

SANEDI PROCUREMENT

PROCUREMENT DIRECTIVE : # 4w
SUBJECT: BID EVALUATION SCORING CRITERIA
DATE : APRIL 2013

PURPOSE

This practice note is issued in terms of the SANEDI Supply Chain Management Policy and sets out the criteria for the adjudication of bids in a uniform scoring methodology aligned to the National Treasury Regulations and the Preferential Procurement Regulations.

This Procurement Directive is published on the SANEDI web site for all Suppliers, Service Providers and Consultants to acquaint themselves with the scoring criteria and methodology.

INTRODUCTION

With Effect from the 1st April 2013 this PROCUREMENT DIRECTIVE is EFFECTIVE and shall be used as the basis for calculating all scores for RFP's, Quotations and competitive bids issued by SANEDI with an estimated value in excess of R 30 000.00 (Thirty Thousand Rand)

COMPLIANCE

This Procurement Determination is compliant with the National Treasury Supply Chain Management policy guideline

RECORD OF DECISION

This procurement Determination is issued to all staff, members of the SANEDI Committees of Procurement and shall be published on the SANEDI web site for bid clarification by all vendors, suppliers and service providers, and shall be effective immediately.



Mr. D L Batte

**Senior Manager
BUSINESS DEVELOPMENT**

PROCUREMENT DETERMINATION : # 4
 SUBJECT: BID EVALUATION SCORING CRITERIA
 DATE : APRIL 2013

SUPPLY CHAIN MANAGEMENT -PROCUREMENT DIRECTIVE 4W

BID EVALUATION SCORING CRITERIA

Evaluation of bids/proposals

Evaluation Criteria

1. Functionality and technical Criteria will be specified by Category and sub category respectively and weighted according to priority significance.

In order to ensure simplification, the total Functionality score will be rated out of a total of 100.

Each bid type will have a pre-determined score card which will be included in the Bid Document.

An Example of a functionality Criteria score card is depicted hereunder

Technical Criteria for Feasibility		
Main Category	Sub Category / Criteria	Maximum Score
Competency	Company profile	10
	Profile of project team, qualifications, experience etc.	10
Experience	Detail of project history, value of works	10
Technical Plan	Detail of proposed solution, specifications of technical equipment proposed	35
Methodology	Detail of proposed installation methodology, logistic arrangements, Time lines, suppliers, and project management, control and oversight.	25
Local Content	Detail of local product and materials	10
		100

The MINIMUM THRESHOLD that has been set for this bid = **80**

2.	Each evaluation criteria will be assessed in terms of five indicators – no response, poor, satisfactory, good and very good. Scores will be awarded as per Clause 3												
3.	<p>The prompts for judgment and the associated scores used in the evaluation of functionality shall be as follows:</p> <table border="1" data-bbox="292 389 1353 969"> <thead> <tr> <th data-bbox="292 389 421 454">Score</th> <th data-bbox="421 389 1353 454">Prompt for Adjudication / Judgment</th> </tr> </thead> <tbody> <tr> <td data-bbox="292 454 421 519">0 -19</td> <td data-bbox="421 454 1353 519">Failed to address the question / issue</td> </tr> <tr> <td data-bbox="292 519 421 622">20-39</td> <td data-bbox="421 519 1353 622">A detrimental response / answer / solution – limited or poor evidence of skill / experience sought or high risk that relevant skills will not be available</td> </tr> <tr> <td data-bbox="292 622 421 725">40-59</td> <td data-bbox="421 622 1353 725">Less than acceptable – response / answer / solution lacks convincing evidence of skill / experience sought or medium risk that relevant skills will not be available.</td> </tr> <tr> <td data-bbox="292 725 421 828">60-79</td> <td data-bbox="421 725 1353 828">Acceptable response / answer / solution to the particular aspect of the requirements and evidence given of skill / experience sought</td> </tr> <tr> <td data-bbox="292 828 421 969">80-100</td> <td data-bbox="421 828 1353 969">Above acceptable – response / answer / solution demonstrating real understanding of requirements and evidence of ability to meet it, and that the tenderer will add real value.</td> </tr> </tbody> </table>	Score	Prompt for Adjudication / Judgment	0 -19	Failed to address the question / issue	20-39	A detrimental response / answer / solution – limited or poor evidence of skill / experience sought or high risk that relevant skills will not be available	40-59	Less than acceptable – response / answer / solution lacks convincing evidence of skill / experience sought or medium risk that relevant skills will not be available.	60-79	Acceptable response / answer / solution to the particular aspect of the requirements and evidence given of skill / experience sought	80-100	Above acceptable – response / answer / solution demonstrating real understanding of requirements and evidence of ability to meet it, and that the tenderer will add real value.
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80-100	Above acceptable – response / answer / solution demonstrating real understanding of requirements and evidence of ability to meet it, and that the tenderer will add real value.												
4.	A minimum of 3 suitably qualified and experienced evaluators will evaluate the bids received and the average score will be carried forward as the Total Functionality Score.												
5.	<p>Bidders MUST attain a MINIMUM THRESHOLD, which has been set for each bid to qualify for Functionality.</p> <p>The MINIMUM THRESHOLD shall be displayed in the evaluation criteria on each bid document.</p> <p>Bidders who fail to score above the designated Threshold will be deemed as non-responsive to the Technical requirements and the Bid disqualified.</p>												
6.	<p>Calculation of percentage for functionality</p> <p>The percentage scored for functionality should be calculated as follows:</p> <p style="padding-left: 40px;">The value scored for each criterion should be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for the various criteria.</p> <p style="padding-left: 40px;">These marks should be added to obtain the total score.:</p>												
7.	<p>The following formula will be used to convert the total score to a percentage for functionality</p> $FPs = \frac{So}{Ms} \times Ap$ <p>where</p> <p>FPs = percentage scored for functionality by bid/proposal under consideration So = total score of bid/proposal under consideration Ms = maximum possible score Ap = percentage allocated for functionality</p>												

