

TERMS OF REFERENCE

DESCRIPTION

BID - LEASE OFFICE ACCOMMODATION FOR THE INSURANCE SECTOR EDUCATION & TRAINING AUTHORITY FOR A PERIOD OF 5 YEARS



1. BACKGROUND

- 1.1 The Insurance Sector Education and Training Authority (INSETA) is a public entity listed in schedule 3A of the PFMA and was established in March 2000. The INSETA must, in accordance with any prescribed requirements to perform in accordance with the Skills Development Act (SDA), the Skills Development Levies Act (SDLA), the Public Finance Management Act (PFMA), any other relevant legislation and the Constitution.
- 1.2 Therefore, the INSETA is requiring a suitably qualified service provider to provide **Lease Office Accommodation required by INSETA for a period 5 years.**

2. SITUATION ANALYSIS

- 2.1 INSETA currently occupy head office space at 37 Empire Road, Parktown, Johannesburg, 2193.
- 2.2 The continuing expansion of staff complement and service offering at INSETA means that the current space occupied no longer meets requirements including minimum requirements for Occupational Health & Safety Standards. This is further impacted by a lack of parking for both staff and visitors.
- 2.3 The current floor size occupied by INSETA at head office at 37 Empire Road, Parktown, Johannesburg is 2800m². Based on the newly approved future organizational structure, INSETA will require an office space of between 3500m² and 4000m².

3. SCOPE OF WORK

- 3.1 INSETA is seeking information relating to office accommodation solution from prospective bidders to offer 3500m² to 4000m² of gross lettable area on two possible options: *for a period of 5 years on an operating lease basis, with an option and information of a finance lease for a period of 10 years on a basis (those who can) with an option to buy.* The said accommodation should be in a Grade A (preferably green rated) office space with specified requirements including parking.
- 3.2 The office accommodation should preferably be within a *radius capped at 10km* from the current Head Office situated at 37 Empire Road, Parktown, Johannesburg. *(Preferably Johannesburg North)*
- 3.3 The aforementioned land and building offered must be easily accessible and visible from major routes.
- 3.4 INSETA would like a building that is customisable to fit its image and corporate identity.

4. DETAILED SCOPE OF WORK

- 4.1 Respondents are required to provide INSETA with new office space for cellular offices, open plan, meeting, and boardrooms, pause areas, reception, storerooms, strong rooms, workspace filing, some bulk filing, library (resources center), facilities as per table above or any other accommodation space.
- 4.2 The land and building must be easily accessible to / from road transport, public transport, etc.
- 4.3 The land and building must be in a safe, secure, and tranquil environment that does not present a security risk to INSETA staff members who work after hours.
- 4.4 Respondents must have the capacity and capability to provide engineering (Mechanical, Electrical, Electronic, Acoustics, fire, etc.) services.
- 4.5 **Note:** INSETA will be providing a full turnkey solution (Project Management) on the operating lease agreement.
- 4.6 **Specific building requirements:**
- 4.6.1 Power supply to building
 - 4.6.2 Fire suppression system throughout the entire building (Inert gas).
 - 4.6.3 Landlord to provide UPS room with air conditioning for two x 3 phase 200 KVA uninterruptable power supply.
 - 4.6.4 Landlord to provide Generator and area / room – space for 1 backup generator.
 - 4.6.5 Full compliance with Occupational Health and Safety (OHS) requirements. (Including disability friendly building)
 - 4.6.6 Adequate ventilation and light penetration with open windows.
- 4.7 **Zoning Rights:**
- 4.7.1 All site related issues like Zoning rights, Servitudes, Municipality requirements, environmental, heritage, and other related statutory requirements should be cleared or in order.
 - 4.7.2 It will be to the advantage of the Respondents to have corporate business zoning rights approved by the Municipality. Respondents must have written confirmation that commercial zoning rights are already pre-approved by the municipality for existing properties.
- 4.8 Respondents must provide information and costing against the detailed specification below and consider the required information table:

