

TENDER DATA

Project title:	Appointment of Service Provider to Conduct Due Diligence and Develop a Post-Merger Integration Plan
Bid no:	

1. BACKGROUND

SENTECH is a state owned commercial enterprise and is the largest broadcasting signal distributor in Africa. Sentech is a licensed Electronic Communications Network Service provider in South Africa. Sentech owns and operates a vast network of analogue and digital terrestrial television, FM Radio transmitter stations nationally as well as a satellite network.

1.1 Objective

SENTECH seeks to appoint a qualified and experienced advisory services provider to conduct a due diligence exercise and develop a comprehensive Post-Merger Integration Plan that will guide the integration phase of two entities.

1.2. Project Background

The objectives of SOC rationalisation are to achieve efficiencies and sustainability of SOE's whilst delivering on their respective mandates. In order to achieve these objectives, SOE's should ensure good governance, financial viability and reporting, focus on core business, investment in human resource development and performance excellence.

On the 6th December 2017 Cabinet approved the DTSP's SOE Rationalisation framework that communicates its intention to form the State Infrastructure or National Broadband Network Company (NBNC). The formation of NBNC is to be achieved by a merger of SENTECH and Broadband Infraco (BBI). A preceding process leading to the formation of the NBN Company was the development of a Business Case. One of the outcomes of the Business Case identified a need to develop a post-merger integration plan for the two entities.

2. SUBMISSION OF BIDS and CLOSING

This Bid closes at the stipulated date and time as stated in SBD 1 Notice and Invitation to Bid. Bids must be submitted by hand to the Bid Administrator at SENTECH, Octave Road, Radiokop ext. 3, Honeydew, Johannesburg.

Bidders that choose to submit their bid documents before the closing date and time may do so during working hours only (08:30-15:30).

It is the Bidder's responsibility to ensure that their bid submissions reach the Bid Administrator before the bid closing time as no late submissions will be accepted.

Telegraphic, telephonic, telex, facsimile, e-mail and late Bids will not be accepted. Proposals may be opened in public. Bidders will be advised of the outcome by letter, facsimile or e-mail.

This is a two-envelope system for Bid Evaluation. Bidders must submit their proposal and all supporting documentation in a sealed envelope, clearly marked as follows:

Envelope One "Original Technical Proposal" and one "Copy of Technical Proposal" together with a soft copy in PDF format of an electronic medium e.g. USB etc. The soft copy will consist of a single PDF document containing the complete response. The envelope must contain all information and documents relating to the Bid. (Refer to list of returnable documents).

No Financial Information must be included in Envelope 1.

Envelope Two “Original Financial Proposal” (Contract Date and Pricing schedule/schedule of rates as applicable) together with 1 copy of “Financial Proposal” together with a soft copy in PDF format of an electronic medium e.g. Compact Disk (CD), USB etc. The soft copy will consist of a single PDF document containing the complete Financial Proposal.

Bidders are required to place the sealed **Envelope 1** together **with** the sealed **Envelope 2** into one sealed envelope or container. The sealed envelope or container must be marked with the following information:

- **For Attention**
- **HEAD OF SUPPLY CHAIN MANAGEMENT**
- **BID REFERENCE NO: SENT/016/2019-20**
- **TECHNICAL AND FINANCIAL PROPOSALS**
- **INSERT CLOSING DATE AND TIME**
- **BIDDER’S NAME AND ADDRESS**

The financial proposal will only be opened and evaluated should the technical proposal be found to be responsive, being that the technical proposal has met the minimum technical evaluation criteria that are set out in the Bid Documents.

The Bidders shall insert a table of contents and bind (ring bind or similar method) the proposal documents and verify the page numbers, as Sentech will not accept any liability with regard to any disputes arising from pages that are missing or duplicated in the aforementioned documents.

Bidders are required to complete and sign all the returnable documentation (refer to list of returnable documents) and initial all pages, drawings and brochures which are included in the reply as Sentech will not accept any liability with regard to any disputes arising from pages that are missing or duplicated in the aforementioned documents.

Late submissions will not be considered.

3. SIGN AND INITIAL

Bidders are required to complete and sign the Bid Forms where required and initial the bottom of all pages, drawings and brochures which are included in the submission as Sentech will not accept any liability with regard to any disputes arising from pages that are missing or duplicated in the aforementioned documents.

Only original signatures will be accepted.

4. COMPLETION OF BID DOCUMENTS

Bidders must ensure that they complete all sections of the Bid Documents as per the requirements in the Bid.

Bidders must use only the Bid documents provided by Sentech. Photocopying of the Bid document is permitted however Bidders must not retype or redraft the Bid documents.

5. COSTS OF PREPARING THE BID SUBMISSION

Bidders shall bear all costs associated with the preparation and submission of the proposals. Sentech shall under no circumstances be held responsible or liable for any costs incurred during the bidding process.

6. ADMINISTRATIVE RESPONSIVENESS CRITERIA

Bidders are required to ensure that they meet all the Administrative Responsiveness Criteria.

7. BBBEE CODES AT SENTECH

SENTECH complies with the codes of good practice as prescribed by the DTI, to advance Broad Based Black Economic Empowerment.

