

Fasset
Guide to Procurement
How to submit tenders / RFPs / RFBs

FOREWORD

In an effort to achieve its objectives and in line with National Skills Development targets, Fasset strives to promote open, competitive and fair procurements that will provide the Seta with the best value for all goods and services procured through its Supply Chain Management ([SCM](#)) function. Fasset also seeks to build a strong partnership with the vendor community amongst its stakeholders and throughout South Africa (SA). One way to build that partnership is to make the procurement process as user-friendly and as transparent as possible. With that goal in mind, this document presents best practices and practical advice for any entity responding to Fasset's Requests for Proposals ([RFPs](#)) and/or Requests for Bids ([RFBs](#)).

DISCLAIMER

This general advice is given without prejudice and neither Fasset nor any of their advisers accept any responsibility or liability in relation to its accuracy or completeness or any other information which has been made available to any potential Bidder, Provider, Supplier (public or private), or any of their advisers, particularly from an external source of information or advice. No liability will be accepted for any acts or omissions or costs subsequently incurred.

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1 BACKGROUND

Fasset is a statutory body established through the Skills Development Act 97 of 2000 as amended to enable its stakeholders to advance the national and global position of the industry for finance, accounting, management consulting and other financial services.

The member organisations of a Seta include employers, trade unions, professional bodies, government departments and bargaining councils, where relevant, from each industrial sector. The Seta landscape consists of 21 Setas since April 2011.

1.1 Purpose of the Skills Development Act

The short supply of skilled staff, specifically in the Fasset sector is a serious obstacle to the competitiveness of industry in South Africa. The levy grant scheme aims to expand the knowledge and competencies of the labour force resulting in improvements in employability and productivity. This is achieved through new approaches to planning for training, learning programmes, incentives and an improved employment service. Stakeholders who participate fully in the scheme will reap the benefits of a better skilled and more productive workforce.

1.2 The Work of Setas

- Determine the vision and mission of the Seta
- Develop and adapt the sector's skill strategy
- Set strategic targets in line with national policies and priorities, national sectoral priorities and sub-sectoral or chamber priorities.
- Enter signed agreements on targets for delivery with chambers or sub-sectors
- Approve funding and funding flows
- Monitor and evaluate the implementation of strategies and the achievement of targets
- Assume accountability in terms of the Skills Development Act, the Skills Development Levies Act, Public Finance Management Act and the [NQF Act](#)
- Quality assure education and training providers via an Education and Training Quality Assurance body
- Be responsible for Learnerships

1.3 The Objectives of Fasset

- To develop the competence of employees and potential employees in the sector:
 - Improving the quality of life of employees, their prospects of work and labour mobility
 - Improving productivity in the workplace and the competitiveness of employers

- Promoting self-employment in situations where the sector is experiencing job shrinkage.
- To increase the levels of investment in education and training and to optimise the return on this investment
- To position this sector as the "sector of career choice" for prospective learners and entrants into the labour market
- To encourage employers and employees to adopt a culture of lifelong learning through:
 - Using the workplace as an active learning environment
 - Providing employees with the opportunities to acquire new skills
 - Providing opportunities for new entrants and potential entrants into the sector labour market and enhancing access to opportunities to gain work experience
- To support the objectives of the Employment Equity Act of 1998
- To enhance access to learning opportunities and to facilitate the recognition of prior learning
- To ensure the quality of education and training in the sector
- To expand the provision of education and training in this sector through sound partnerships with public and private sector service providers
- To encourage greater cooperation between the public and private sectors
- To co-operate with the necessary authorities and other Setas, in support of the objectives of the Act.

2 TENDERING WITH PUBLIC ENTITIES

2.1 The Purpose of Fasset Tenders

To facilitate skills development, transformation and social upliftment in the sector and in pursuance of [NSDS](#) targets, Fasset funds interventions that meet specific criteria in this regard.

