain copies of the latest versions of standards, specifications, conditions of contract and other publications that are not included with, but are referred to in, the tender documents.

## Request clarification

Should you require any clarification of tender documents, approach the City at least one week before the tender closes.

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## Samples, inspections, tests and analyses

During the evaluation of a tender, tenderers may be required to provide access to their premises for inspections, tests and analyses during working hours, as provided for in the tender conditions or specifications. Samples requested for testing may not always be returned in the same state, if returned at all.

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## Scoring of tenders: price and preference

Points for price will be allocated according to a formula set out in the tender document (section 2.3 City obligations) based on

- the sum of the prices/rates in relation to the estimated quantities;
- the sum of the prices/rates in relation to historical volumes; and
- the sum of the prices/rates in relation to a typical project/job.

Points for preference will be allocated as provided for in the preference schedule and in the table in the tender document.



### **Tender offer validity and withdrawal of tenders**

A tender offer generally remains valid, fixed and open for acceptance by the City for 120 days after the tender closing date. However, bids will be deemed valid for acceptance for another 12 months after the expiry of the original period, unless the bidder indicates otherwise in writing.

To withdraw a tender offer after the closing date, the tenderer may address a written request to the City, specifying reasons for wanting to withdraw. The City may allow or refuse the request at its sole discretion.

Tenderers who do not comply with these conditions will be held liable for any extra expense or loss that the City incurs or suffers in having to accept another offer or invite new bids.

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### **Test for responsiveness**

A City bid evaluation committee will determine the responsiveness of each tender offer that was properly received.

### **Two-envelope system**

A two-envelope bidding system is where a technical proposal and a financial offer are submitted in separate envelopes at the same time and place. The financial offers are only opened once the technical proposals have been evaluated. In such a case, City officials will open only the technical proposals and announce the name of each tenderer. Those with responsive technical proposals will be notified of the time and place when the financial proposals will be opened, at which time the total price and any preferences claimed will be announced.



# THE BASICS OF A SUCCESSFUL BID

Ultimately, you want to win the tender you are bidding for, otherwise you would not be investing all your time and effort in doing the paperwork. Getting the basics right will improve your chance of success:

1

Apply for a tender that is relevant to your business. This means ensuring that you have the staff, skills, equipment and any other specific resources required to deliver the goods and services specified in the tender.

2

Register as a supplier on the CSD (see section 3.1 on page 9), otherwise you cannot be awarded any tenders by the City.

3

You must be able to provide all the goods or services required, at your quoted rate, within the specified time. Do some research on pricing to ensure that your quote is as competitive as possible.

4

Read the tender document thoroughly and start preparing all the necessary documents well in advance. A tender is often advertised for as long as 30 days, so avoid a last-minute rush.

5

When a tender closes, it is assessed by various bid evaluation committees, which takes time. Therefore, tenderers are advised not to contact the City, but instead to wait for the designated official to notify them as soon as the process has been completed.

6

Do not give up if your first bid does not succeed. It might take a while to get the hang of the process, but it gets easier every time. Keep copies of every submission so that you have a handy reference next time.



# NOTICE TO TENDERERS



The City will send a written notice to successful tenderers to inform them of the bid adjudication committee's decision in their favour. However, the notice itself does not create or grant any rights. Unsuccessful tenderers will be notified at the same time.



# **DISPUTES, OBJECTIONS, QUERIES AND APPEALS**

In terms of Municipal Supply Chain Management Regulations 49 and 50 under the Local Government: Municipal Finance Management Act 56 of 2003, anyone who wishes to lodge a complaint about a tender award may write to the City Manager within 14 days of the announcement of the successful tenderer. The same applies to appeals, which must be lodged in writing within 21 days, as provided for by section 62 of the Local Government: Municipal Systems Act 32 of 2000.

All disputes, objections, queries and appeals regarding tender awards must be submitted to:

**The City Manager**  
**c/o Manager: Legal Compliance Unit**  
**Legal Services Department**  
**Corporate Services Directorate**

**Physical address:**

20<sup>th</sup> floor, Tower Block,  
12 Hertzog Boulevard,  
Cape Town,  
8001

**Postal address:**

Private Bag X918,  
Cape Town,  
8000

**Fax:**

021 400 5963/5830

**E-mail:**

MSA.Appeals@capetown.gov.za







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# USEFUL CONTACTS

## **e-Services portal:**

<https://Eservices.capetown.gov.za>

## **Local production and content:**

Chief Director: Industrial Procurement

Department of Trade and Industry

012 394 3927 (tel)

012 394 4927 (fax)

## **OR**

Director: Fleet Procurement

Department of Trade and Industry

012 394 3927 (tel)

[CMatidza@thedti.gov.za](mailto:CMatidza@thedti.gov.za)

## **OR**

Department of Trade and Industry contact centre

0861 843 384

## **Registration assistance:**

Weekly registration sessions are hosted. Contact Supplier Management for details.

## **Supplier Management/Registration Office:**

2<sup>nd</sup> Floor (Concourse Level) Civic Centre,

12 Hertzog Boulevard,

Cape Town

[supplier.management@capetown.gov.za](mailto:supplier.management@capetown.gov.za)/[eprocurement](mailto:eprocurement)

[supplierregistration@capetown.gov.za](mailto:supplierregistration@capetown.gov.za)

## **Tender delivery:**

Tender and quotation boxes

2<sup>nd</sup> Floor (Concourse Level) Civic Centre,

12 Hertzog Boulevard,

Cape Town



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