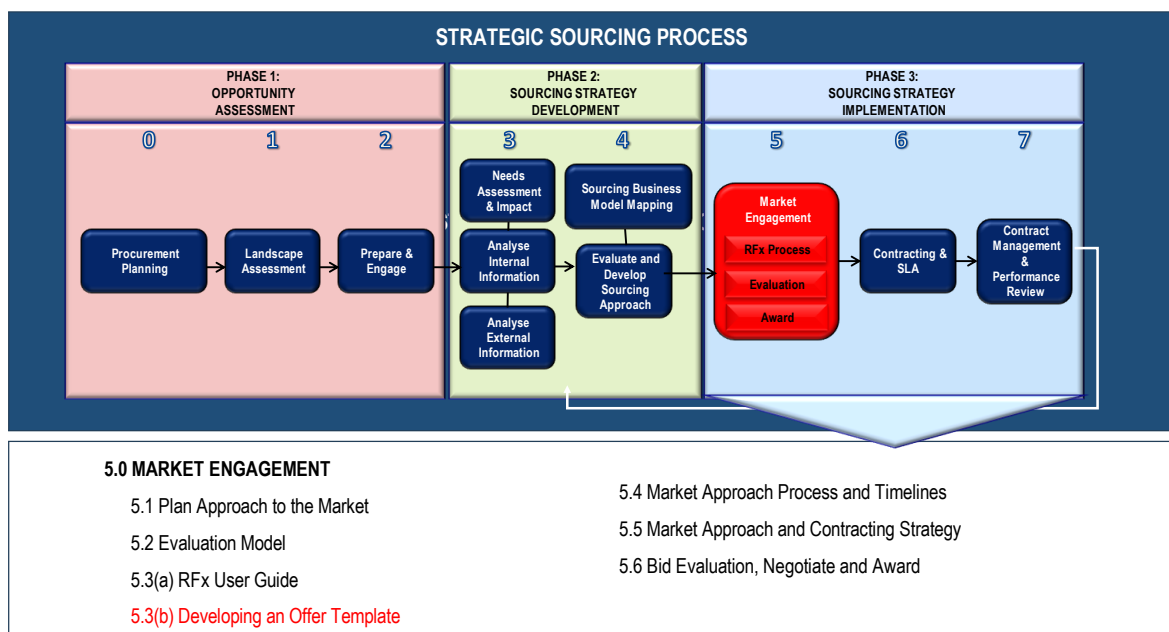


**Using this guide**

This guide accompanies the National Treasury's Strategic Procurement Framework (SPF) for Strategic Sourcing in the Public Sector. For more information, visit the National Treasury website at <http://ocpo.treasury.gov.za/>

The SPF can be found here:

[http://ocpo.treasury.gov.za/Resource\\_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf](http://ocpo.treasury.gov.za/Resource_Centre/Documents/1A.%20Strategic%20Procurement%20Framework.pdf)

**DEVELOPING A BID/OFFER TEMPLATE****1.0 Introduction**

- i. At this point, you have determined the market approach, decided on an evaluation method and the most appropriate RFx document to use.
- ii. This guide seeks to assist procurement practitioners with developing a bid document for their invitation to bid.
- iii. The following good practice guides and templates apply to this stage of developing an offer template:
  - a. Preparing a bid template

b. Bid template

**1.1 The objective**

- i. To assist procurement practitioners with the development of an “offer” template for their invitation to bid.

**1.2 Output**

- i. A well-structured bid/offer template

**2.0 Good practice guides**

**2.1 Preparing a bid template**

- i. By referring to this guide, offer templates will be more consistent in both content and format making it easier for suppliers to do business with the procuring institution.
- ii. The numbering of each requirement is recommended to allow for ease in referencing during the evaluation process.
- iii. The amount of information sought from the supplier should reflect the complexity of the requirement and the nature of the procurement.
- iv. The template only guides what to consider in the offer template.
- v. It provides baseline matters for consideration for low-complexity procurement and additional inclusions as the complexity of the procurement increases.
- vi. The offer template must meet the legal requirements for the contract of purchase and sale