Fasset's Board earmarks, on an annual basis, areas of high skills need within the sector, based on the Sector Skills Plan and other research. Strategic project interventions are identified and public tenders are advertised regularly. All tenders are advertised on the Fasset website (on the procurement page), in the Government Gazette, and on the government tender board website.

2.2 The Guiding Legislation, Regulations and Directives:

Legislation, regulations and directives that guide the SCM environment:

- 2.2.1 The Constitution of South Africa.
- 2.2.2 The Public Finance Management Act ([PFMA](#)) and the Treasury Regulations issued in terms thereof.
- 2.2.3 Policy to Guide Uniformity in Procurement Reform Processes in Government.

- 2.2.4 The various National Treasury Practice Notes, circulars and letters obtainable from National Treasury at www.treasury.gov.za.
- 2.2.5 The Preferential Procurement Policy Framework Act ([PPPFA](#)) and its Regulations issued in terms thereof.
- 2.2.6 The Broad-Based Black Economic Empowerment Act, the Strategy and the Codes of Good Practice obtainable at www.dti.gov.za
- 2.2.7 The King III Report on Corporate Governance for South Africa.
- 2.2.8 The Prevention and Combating of Corrupt Activities Act.
- 2.2.9 The National Small Enterprise Act.
- 2.2.10 The State Information Technology Agency Act.
- 2.2.11 Other relevant pieces of legislation that impacts on the supply chain environment are:
 - Promotion of Administrative Justice Act, Act No 3 of 2000.
 - Promotion of Access to Information Act, Act No 2 of 2000.
 - Protected Disclosures Act, Act No 26 of 2000.
 - The Competition Act, Act No 89 of 1998.
 - The Skills Development Act, Act No 97 of 1998.
 - The Skills Development Levies Act, Act No 9 of 1999.
 - The Reconstruction and Development Programme Fund Act, Act No 7 of 1994 and the Reconstruction and Development Programme Fund Amendment Act, Act No 79 of 1998.

Note: In all cases where reference is made throughout the document to specific legislation, regulations, letters or circulars, practice notes or others, it includes subsequent or replacement correspondence on the same subject.

