



**EOI-MCDP-02-2021**  
**EXPRESSION OF INTEREST PACK (EOI) PACK**  
**FOR THE SELECTION OF PARTICIPATING EMERGING**  
**CONTRACTORS – CIDB GRADES 1 TO 5**

**ISSUE DATE:** 26 March 2021

**Clarification Meeting:** N/A

**CLOSING DATE:** 16 April 2021

**CLOSING TIME:** 12:00

COMPANY NAME: \_\_\_\_\_

COMPANY ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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## **EXPRESSION OF INTEREST FOR THE SELECTION OF MASAKHESONKE CONTRACTOR DEVELOPMENT PROGRAMME (MCDP) PARTICIPATING CONTRACTORS**

### **SECTION 1: NOTICE TO RESPONDENTS**

#### **1 EXPRESSION OF INTEREST [EOI]**

Applications are hereby invited for participation in the MCDP. The MCDP is an initiative of East London IDZ in partnership with National Construction Incubator.

The formation of the programme emanates from a need for support of emerging contractors operating their businesses within the boundaries of East London Metropolitan Municipality (BCMM), Amathole District Municipality (ADM) and further Eastern Cape Province and National. Small companies in the construction sector often reach the ceiling early in their development because they are unable to develop their business beyond the survival stage mainly due to managerial and operational constraints.

The initiative aims to develop a pool of construction and engineering contractors that will be highly skilled, able to compete in the open market for infrastructure opportunities, not only within the BCMM, ADM but also within the Eastern Cape Province and National. The MCDP aims to create sustainable and self-sufficient contractors through a number of management interventions e.g. implementation of shorter payment terms, sub-contracting opportunities, training and mentorship when necessary.

The selected participants will participate in a programme for a period not exceeding 36 months for the date of its approval.

#### **2 COMPULSORY REQUIREMENTS:**

The interested contractors must complete the application forms attach the following returnable documents:

- Proof of registration with the CIDB. Contractors must be registered for at least one year with the CIDB.
- Certified Copy of the Entity Registration Documents (issued by the CIPC).

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Respondent's Signature

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Date and Company Stamp

- Certified Copies of the Identity Documents of the Owners of the Trading Entity;
- Original, Valid and Authentic Tax Clearance Certificate issued by SARS;
- Affidavit confirming Black Ownership status.
- CSD Report and/MAAA number, this should be printed within 3 months;
- Proof of Residential Address within BCMM and the ADM; or a up to date Municipal Account
- Contractors must be in business for at least 1 year
- Shareholder's Certificate
- A Curriculum Vitae of all the owners and senior management (if application)
- Latest signed annual financial statements
- Latest management accounts

### **3 SCREENING REQUIREMENTS**

#### **3.1 Demographic Targeting Criteria:**

- Enterprise Owned by Black People Living with Disability (BPLWD)
- Black Youth Owned Enterprises (35%)
- Black Women-Owned Businesses (40%)
- Black Owned Enterprises (100%) and
- Entities are owned and managed by South Africa Citizens (citizens of foreign descent will not qualify even if they have been naturalized;
- All Contractors participating in the Incubationn programme will be from the Buffalo City Metropolitan Municipality and further Amathole District Municipality.

### 3.2 Target Group

- Emerging contractors at Grade 1 to 2 (Pre – Incubation) and grades 3 – 5 (Main Stream) on the CIDB contractor register with properly registered businesses and currently in operation.

### 3.3 Operational Capacity

- Contractor has to demonstrate a capacity to operate within the registered class of work, by dedicating resources such as manpower, plant, machinery and finance.
- CIDB Construction works targeting General Building (GB), Civil Engineering (CE), Electrical Engineering Works – Building (EB), Electrical Engineering Works – Infrastructure (EP), Mechanical Engineering (ME), Fire prevention and protection systems (SF), Timber buildings and structures (SM), Waterproofing of basements, roofs and walls using specialist systems (SN), Water supply and drainage for buildings (wet services, plumbing) (SO) and Landscaping, irrigation and horticulture works (SH) Classes of Construction Works.