8.	<p>Calculation of Percentage for Price</p> <p>The percentage scored for price will be calculated as follows:</p> <p>The lowest acceptable bid/proposal will obtain the maximum percentage allocated for price. The other bids/proposals with higher prices will proportionately obtain lower percentages based on the following formula:</p> $CPs = \frac{P_{min} \times A_p}{P_t}$ <p>where</p> <p>CPs = percentage scored for price by bid/proposal under consideration Pmin = lowest acceptable bid/proposal Pt = price of bid/proposal under consideration Ap = percentage allocated for price</p>
9.	<p>Calculation of points for functionality and price</p> <p>The percentages obtained for functionality will be added to the percentage obtained for price to obtain a percentage out of 100 which in turn will be converted to points out of 80 for bids under a total Threshold Value of R 1 Million and 90 points for bids with a total Threshold Value of over R 1 Million in terms of Regulation 8 of the Preferential Procurement Regulations.</p> <p>The points scored out of 80 SHALL BE calculated according to the following formula:</p> <p>(i) The 80/20 preference point system</p> $P_s = 80 \left(1 - \frac{H_s - R_s}{R_s} \right)$ <p>where</p> <p>Ps = points scored for functionality and price of the bid/proposal under consideration Hs = highest percentage scored by any acceptable bidder for functionality and price Rs = percentage scored for functionality and price by bid/proposal under consideration</p>
10.	<p>Preferential Procurement Score</p> <p>This Preferential Procurement form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution</p>
11.	<p>NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2011.</p>
12.	<p>GENERAL CONDITIONS</p> <p>The following preference point systems are applicable to all bids with a transactional value above R 30 000</p> <ul style="list-style-type: none"> - the 80/20 system for requirements with a Rand value of up to R1 000 000 (all applicable taxes included); and - The 90/10 system for requirements with a Rand value exceeding R1 000 000 (all applicable taxes included)

13.	<p>Preference points for this bid shall be awarded for:</p> <p>(a) Price; and</p> <p>(b) B-BBEE Status Level of Contribution.</p>																														
14.	<p>The maximum points for this bid are allocated as follows:</p> <table border="1" data-bbox="288 394 1351 647"> <thead> <tr> <th></th> <th style="text-align: right;">POINTS</th> </tr> </thead> <tbody> <tr> <td>PRICE</td> <td style="text-align: right;">80</td> </tr> <tr> <td>B-BBEE STATUS LEVEL OF CONTRIBUTION</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Total points for Price and B-BBEE do not exceed</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>		POINTS	PRICE	80	B-BBEE STATUS LEVEL OF CONTRIBUTION	20	Total points for Price and B-BBEE do not exceed	100																						
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15.	<p>Failure on the part of a bidder to fill in and sign the Preferential Procurement form and submit a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or an Accounting Officer as contemplated in the Close Corporation Act (CCA) together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed. And a ZERO BEE score obtained.</p>																														
16.	<p>SANEDI reserves the right to require a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by SANEDI.</p>																														
17.	<p>Preferential Points awarded for B-BBEE Status Level of Contribution</p> <p>In terms of Regulation 5 (2) and 6 (2) of the Preferential Procurement Regulations, preference points will be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:</p> <table border="1" data-bbox="288 1151 1262 1845"> <thead> <tr> <th>B-BBEE Status Level of Contributor</th> <th>Number of points (90/10 system)</th> <th>Number of points (80/20 system)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10</td> <td>20</td> </tr> <tr> <td>2</td> <td>9</td> <td>18</td> </tr> <tr> <td>3</td> <td>8</td> <td>16</td> </tr> <tr> <td>4</td> <td>5</td> <td>12</td> </tr> <tr> <td>5</td> <td>4</td> <td>8</td> </tr> <tr> <td>6</td> <td>3</td> <td>6</td> </tr> <tr> <td>7</td> <td>2</td> <td>4</td> </tr> <tr> <td>8</td> <td>1</td> <td>2</td> </tr> <tr> <td>Non-compliant contributor</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)	1	10	20	2	9	18	3	8	16	4	5	12	5	4	8	6	3	6	7	2	4	8	1	2	Non-compliant contributor	0	0
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18.	Bidders who qualify as EMEs in terms of the B-BBEE Act must submit a certificate issued by an Accounting Officer as contemplated in the CCA or a Verification Agency accredited by SANAS or a Registered Auditor. Registered auditors do not need to meet the prerequisite for IRBA's approval for the purpose of conducting verification and issuing EMEs with B-BBEE Status Level Certificates.
19.	Bidders other than EMEs must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.
20.	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.
21.	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.
22.	Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
23.	A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder 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 bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
24.	Calculation of Final points for Functionality, Price and BEE Points scored for specified goals as contemplated by the PPPFA and its Regulations are then calculated separately and added to the points scored for price and functionality in order to obtain a final points total
25.	The bidder obtaining the highest number of total points (Functionality + Price + BEE) will be regarded as the preferred Bidder.
26.	Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
27.	Points scored must be rounded off to the nearest 2 decimal places.
28.	In the event that two or more bids have scored equal total points, the successful bid Will be the one scoring the highest number of preference points for B-BBEE.
29.	In the further event that two or more bids have scored equal points including equal preference points for B-BBEE, the Preferred Bidder will be the bid scoring the highest score for functionality.
30.	Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots
31.	Bidders are to furnish valid BBBEE Rating certificates in order to qualify for preferential Procurement points.
32.	SANEDI Reserves the RIGHTS to contract with suppliers who are BEE Compliant.