### 3.0 Templates

#### 3.1 Bid template

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
<b>Title</b>	Must indicate the title of the procurement and the invitation reference number. <i>This must match the invitation to supply documents.</i>		Essential
<b>Table of contents</b>	Optional	Include a table of contents if the offer template is lengthy or complex.	Recommended
<b>Instructions</b>	Detail any instructions relating to completing the Offer template. I.e. SBD/MBD documentary requirements, Mandatory requirement to use the template, suppliers must complete all sections and attach supplementary information at the end etc. Information relating to the lodgement of offers may be included here.	For procurements of higher complexity consider guiding tasks that must be addressed in a response.	Recommended
<b>Executive summary</b>	Request the supplier to provide an executive summary of their submission.	Facilitate a response from the supplier which summarises their submission and highlights the key points of their offer. Encourage the supplier to detail the value-adding and innovation they will bring to the process to deliver a better value-for-money outcome.	Recommended
<b>Supplier information</b>	Seek information about the supplier: <ul style="list-style-type: none"> <li>trading name;</li> <li>registered name;</li> </ul>	Seek further information about the supplier such as (but not limited to): <ul style="list-style-type: none"> <li>business structure;</li> <li>directors/ senior personnel;</li> </ul>	Essential

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
	<ul style="list-style-type: none"> <li>• Company Registration Number and date of issue</li> <li>• Tax compliance;</li> <li>• address of registered office;</li> <li>• primary contact person and contact details; and</li> <li>• (optional) size of supplier – number of employees etc.</li> </ul>	<ul style="list-style-type: none"> <li>• consortia arrangements/ legal status;</li> <li>• sub-contracting arrangements ;</li> <li>• associated entities – relevance to the business; and</li> <li>• relationships and timeframes with these entities.</li> </ul>	
<b>Supplier warrant/guarantee</b>	<p>Seek a warrant/guarantee statement from the supplier's authorised nominee to validate the offer.</p> <p>The warrant/guarantee statement must include the authorised nominee's:</p> <ul style="list-style-type: none"> <li>• name;</li> <li>• position;</li> <li>• address;</li> <li>• e-mail;</li> <li>• signature; and</li> <li>• date of execution.</li> </ul>	<p>A procurement team may require the authorising officers from a supplier to provide further warranties. The inclusion in the warrant statement will depend on the factors the procurement team seeks to highlight. Such warrants may include:</p> <ul style="list-style-type: none"> <li>• attendance at a briefing session;</li> <li>• site visits;</li> <li>• obtaining appropriate certification; and/or</li> <li>• undertaking appropriate due diligence etc.</li> </ul>	Recommended
<b>Financial capability</b>	<p>Seek information from the supplier on their financial capability to meet the requirements of the procurement.</p>	<p>Seek detailed information from the supplier to demonstrate their financial capability to provide over the term of the contract and meet the requirements of the invitation to supply.</p>	Essential

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
		<p>Appropriate due diligence should be undertaken to validate the supplier's financial capability. This process of validating the financial vitality of a supplier should also be incorporated into the contract management framework.</p> <p>Additional information sought:</p> <ul style="list-style-type: none"> <li>• Significant events, matters or circumstances which have arisen within the past 12 months that could seriously affect the operations of the supplier.</li> <li>• Are there or have there been any proceedings, either actual or threatened, against the supplier in the past three years? Has any remedial action been taken?</li> <li>• Is the supplier currently in default of any agreement, contract, order or award that would or may be likely to adversely affect the financial capability of the supplier to meet the requirements of the procurement?</li> <li>• Ensure that the financial capability statement being assessed is based on the entity bidding for the work and not any other associated entity.</li> </ul>	
<b>Insurance (where applicable)</b>	<p>The invitation documents should stipulate the minimum insurance coverage required.</p> <p>The offer template should request a response from the supplier regarding their compliance with the minimum insurance requirements.</p> <p>Information to be collected at a minimum should include:</p>	<p>Insurance provisions may increase as the complexity of the procurement increases. The market analysis will help to identify the general practice for insurance provisions within the related supplier market. This may assist in determining the level of coverage applicable to the procurement.</p>	Essential

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
	<ul style="list-style-type: none"> <li>type of insurance</li> <li>insurer</li> <li>policy number</li> <li>amount</li> <li>expiry date</li> <li>exclusions, deductibles and excess (if any).</li> </ul>	<p>Suppliers should be requested to provide sufficient information to substantiate the validity of their insurance coverage.</p> <p>This validation process should also be built into the contract management framework and where applicable, through to the end of the life of the contract or the provision of the goods and or service whichever is the latter.</p> <p>Subject to the organisation's appetite for accepting some level of risk in return for added value or cost benefits, consideration could be given to asking suppliers what the nature of the value/cost/ risk is on offer.</p>	
<b>Compliance with the specifications</b>	<p>Request the supplier to respond to the requirements of the specifications.</p> <p>For low complexity procurement:</p> <ul style="list-style-type: none"> <li>compliance with the requirements of the specifications may be mandatory, or</li> <li>suppliers may be requested to list and cross-reference the specific clauses they <b>will not comply with</b> or <b>will partially comply</b> with.</li> <li>The supplier should also be requested to provide evidence to support their position.</li> </ul>	<p>For more complex procurement, the offer template should facilitate a response to each item of the specification.</p> <p>The offer template should include a schedule cross-referencing the specific clauses from the specifications. Suppliers should be required to state <b>“comply”</b>, <b>“will not comply”</b> or <b>“will partially comply”</b>.</p> <p>Where the supplier states <b>“will not comply”</b> or <b>“will partially comply”</b> they should be required to provide further evidence to support their position.</p>	Essential
<b>Compliance with the proposed contract</b>	<p>Include a requirement for the supplier to respond to the conditions in the proposed contract.</p> <p>For low complexity procurement:</p>	<p>For more complex procurement, the offer template should request a response to each clause in the proposed contract.</p>	Essential