2.3 Purpose of the Tender Documentation

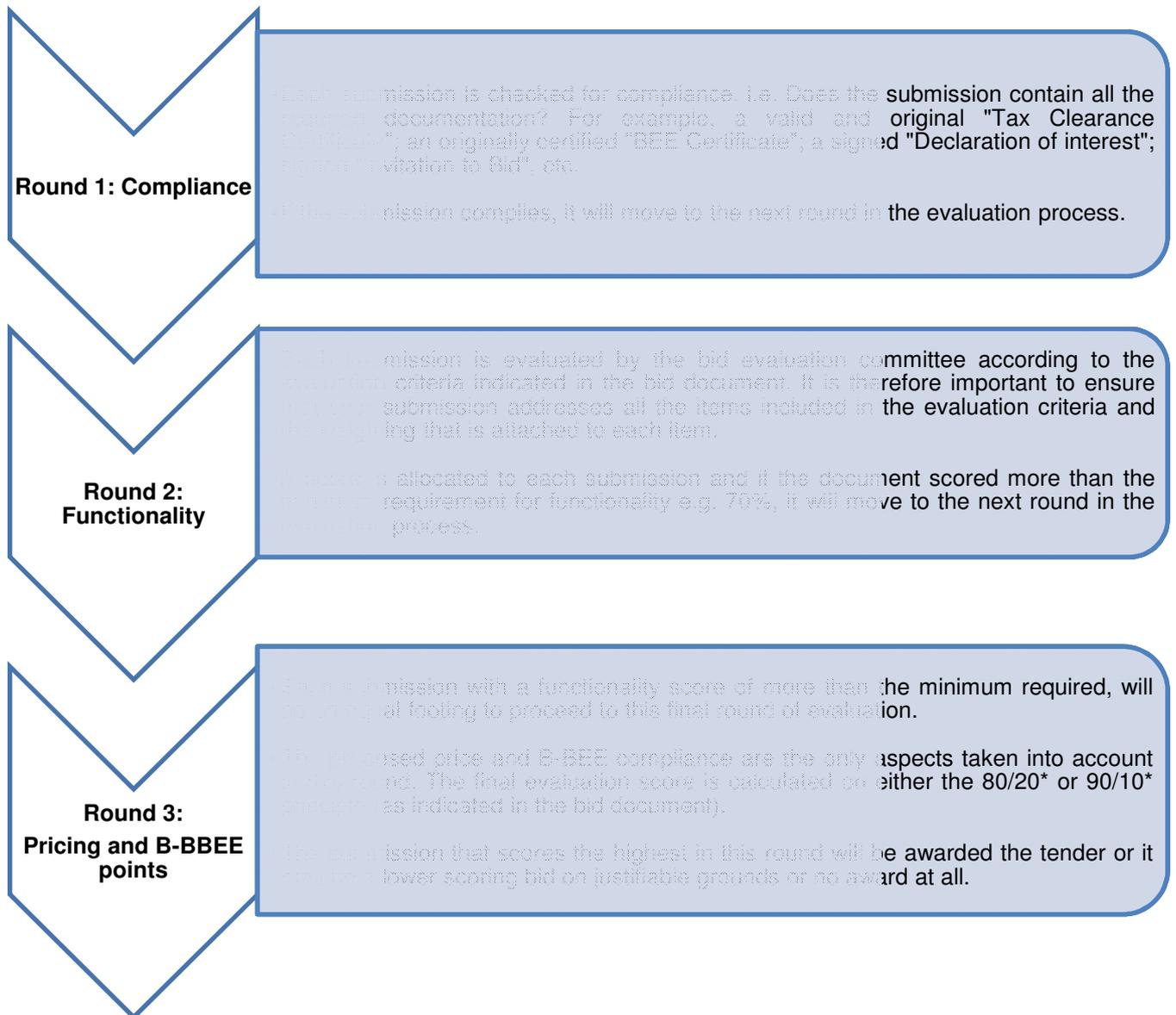
Supply chain management (SCM) is an integral part of financial management, which intends to introduce best practices. It seeks to breach the gap between traditional methods of procuring goods and services and the balance of the supply chain and at the same time addressing procurement related matters that are of strategic importance. SCM is a tool to be used to achieve these strategic objectives. Fasset's tender documentation is therefore in line with its SCM policy and is benchmarked against national policy imperatives.

- The tender document(s) are designed to evaluate the capacity, capability, experience and eligibility of potential Bidders including economic and financial standing and technical and/or

professional ability to provide the Goods or Services which are the subject of the procurement.

- References to “you” or “your” in document(s) are to the business entity.
- The tender document(s) submissions will be evaluated by a Bid Evaluation Committee ([BEC](#)) comprised of Fasset staff with requisite technical competency and the results will determine which potential bidder(s) are selected to proceed to the next stage of the procurement.
- The information supplied in the tender submission by each potential bidder will be checked for completeness and compliance. It is therefore important that you complete every section accurately and answer all questions (or explain satisfactorily if considered not applicable) and do not refer to an appendix as the only basis for your response.
- Failure to complete the document as required and submit all the required documentation may automatically and immediately disqualify the bidder from the procurement.
- The BEC reserves the right to ask for written clarification with regard to your submission. The bidder may not be considered further if there is failure to respond adequately.
- Failure to fully comply with the requirements of the evaluation criteria or serious misrepresentation in supplying the information requested may result in rejection of the potential bidder’s submission.
- In completing their tender submissions, potential bidders should not assume that the BEC has any prior knowledge of the potential bidder, its practice or reputation or its involvement in existing services, projects or procurements. In evaluating submissions, the BEC will only consider information provided in response to the specific tender.