### 3.4 Company Sustainability

A company must prove its ability to survive and make sufficient profit/revenues from its operations. It must provide the follow returnable documents:

Compliance Returnable Documents:

- Certified Copy of the entity registration documents (issued by the CIPC) with certified ID copies of members;
- Valid Company Income Tax Clearance and/or Pin;
- Affidavit confirming Black Ownership Statues (dti template available online) and/or Broad-Based Black Economic Empowerment (B-BBEE) Certificate issued by the SANAS Accredited Agency;
- Shareholder’s certificate;
- Audited financial statements and management accounts

- CIDB Registration verification; and
- An up-to-date Municipal Account of the trading entity (if relevant), if Leasing, a certified copy of the Lease Agreement (if relevant), if leaving in rural area, a letter from the councilor confirms address of operation.
- Proof of Trade, i.e., latest invoice, payment certificate, current works order (not older than three months).

In addition, the following will also be considered:

- No Joint Ventures will be allowed;
- No Individuals that are in the service of the state will be entertained (even if they have approval from their respective employers);
- The applicants must not have been part of other Contractor Development Programmes (previously) and must not be part of other Contractor Development Programmes (currently);
- Post Programme Participant need not to apply; and
- Participants must be committed to training obligations of the programme.

#### **4 SELECTION CRITERIA**

Assessments to be undertaken on an 80:20 point scoring system, whereby:

80 points = for Competency Assessment (Experience)

20 points = for Socio-Economic Goals (Preferences)

**4.1 Selection Criteria – Socio Economic Goals**

<b>PREFERENCING CRITERIA</b>	<b>GOAL POINTS</b>
Women	5
Disability	2
Youth	3
<b>LOCALITY</b>	<b>SEE POINTS BELOW</b>
Targeted Metro and LM's	10
Eastern Cape Province	2
Outside of the Eastern Cape Province	0
<b>TOTAL</b>	<b>20</b>

**4.2 Selection Criteria – Competency (80 points)**

CIDB GRADE	TENDER VALUE RANGE	EXPERIENCE IN THE LAST 5 YEARS	FINANCIAL CAPABILITY	POINTS
1	R500 000,00	Construction related qualification, construction related training, proof of construction related work experience and proof of construction related project experience	Not required	80
2	R1 000 000,00 – R3 000 000,00	4 projects completed successfully up to the value of R130 000,00 (20 points per project = 80)	Not required	80
3	R3 000 000,00 - R6 000 000,00	4 projects completed successfully between R130 000,00 and R450 000,00 (20 points per project = 80)	R100 000,00	80

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 Respondent's Signature

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4	R6 000 000,00 - R10 000 000,00	4 projects completed successfully between the R130 000,00 and R900 000,00 (10 points per project = 40)	R200 000,00 turnover = 40 R150 000,00 turnover = 30 R100 000,00 turnover = 20 R50 000,00 turnover =10	80
5	R10 000 000,00 – R20 000 000,00	4 projects completed successfully between R130 000,00 and R1 500 000,00 (10 points per project =40)	R650 000,00 turnover = 40 R600 000,00 turnover = 30 R550 000,00 turnover = 20 R500 000,00 turnover = 10	80

**NB:** Applying contractors must achieve at least 70 points out of 100 points.

#### 4.3 Selection Interview

A selection and screening of prospective contractors will be held and is limited to shortlisted companies.

#### 4.4 Skills Audit

A skills and training audit are conducted to ascertain a prospective contractor's business and technical ability and acumen. Furthermore, this enables training provider to provide the necessary intervention and support, unique to that contractor.