8. Pre-qualification criteria

With the objective of advancing designated groups, the Biding condition applicable to this bid is N/A as contemplated in PPPFA regulations, 2017 sub regulation 4(1). A bidder must provide documentary evidence to support their compliance with this prequalification criteria. A bidder that fails to meet any pre-qualifying criteria stipulated in this Bid document is an unacceptable Bid.

9. Transformation Plan

A transformation plan is a record of activities an entity intends to undertake to improve its BBEE Level through Ownership, Management and Control; Skills Development; Enterprise and Supplier Development and Socio-Economic Development.

Sentech reserves the right to request a BBEE transformation plan with clearly defined timelines and milestones if the recommended bidder does not meet Sentech’s Transformation goals. These milestones must be achieved over the term of the contract. This Transformation plan must be submitted within 10 working days from the written request failing which Sentech reserves the right to withdraw its appointment of the preferred recommended bidder.

10. LOCAL PRODUCTION AND CONTENT

In the case of designated sectors, where in the award of bids, local production and content is of critical importance, such bids will contain specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

Does this requirement fall under any designated sector as prescribed by the DTI?	Yes	No x
If yes, specify the sector	n/a	
Specify minimum threshold applicable	n/a	

***Bidders must fill in the SBD6.2 for Local Content and Production**

11. EVALUATION CRITERIA

The evaluation criteria are stipulated in 17. It is the Bidder’s responsibility to ensure that it has responded to the evaluation criteria. Failure to meet the evaluation criteria will result in the Bidder being not evaluated further. Bidders must ensure that they have included all supporting documentation required to support their response to the bid.

12. BRIEFING SESSION

Should there be a compulsory briefing session for this Bid, bidders must ensure that they attend the briefing session and sign the attendance register as non-attendance or failure to sign the attendance register will automatically disqualify a bidder from submitting a proposal for this Bid.

All questions raised by bidders post the briefing session will be consolidated and shared with all bidders at least seven (7) calendar days prior to closing.

13. CLARIFICATION

Enquiries related to Bid documents may be addressed to the Bid Administrator and Supply Chain Official as stated in SBD 1 Notice and Invitation to Bid.

14. BID EVALUATION METHOD

This Bid will be evaluated as described in the table below.

<p>80/20 system will be followed for Technical and Price offer</p>	<ol style="list-style-type: none"> 1. Stage 1 – Administrative Responsiveness Evaluation All the Technical Proposals will be evaluated against the Administrative responsiveness requirements as set out in the list of returnable documents. 2. Stage 2 – Mandatory Technical Criteria All Proposals that qualify based on the administrative responsiveness requirements will be evaluated against the Mandatory Evaluation Criteria as set out.. Bidders must COMPLY with ALL the Mandatory Evaluation Criteria to qualify for further evaluation. 3. Stage 3- Functional evaluation criteria 4. Stage 6- Appointment of successful service provider (s) 5. Stage 7 – Contracting and Compliance to terms and conditions of the Tender <p>After the award of this tender Sentech will sign a Contract that contains the terms and conditions of this Tender.</p>
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15. ADMINISTRATIVE RESPONSIVENESS REQUIREMENTS

To be administratively responsive, Bidders must ensure that they meet all the below mentioned criteria. Bidders that do not meet all the below mentioned criteria may not qualify to be awarded the Bid. Sentech reserves its rights in respect of the below criteria.

- Complete and return all documentation stipulated in the LIST OF RETURNABLE DOCUMENTS
- All correspondence must be in English.
- Bidders must fill in all sections of this document (where applicable)
- **BLACK INK** must be used when completing the Bid documents.
- Bidders must use only the Bid documents provided by Sentech. Photocopying of the Bid document is permitted however Bidders must not retype or redraft the Bid documents.
- All corrections must be initialled. The use of corrective fluid is strictly prohibited.
- Bidders are required to fill in and sign the Bid Forms and initial all pages, drawings and brochures which are included in the reply as Sentech will not accept any liability with regard to any disputes arising from pages that are missing or duplicated in the aforementioned documents.
- Bidders must complete an attendance register at each compulsory site meeting attended.
- Appointment of a supplier will be subject to signing, declaration and submission of SBD 1, 3.1, 3.2, 3.3, 4, 5, 6,1, 6.2 8, and 9 depending on applicability.

15.1. AUTOMATIC DISQUALIFICATION

Sentech reserves the right to automatically disqualify Bidders from being awarded this Bid. The following will lead to automatic disqualification:

- Failure to submit a financial proposal, if required
- Failure to complete and sign the Contract Data
- The Bidder is or has been involved in any act of corruption or fraud or bribery or collusion or attempt to influence any employee of Sentech to award this Bid or any other Bid to it.

16. TECHNICAL RESPONSIVENESS COMPLIANCE

Responses to Section A AND B is compulsory for ALL BIDDERS

The Technical Evaluation will encompass evaluation of:

- Section A: Functional Criteria
- Section B: Risk assessment

Sections A and B are applicable to ALL bidders.