2.4 Understanding the Tender Evaluation Process



THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for comparative price of bid under consideration

P_t = Comparative price of bid under consideration

P_{\min} = Comparative price of lowest acceptable bid

3 GUIDANCE FOR COMPLETING TENDER DOCUMENTATION

3.1 Bidders

All Bidders must:

- 3.1.1 Follow the requirements and/or directions of the bid document to the letter, ie precisely and thoroughly. All Fasset procurements have a series of required forms. Fill in ALL forms exactly as per the instructions. While there are times when a form may seem unnecessary or redundant, Bidders must still follow the rules and instructions as stated. For example, a valid and original "Tax Clearance Certificate"; an originally certified "BEE Certificate"; a signed "Declaration of interest"; signed "Invitation to Bid", etc. Make it clear that you meet the mandatory business and technical requirements. All bid documents will clarify mandatory from optional business and technical requirements. Failure to meet mandatory requirements may automatically disqualify you from the procurement process.
- 3.1.2 Do not exceed the word / page limitation where such a limit is stated in the bidder response box. If bidders wish to respond by cross-referencing other documents, they may do so provided that:
- The document, or specific section of the document, is directly relevant and applicable to the specific response required; and
 - The cross-referencing to the document or section of the document is clear.
- 3.1.3 Take note of the submission requirement for the cost related information. Some bid documents state that the cost related information should be provided in a separate, predetermined format that differs from the business and technical proposal; it is a firm requirement and usually leads to disqualification if not followed precisely and completely. Bidders should be particularly careful to follow the precise instructions for bids that require separate cost proposals.
- 3.1.4 Respond clearly to each and every requirement, with well-organized material tailor-made for the response. When the bid document requests a response to each requirement set forth in the document, do so. Minimize marketing material. Often bidders will attempt to reuse existing proposals or use pre-existing marketing material instead of responding to Fasset's structure, form, and required format. The BEC is expected to score the responses based on the material submitted, and not on any other background or knowledge they may possess regarding the bidder.
- 3.1.5 Ask questions through the formal channel provided. Every bid document provides a period of time in which bidders can submit any and all questions (both procurement process related and business/technical). Telephonic requests for clarification will not

be accepted. Any clarification required by a bidder regarding the meaning or interpretation of the Terms of Reference, or any other aspect concerning the bid, is to be requested in writing (letter, facsimile or e-mail) from the designated contact person listed in the bid document. The BEC does not rate questions asked in advance and are not allowed to take questions asked prior to the proposal submission into consideration. Even questions such as “Do we really need to fill in this form?” Each bid document provides an official contact person for questions related to that RFP/RFB. Only the designated contact person listed in the bid document should be contacted in the prescribed manner. Contacting any other member of Fasset can result in the disqualification of the bid submitted.

- 3.1.6 Compulsory briefing sessions. Any individual wishing to bid **must attend** the briefing in person or send a representative. Any organisation wishing to bid **must send a representative**. For bids from a Consortium or Joint Venture, a representative of at least one of the organisations must attend the briefing. Bids from individuals, organisations or consortia of organisations that have not met the attendance requirements will not be considered.
- 3.1.7 Non-compulsory briefing sessions. Any clarification required by a bidder regarding the meaning or interpretation of the Terms of Reference, or any other aspect concerning the bid, may be requested at the non-compulsory briefing session. Bidders are advised to study this document before attending the briefing session and to have their questions ready
- 3.1.8 Choose clarity and simplicity over volume. Most procurement involves a number of bidders and a large volume of documents that the BEC must read and score. The clearer the responses are and the fewer number of pages, the greater the chance that the BEC members have of focusing on the important points in the proposal.
- 3.1.9 Read ALL material and all referenced documents. All procurements and key procurement related documents and background is posted on the Fasset website: www.fasset.org.za. While some of these documents may appear to be unimportant or to contain general information, all Fasset referenced documents fulfil some portion of the bid requirements. Failing to read, respond to, or take into consideration all material that forms part of the bid document can have serious consequences in either the procurement, or in the ultimate contract.
- 3.1.10 Make the most of in-person presentations and demonstrations. Send your best prepared and most skilful communicators who will be directly involved with the service provided to conduct on-site presentations and demonstrations. Many vendors/bidders lose out on contracts because while their proposal is great on

paper, their presentation is weak due to poor communication skills or failure of their proposed product/service during a demonstration. If you say your product/service does something in a written submission, make sure your demonstration backs it up.