## 5 PLEASE NOTE THE FOLLOWING CONDITIONS ARE APPLICABLE TO EOIS.

- Briefing meeting is not applicable however, enquiries / questions relation to expression of interest must be addressed to [zandile@elidz.co.za](mailto:zandile@elidz.co.za)
- Enquiries/questions relating to the EOI will be accepted until **16:00** on **9 April 2021**. All questions must be submitted to Zandile Mtebele via e-mail to [zandile@elidz.co.za](mailto:zandile@elidz.co.za);
- Response to questions will be sent before **12:00** on the **12 April 2021**.
- The closing date for this tender is at **12:00** on the **16 April 2021**.
- E-mailed, faxed, late, or incomplete application will not be considered.
- Expression of interest documents are to be securely bound.
- Any expenses incurred by the applicant in preparing and submitting the application will be for the applicant's account, as the MCDP will not accept any liability in this regard.
- Applications which do not comply with the conditions or which are incomplete will, as a general rule, not be considered.
- Emerging Contractors that will be approved following this process must be registered on CSD database from Treasury
- Any additional information or clarification will be faxed or emailed to all respondents, if necessary.

## 6 RESPONSE SUBMISSION

It will be the responsibility of the respondent to ensure that the EOI reaches the ELIDZ Head Offices. Proof of posting will not be taken as proof of delivery.

The application should be placed in a sealed envelope marked **“EOI-MCDP-02-2021: FOR THE SELECTION OF PARTICIPATING EMERGING CONTRACTORS – CIDB GRADES 1 TO 5”** and be deposited in the tender box before on or before **12h00**, on the **16 April**

**2021. ELIDZ WILL NOT BE RESPONSIBLE FOR DOCUMENTS PLACED IN AN INCORRECT TENDER BOX.**

The tender box will be marked tender name **“EOI-MCDP-02-2021: FOR THE SELECTION OF PARTICIPATING EMERGING CONTRACTORS – CIDB GRADES 1 TO 5”** which can be found in the following location:

The ELIDZ  
Head Office Reception  
Lower Chester Road  
Sunnyridge  
East London  
5201.

**Application must be marked:**

EOI Reference No  
Details of the submitting company  
Contact Details of the submitting company

**7 BROAD-BASED BLACK ECONOMIC EMPOWERMENT AND SOCIO-ECONOMIC OBLIGATIONS**

Companies with annual turnover less than R10million (Exempted Micro Enterprises or EME’s) are automatically awarded a level 4 contributor status, unless the EME is Black Owned (more than 50% black ownership), in which case the enterprise will have a level 2 contributor status. EME which is 100% black owned qualifies for a level 1 contributor. In awarding the EME / QSE status, the ELIDZ shall accept a letter from an accounting firm or SARS confirming a company’s turnover as less than R10m/ company that has annual revenue less than 50m as well as a sworn affidavit confirming annual turnover and level of black ownership. B-BBEE certificates issued by non-accredited verification agencies will not be accepted as valid proof of a company’s B-BBEE status.

Emerging Contractor must be 51% and above black owned, black Women owned, black Youth owned and people with disability.

ELIDZ reserves the right to have the tenderer's Black Economic Empowerment Credentials verified by an independent agency. (Procurement Handbook – Annexure: 1 must be fully completed and supplementary information may be completed by service providers with a turnover of less than R10m and be accompanied by letter from an accounting firm or SARS confirming the company's or sworn affidavit turnover is less than R10m).

## **8 COMMUNICATION**

- After the closing date of the EOI applicants may only communicate with the Supplier Development Officer, at email [zandile@elidz.co.za](mailto:zandile@elidz.co.za) on any matter relating to this EOI application.
- Applicants are to note that changes to its submission will not be considered after the closing date.
- Applicants are warned that an application may be liable to disqualification should any attempt be made by a respondent either directly or indirectly to canvass any officer or employee of implementing parties in respect of this EOI between the closing date and the date of the approval for participation in the MCDP. Furthermore, respondents found to be in collusion with one another will be automatically disqualified and restricted from doing business with ELIDZ in the future.

## **9 CONFIDENTIALITY**

All information related to this EOI is to be treated with strict confidentiality. In this regard, applicants are required to certify that they have acquainted themselves with the Non-Disclosure Agreement. All information related to a subsequent contract, both during and after completion thereof, will be treated with strict confidentiality. Should the need however arise to divulge any information gleaned from the acquisition of construction works, which is either directly or indirectly related to ELIDZ's business, written approval to divulge such information must be obtained from ELIDZ.