Section A contains Functional criterion. Bidder who fail to comply with ALL the criterion will not be evaluated further.

17. TECHNICAL EVALUATION CRITERIA

17.1 Functional Evaluation Criteria

Number	Functionality Criteria	Documents required	Weighting factor
1	Company Experience		40
1.1	<p>Bidder must have 15+ years' experience conducting due diligence exercises including financial; asset; human resources; information technology; intellectual property, legal and strategic fit for mergers and acquisition transactions.</p> <p>Team Lead to be CA (SA) qualified with 15 years' experience</p> <p>Evaluation indicators</p> <ul style="list-style-type: none"> • 15+ years of experience = 15 points • Between 10 and 14 years of experience = 10 points • Less than 10 years of experience = 0 points 	Company profile explicitly showing experience in conducting due diligence for M&As in line with scope defined	15
1.2	<p>Bidder to demonstrate 8 successful due diligence transactions in mergers and acquisition specifically including financial; asset; human resources; information technology; intellectual property, legal and strategic fit due diligence.</p> <p>Evaluation indicators</p> <ul style="list-style-type: none"> • 8+ successful M&A = 15 points • Between 4 and 7 successful M&A = 10 points • Less than 4 successful M&A = 0 points 	List of references in terms of work awarded on page 11	15
1.3	<p>Demonstrate knowledge and experience of the ICT industry with 3 or more testimonials of successful due diligence M&A work done in the ICT industry within the last three years.</p> <p>Evaluation indicators</p> <ul style="list-style-type: none"> • 3+ successful M&A in ICT industry = 10 points • Between 1 and 2 successful M&A in ICT industry = 5 points • Less than 1 successful M&A in ICT industry = 0 points 	Testimonials of M&A work done in the ICT industry	10
2	Post-Merger Integration Team Experience	Documents required	20
2.1	<p>Bidder must have 10+ years' experience in developing post-merger integration plan for M&As.</p> <p>Team qualifications to include but not limited to: Bachelors degree in either Accounting, Finance, Economics, or Business Administration and or post graduate degree level.</p> <p>Evaluation indicators</p> <ul style="list-style-type: none"> • 10+ years of experience with qualifications = 20 points • Between 7 and 9 years of experience with qualifications = 15 points • Less than 7 years of experience with qualifications = 0 points 	CV's of the team developing the post-merger integration plan	20

3	Methodology for Developing a Post-Merger Integration Plan		40
3.1	<p>Provide a proposal which covers the steps undertaken in developing a post-merger integration plan.</p> <p>The proposal must state:</p> <ul style="list-style-type: none"> • Specific activities to be performed • Timeframes for each activity including milestones and critical path • Workflow chart <p>Evaluation indicators:</p> <ul style="list-style-type: none"> • Strong methodology – Comprehensive end to end process proposed. This is covering over and above the minimum specifications as per the Contract data = 35 points • Medium methodology – End to end process in line with the minimum defined scope = 20 points • Poor methodology – End to end process with one or more critical activities missing or no methodology provided = 0 points 	Post-Merger Integration Plan Proposal from Bidders	40
	Total		100 Points

All bidders must score a positive score on each criterion. Maximum score (100) and minimum threshold (70) a bidder should score to be evaluated under price and preference

18. Risk Assessment

All bids that meet the minimum qualifying score for evaluation will be subjected to a risk assessment based on the following framework:

- Any aspects that emanate from the bidder's individual responses
- Any information received from past references

Sentech reserves the right not to appoint the highest scoring bidder should the outcome of the risk assessment be unfavourable.

19. Evaluation of Price and Preference

This Bid will be evaluated on a points system based on weighted average score for Price and Preference as per Preferential Procurement Framework Act of 2000 (Act 5 of 2000).

20. Preference Point allocation – 80/20

Price / Preference	Weighting percentage
Preference:	20%
Price:	80 %
Total must equal:	100%

80/20-point scoring system			
Preference: 20 Points		Price: 80 points	
Other: B-BBEE Status Level Contributor			
B-BBEE Level	Number of Points	Price:	100 % (of 80)
1	20	Quality / Functionality:	0 % (of 80)
2	18		
3	14		
4	12		

5	8	
6	6	
7	4	
8	2	
Non-Compliant contributor	0	
		Total must equal: 100% (of 80)

21. Price Calculation 80/20

The following formula will be used to calculate the points for price.

$$P_s = 80 \left[1 - \frac{(P_t - P_{min})}{P_{min}} \right]$$

Where:

- P_s = Points scored for price of bid under consideration
- P_t = Rand value of bid under consideration
- P_{min} = Rand value of lowest acceptable bid

22. Declaration of Authority

The undersigned, who warrants that he / she is duly authorised to do so on behalf of the enterprise, confirms that the contents of this Bid Data is understood and all requirements will be adhered to.

Name of Bidder	Signature	Date	Designation

TABLE 1: References

Please complete the customer reference table and relevant Contact telephone number and attach reference letters.

	Service Provided	Customer	Customer Contact Person	Customer Contact no:	Contract Start YEAR	Contract End YEAR
1						
2						
3						
4						

Name of Tenderer	Signature	Date