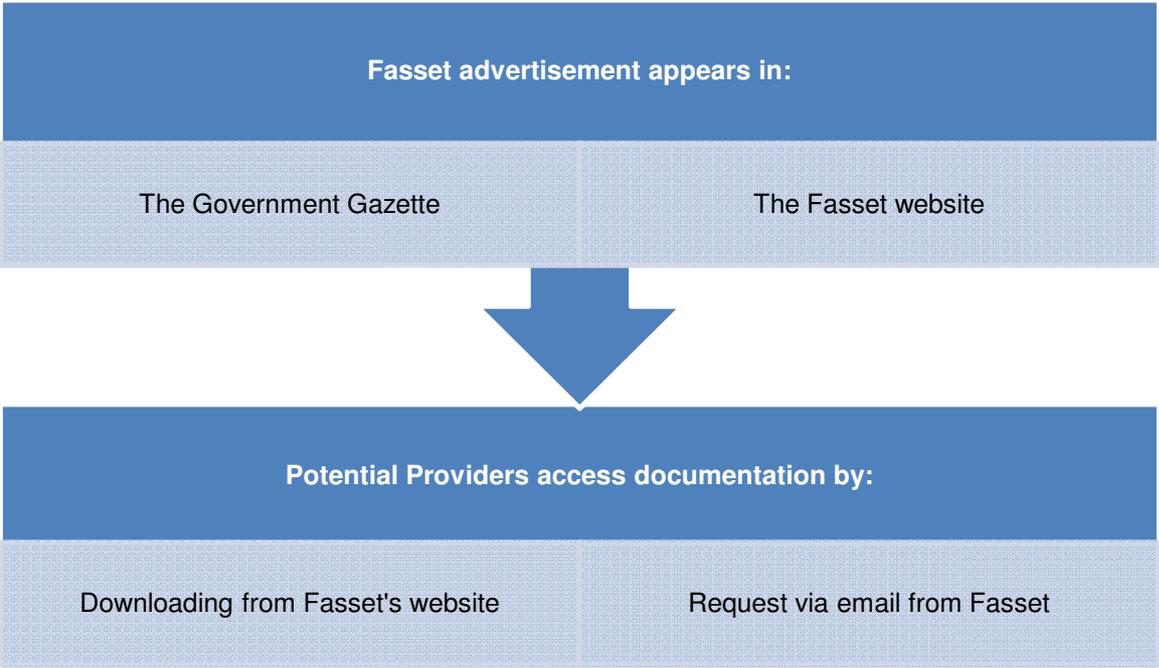
- 3.1.11 In the case of Consortiums / Joint Ventures, include details of the “Relevant Organisation(s)” for all questions where required and/or as would be material to the service delivery proposal.
- 3.1.12 Be aware that the BEC reserves the right to reject any potential bidder that fails to comply fully with the requirements of the process set out in the bid documents or which makes any misrepresentation in supplying any information requested. A number of areas of the bid document may be considered of such importance that failure to provide suitable responses will lead to the automatic “red-flag” failure of a potential bidder to pre-qualify. “Red flag” questions are specific questions that may be marked in the tender document(s).
- 3.1.13 Take note of the range of evaluation scores to be applied by the BEC. These evaluation scores are provided in the terms of reference in the bid document.