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
	<ul style="list-style-type: none"> <li>compliance with the conditions of the proposed contract may be mandatory, or</li> <li>Suppliers may be requested to list and cross-reference the specific clauses in the proposed contract that they <b>will not comply</b> with or <b>will partially comply</b>. The supplier should also be requested to provide evidence to support their position.</li> </ul>	<p>The offer template should include a schedule cross-referencing the specific clauses from the proposed contract</p> <p>Suppliers should be required to provide a position against each clause: comply, will not comply or will partially comply.</p> <p>Where the supplier states <b>will not comply</b> or <b>will partially comply</b> there should be a requirement for the supplier to provide further evidence to support their position.</p>	
<b>Contact information disclosure</b>	May not be applicable for low-complexity procurement.	Request the supplier to nominate if any of its material should be considered for non-disclosure.	Essential
<b>Conflict of interest</b>	Regardless of the complexity of the procurement, all suppliers should be requested to disclose any conflict of interest or potential conflict of interest and a strategy to address the conflict.	<p>As the procurement increases in complexity, there is often a commensurate increase in the number of people involved in the procurement process.</p> <p>As such, suppliers should be requested to disclose any conflict of interest or potential conflict of interest for key personnel and associated entities involved in the procurement.</p>	Essential
<b>Price schedule</b>	<p>The pricing schedule should be developed based on the outcomes of the market analysis and the specifications.</p> <p>Procurers should consider what matters affect the price. The framework for pricing should be a reflection of industry standards. Examples include:</p>	<p>Generally, as the complexity of the procurement increases so does the complexity of the pricing model. For the evaluation team to be able to undertake a comparative analysis of suppliers, the offer template should include a structured price schedule.</p> <p>The template may also provide an opportunity for suppliers to offer alternative solutions to achieve better cost</p>	Essential

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
	<ul style="list-style-type: none"> <li>identified fixed and optional requirements</li> <li>by stages or milestones</li> <li>volumes</li> <li>by parts or components</li> <li>a combination of the above</li> </ul> <p>Procurers should consider that standardising the price schedule may assist with the evaluation process but may also restrict suppliers and their ability to provide an innovative solution.</p>	<p>efficiencies. This request should be placed under a separate category titled 'Alternative offer.'</p>	
<b>Delivery Methodology</b>	<p>How does the supplier propose to deliver the goods and/ or services as required by the procurement?</p> <p>The supplier should be required to provide information on their proposed delivery methodology and the supply chain to meet the requirements of the procurement.</p>	<p>Suppliers should be encouraged to detail how they propose to deliver the requirements of the procurement. Their methodology should consider to (but not be limited to):</p> <ul style="list-style-type: none"> <li>resources – facilities, staff, contractors, hardware, systems, training, software etc.</li> <li>timelines</li> <li>risk management</li> <li>quality systems</li> <li>customer service</li> <li>organisational structure.</li> </ul> <p>The supplier should be encouraged to highlight why their methodology is superior to standard business /industry practices.</p>	Recommended



Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
		Innovative approaches to the delivery of the requirements of the procurement should be encouraged.	
<b>Capability</b>	<p>Request the supplier demonstrate their capability to meet the requirements of the procurement.</p> <ul style="list-style-type: none"> <li>What knowledge and experience do they have relevant to the required procurement?</li> <li>What business resources and systems do they have in place to support the delivery of the procurement?</li> <li>What value-adding factors (social benefits, innovation, environmental) do they offer?</li> </ul> <p>Suppliers should be required to demonstrate why they are more capable than other suppliers in the marketplace. This will assist in the evaluation team's evaluation of all offers.</p>	<p>For more complex procurement, can could be assessed based on a combination of factors, including but not limited to :</p> <ul style="list-style-type: none"> <li>key resources – facilities, staff, hardware, software, data and record management, other systems etc.</li> <li>organisational structure/ supporting businesses</li> <li>financial capability</li> <li>risk management</li> <li>quality systems</li> </ul> <p>The offer template must seek to obtain information from the supplier on how these factors contribute to making them the most capable in the provision of the procurement requirements and contribute to the best value-for-money outcome.</p>	Recommended
<b>External resources</b>	<p>Suppliers should be requested to detail information on any external resources they intend to engage to deliver the requirements of the procurement and their position and significance in the supply chain.</p> <p>Details of the location of any external resources should also be requested and considered as part of the evaluation process.</p>	<p>Suppliers should be requested to provide information on how they use and interact with external resources to support the delivery of the goods and/or services. The offer template should encourage full disclosure regarding :</p> <ul style="list-style-type: none"> <li>the relationships</li> <li>management of the relationships</li> <li>methodology for engagement</li> </ul>	Recommended

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
		<ul style="list-style-type: none"> <li>• impact of the external resources on the delivery of the procurement</li> <li>• capability and expertise that reside with external resources</li> <li>• role of external resources in the delivery of the procurement</li> <li>• time frames in which the arrangements have been in place</li> </ul>	
<b>Customer service</b>	For low-complexity procurement, the template may seek to address customer service as a component of capability.	<p>Request information about the supplier's customer service plan including:</p> <ul style="list-style-type: none"> <li>– their methodology</li> </ul> <ul style="list-style-type: none"> <li>• feedback processes and timing</li> <li>• scope of performance reports</li> <li>• benchmark</li> <li>• performance measures</li> <li>• methodology for continuous improvement</li> </ul> <p>You may also wish to seek information on how the supplier proposes to deal with increased work load etc.</p>	Recommended
<b>Risk management</b>	For low-complexity procurement, the offer template may seek to address risk management as a component of capability.	<p>Request information about the project delivery risk management strategies and practices the supplier proposes to implement.</p> <p>Has this model been implemented before? What was the outcome?</p>	Recommended

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
		What risk management processes are in place to manage the supply chain and resources?	
<b>Innovation and value-adding</b>	This information may be included in the supplier's response to capability.	Can the supplier offer innovative or value-adding solutions, systems or processes that improve or benefit the delivery of the procurement outcomes?	Recommended
<b>Past performance and current work</b>	This information about past performance may be included in the supplier's response to capability.	<p>Seek information about the supplier's past performance for similar types of work undertaken.</p> <p>What was the Rand value of the work?</p> <p>How complex was the procurement process?</p> <p>To what extent is the extent of similar work a component of the overall business to the supplier?</p> <p>What were the successes and what were the lessons learned? etc.</p>	Recommended
<b>Quality systems</b>	This information about quality systems may be included in the supplier's response to capability.	<p>Seek information about the quality systems the supplier has in place to monitor and measure performance.</p> <p>Seek out information relating to association with recognised quality assurance certification.</p>	Recommended
<b>Research and development</b>	This information about research and development may be included in the supplier's response to capability.	If applicable to the procurement, seek information about the supplier's investment in research and development.	Recommended
<b>Health and safety management</b>	This information about health and safety management may be included in the supplier's response to capability.	If applicable to the procurement, seek information about the supplier's health and safety management program.	Recommended

Heading	Inclusion – Low complexity	Additional Inclusion – Procurement of greater complexity	Status of inclusion
<b>Social benefits</b>	This information relating to social benefits may be included in the supplier's response to capability.	Depending on the nature of the procurement and the outputs required from the procurement, social benefits may contribute to the assessment of value for money. How do the supplier's business practices contribute to other social benefits and/or government policy commitments?	Recommended
<b>Environmental management</b>	This information relating to environmental management may be included in the supplier's response to capability.	Depending on the nature of the procurement and the outputs required from the procurement environmental management may contribute to the assessment of value for money. How do the supplier's business practices contribute to other environmental management matters and/or other government policy commitments?	Recommended
<b>Alternative offer</b>		The offer template could also encourage the supplier to indicate innovative ways to deliver the requirements and whether there is scope for achieving cost efficiencies through the life of the contract.	Optional
<b>Other Government Policy Objectives</b>	This information relating to other government objectives (e.g. local procurement) may be required with the suppliers.	Depending on the nature of the procurement and the outputs required from the procurement, other government objectives may contribute to the assessment of the overall bid submission How do the supplier's business practices contribute to other government policy commitments?	Recommended

Table 1: Bid Template