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Respondent's Signature

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Date and Company Stamp

**10 INSTRUCTIONS FOR COMPLETION OF EOI**

ELIDZ application must be submitted in one (1) original and must be bound.

All returnable documents listed in the expression of interest [section 3] in this EOI must be returned with your submission.

The person or persons signing the application must be legally authorised by the respondent to do so.

**11 STATUS OF THIS EOI AND SUBSEQUENT PROCESS**

It is envisaged that applicants to this EOI will be subjected to screening criteria.

This EOI is not an offer to purchase and MCDP is under no obligation to accept any proposals in this process and/or the subsequent RFP, which may be issued hereafter.

As this is an Expression of Interest only, no business will be awarded through this process.

**12 DISCLAIMERS**

Applicants are hereby advised that MCDP is not committed to any course of action as a result of its issuance of this EOI and/or its receipt of submissions in response to it. In particular, please note that MCDP reserves the right and at its sole and full discretion to:

- a) take no further action whatsoever, if it so decides
- b) withdraw from this process and the provisions of this project at any time;
- c) select the EOI and participants based on Implementing parties selection criteria;
- d) change the dates of submission;
- e) not bind itself to accept any or all of the EOI applications;
- f) validate any information submitted by applicants in response to the advert.
- g) not accept any changes or purported changes by the applicants to the application after the closing date.

Implementing parties' decisions will be final and no correspondence will be entered into after the selection process. You will be formally notified of your result.

Kindly note that MCDP will not reimburse any applicants for any preparatory costs or other work performed in connection with this application submission.

**13 TAX COMPLIANCE**

## Tax Requirements

Applicant must ensure compliance with their Tax obligations

Applicants are required to submit their unique personal ID number (PIN) issued by SARS to enable the MCDP to view the taxpayer's profile and tax status

Application for tax compliance status (TCS) or PIN may also be made via e-filing.

Applicants may also submit a printed TCS together with the application.

Where no TCS is available but the bidder is registered on the CSD database, a CSD number must be provided.

**14 PROTECTION OF PERSONAL DATA**

In responding to this application, ELIDZ acknowledges that it may obtain and have access to personal data of the Respondents. ELIDZ agrees that it shall only process the information disclosed by applicants in their response to this application for selecting participants in accordance with any applicable law. Furthermore, ELIDZ will not otherwise modify, amend or alter any personal data submitted by Respondents or disclose or permit the disclosure of any personal data to any Third Party without the prior written consent from the applicants.

**HECK LIST**

ITEM	TICK
<b>Supporting Documentation to be Submitted</b>	
Track Record (with copies of payment certified for at least 3 finished projects within a CIDB Grade.	
C.Vs of dedicating resources such as manpower	
Details of plant and machinery	
Company Profile	
<b>COMPULSORY DOCUMENTATION TO BE SUBMITTED</b>	
MasakheSonke Contractor Development Progamme application form (Annexure A)	
Proof of registration with the CIDB. Contractors must be registered for at least one year with the CIDB.	
Certified Copy of the Entity Registration Documents (issued by the CIPC);	
Certified Copies of the Identity Documents of the Owners of the Trading Entity;	
Original, Valid and Authentic Tax Clearance Certificate issued by SARS;	
Broad-Based Black Economic Empowerment (B-BBEE) Certificate issued by the SANAS Accredited Agency or Affidavit confirming Black Ownership status.	
CSD Report and/MAAA number, this should be printed within 3 months;	
Proof of Residential Address within BCMM and the ADM; or a up to date Municipal Account	
Contractors must be in business for at least 1 year	
Letter of Bank Account confirmation –	
Shareholder’s Certificate	
Certified qualifications and curriculum vitae of all the owners and senior management (if application)	
Latest signed annual financial statements	
Latest management accounts	

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 Respondent’s Signature

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 Date and Company Stamp