3.2 Most Common Errors in RFP Responses

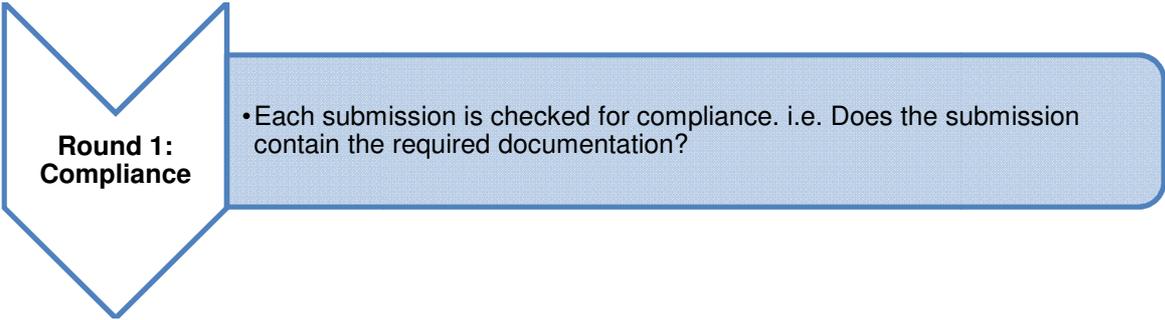
- 3.2.1 The cover letter signatory is not actually properly authorized to sign on behalf of the company (there are signatory authorization forms included in every bid document). Many firms send in Board Authorization letters however, an authorized signatory is still required. The signatory form requires that the person granting authorization must be a corporate officer.
- 3.2.2 Cost related information is submitted within the business and technical proposal when separation is required.
- 3.2.3 Missing forms (most notably an **original and valid** Tax clearance certificate, an original **OR** originally certified copy of a valid BEE certificate, signed copies of the Invitation to Bid, the Preference Points claim form, the Declaration of Interest, the Declaration of Bidder’s Past SCM practices and the Certificate of Independent Bid Determination.) **NB: In the case of a consortium/ joint venture, or where sub-contractors are utilised, all of these requirements must be submitted for each consortium member and / or each sub-contractor.**

- 3.2.4 Vague or evasive responses to requirements, OR some requirements not addressed at all. In order to avoid this, bidders must read and fully understand the requirements of the bid.
- 3.2.5 Modifications to electronic forms that are not intended to be modified (e.g. signature authorization, invitation to bid, etc).
- 3.2.6 Business reference forms do not contain the required detail and number of references.
- 3.2.7 The bidder does not directly demonstrate the minimum mandatory qualification requirements.
- 3.2.8 Attempts to amend the General Conditions of Contract (GCC). This is a waste of time; state entities are not authorized to amend these documents. If you want to do business with the Seta, you have to sign the GCC forms without amendment.
- 3.2.9 **Late Bids:** Some Bidders wait until the last minute to file a bid and experience technical failures that prevent transmission of an electronic bid or cause delay in hand or overnight mail delivery. In these circumstances ***your bid will be automatically disqualified.*** Plan to get your bid in at least a day and preferably several days prior to the due date. If you are using a courier company, be sure to communicate the importance of the delivery date and time and establish a contact person who can confirm delivery.

3.3 Step By Step Guide:



COMPLIANCE CHECKING:





Only bids that are submitted with the requisite documents, for example (1) original and four (4) copies and a CD (soft copy) will be accepted as valid and responsive

Take note of instructions related to compulsory OR non-compulsory briefing sessions.

Bidders must indicate on the cover of each document whether it is the original or a copy. Copies must be numbered, e.g. Copy 1, Copy 2, etc..

All submissions must be clearly marked with the bid reference number, eg. FAS/PROC/GUIDE/CON_101

GENERAL CONDITIONS OF CONTRACT

The General Conditions of Contract must be accepted as these are issued by National Treasury and are non-negotiable.

SPECIAL CONDITIONS OF CONTRACT

Bidders must indicate a confirmation response against each paragraph in this part of Section B by marking the YES box or by marking the NO box. The bidder must clearly state any deviation from these special conditions and provide the reason for deviation.

OTHER COMPLIANCE DOCUMENTATION

An original and valid tax clearance certificate must be submitted. Non-compliance will result in disqualification.

An *originally certified* copy of a BEE scorecard must be submitted. Non-compliance will result in 0 score for BEE.



Complete and sign all documentation that requires the bidder's signature.



NB: Bidders who fail to meet the minimum pre-compliance criteria will be eliminated and will not be evaluated in the next round of evaluation.
If the submission complies, it will move to the next round in the evaluation process.

FUNCTIONALITY EVALUATION:

Round 2: Functionality

Each submission is evaluated by the bid evaluation committee according to the evaluation criteria indicated in the bid document. It is therefore important to ensure that your submission addresses all the items included in the evaluation criteria and bidders are urged to note the weighting that is attached to each criterion.

A score is allocated to each submission and if the document scores more than the minimum requirement for functionality e.g. 70%, it will move to the next round in the evaluation process.

DETERMINATION OF SCORE FOR FUNCTIONALITY

The specific terms of reference, evaluation criteria and weights for functionality are clearly indicated in the bid document. Providers are urged to take careful note of the specific terms of reference and the evaluation criteria when responding to the bid requirement.



ELIMINATION OF PROPOSALS ON GROUNDS OF FUNCTIONALITY

Bids that score less than the stipulated percentage of the marks available for functionality will be eliminated from further consideration.

PRICING AND BEE:

Round 3: Pricing and B-BBEE points

- Each submission with a functionality score of more than the minimum required, will then be on equal footing.
- The proposed price and B-BEE compliance are the only aspects taken into account in this round. The final evaluation score is calculated on either the 80/20 or 90/10 principle (as indicated in the bid document).
- The submission that scores the highest in this round will be awarded the tender or it may be a lower scoring bid on justifiable grounds or no award at all.

COMBINING PRICE AND B-BBEE POINTS

The point scored for the B-BBEE status level certificate for each acceptable bid will now be added to the price score for that bid.



It is important to note that the BEC may recommend that the contract be awarded to a bidder obtaining the highest aggregate mark or to a lower scoring bid on justifiable grounds.

ADJUDICATION OF BID

The Bid Adjudication Committee will consider the recommendations and make the final award. The successful bidder will usually be the service provider scoring the highest number of points or it may be a lower scoring bid on justifiable grounds or no award at all.



Successful / unsuccessful bidders will be notified either via email and / or telephonically.

The names of successful bidders will also be advertised in the Government Gazette and on the Fasset website.

Contracting will follow.



NB: Each tender published by Fasset will have tender specific criteria linked to it. These criteria will be made available for download together with the bid documentation at the time that the bid is advertised.

4 GLOSSARY

Award	Conclusion of the procurement process and final notification to the effect to the successful bidder
B-BBEE	Broad Based Black Economic Empowerment
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
Bid	Written offer in a prescribed or stipulated form in response to an invitation by Fasset for the provision of goods, works or services
Contractor	Organisation with whom Fasset will conclude a contract and potential service level agreement subsequent to the final award of the contract based on this Request for Bid
dti	Department of Trade and Industry
FASSET	Finance and Accounting Services Sector and Education Training Authority
GCC	General Conditions of Contract
NQF	National Qualifications Framework
NSDS	National Skills Development Strategy
Original Bid	Original document signed in ink, or Copy of original document signed in ink, or Submitted Facsimile of original document signed in ink
Originally certified	To comply with the principle of originally certified, a document must be both stamped and signed in original ink by a commissioner of oaths.
PFMA	Public Finance Management Act (Act 1 of 1999, as amended)
PPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
RFP	Request for Proposal
RFB	Request for Bid
SARS	South African Revenue Services
SCM	Supply Chain Management
TOR	Terms of Reference