| REQUIREMENTS | Estimated number/size |
|--|--|
| Total space needed (GLA) | 3500m ² to 4000m ² |
| Current / Future combined staff establishment | Between 120 & 150 |
| Parking (percentage of covered and or open) including 4X disabled parking | 120 bays |
| INSETA's Executive office suites x5 | 1 |
| Number Management office (glass office) Enclosed Open plan ETQA area including a lockable certification room HR office (enclosed open plan) Staff (open plan) | 1 |
| Canteen / Refreshment /Pause area | 1 |
| Stationary stores | 1 |
| Furniture stores | 1 |
| Sick Bay | 1 |
| Security control room | 1 |
| IT Server room: <ul style="list-style-type: none"> • Redundant air-conditioner • Minimum power requirements: 3-phase, uninterrupted power supplier via UPS – 200KW (minimum) and non-UPS - 200KW (minimum). Both Non-UPS and UPS should have back-up generator power) • Fire suppression system – preferably FM200 gas • Fire resistant/retardant (4 hours) walls and access door. Raised flooring. | 1 |
| Internet requirements: <ul style="list-style-type: none"> • Accessibility to latest technology provided by major service providers (i.e., fibre ready building). | 1 |
| Archive area (Fire proofed) <ul style="list-style-type: none"> • Storage rooms x 3 Strong rooms x 2 | 5 |
| Boardrooms <ul style="list-style-type: none"> • 1 x Boardroom (25 people) • 1 x Multifunction Conference Room that can be used as and when required (100 people) • 1 x Executive boardroom (10 people) • 2 x Meeting Rooms (5 – 6 people) | 7 |
| Provision for bulk filling area | 4 |

4.9 Proposed Property Information Required

- 4.9.1 Property street address
- 4.9.2 Bidder to provide a copy of a title deed to the proposed building
- 4.9.3 Telephone, fax numbers and email address
- 4.9.4 Bidders are required to provide a draft lease agreement as part of the bidder submission.

4.10 Layout Drawings

- 4.10.1 Provide print-out of the PDF readable drawings as well as pictures of the building. (Clear PDF documents)

4.11 Legislative building requirements

The land and building “*must*” comply with all the applicable laws and by-laws and at least the following specifications, laws, or local authority requirements:

- 4.11.1 The building must comply with the Occupational Health and Safety Act, 1993 (Act 85 of 1993), as amended.
- 4.11.2 Interior Lighting SABS 0114:1996 - Part I.
- 4.11.3 The National Building Regulations and Building Standards Acts 1977 (Act 103 of 1977) as amended (SANS 0040).
- 4.11.4 The Municipal by-laws and any special requirements of the local supply authority
- 4.11.5 The local fire regulations.
- 4.11.6 The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
- 4.11.7 The building must comply with strategies that underpin the government green building strategies (GRADE A)
- 4.11.8 South African Property Owners Association (SAPOA)
- 4.11.9 Electrical Certificate of Compliance (CoC).
- 4.11.10 Occupation Certificate from Municipal Council.

4.12 Note: Copies of certificates proving compliance with the aforementioned regulations must be provided as part of bidder’s proposal.

4.13 Air-conditioning

- 4.13.1 Centralised including controller relays for offices and boardrooms and splitter units where applicable i.e., IT Server Room
- 14.13.2 IT server room must have 100% redundancy.

4.14 Accessibility

- 14.14.1 Access to people with disabilities i.e., paraplegic access
- 14.14.2 Convenient access to public transport

5. DELIVERABLES

| Specifications | Requirement(s) |
|-----------------------------|--|
| Facility description | Building should meet all relevant Occupational Health & Safety and Building regulatory (Air Conditioning) requirements, including facilities for the disabled (ramp at front entrance / restrooms). Must be clean and ready for occupancy; permission to be granted to customize according to INSETA specifications |
| Facility occupancy timeline | The building must be ready for occupancy by the 1 st December 2022. (Preferably 1 st October 2022) |
| Accessibility | The premises must be easily accessible and be close to public transport or along public transport route |
| Disability user friendly | The premises must be able to cater for people living with disability |
| Parking Space | The premises must be able to provide sufficient parking space for the INSETA stakeholders. |
| Ablution facility | 3* his; 3* hers and be able to accommodate people living with disability |
| Pricing schedule | Provide two (2) quotations (1 quotation allowing for an option of a 10 year finance lease with an option to buy – not compulsory for information purposes) and 1 quotation indicating Five (5) years lease agreement with the market related price escalations. The required/attached pricing schedule must be completed in full. The pricing indicated on the pricing schedule must be inclusive of VAT. Bidder provide year on year pricing including annual escalation with a clear percentage and value of the Tenant Installation Allowance, any all-applicable deposits including an percentage interest against the said deposit, as well as make provision for an average of municipal rates over the period of the contract. The total contract prices will be used for comparative price analysis as a total cost of ownership imperative. |

| | |
|--------------------|--|
| Operating expenses | All services offered by the Lessor must be stated. The services should include as a minimum, but not limited to, the provision of all utilities and building services, building security, building compliance to Health and Safety requirements, general maintenance, repairs of electrical installations, air conditioning, custodial and municipal services. |
| General layout | A floor plan depicting workable space/office layout and common areas based on the requirements must be provided. The floor layout must indicate the sizes of each required/stated area. The floor plan must be approved by INSETA before commencement of work. |

6. TIMEFRAMES

6.1 The duration of the contract will be for period of **five (5) years**.

7. CONTRACTUAL OBLIGATION

7.1 Bidders to fully complete SBD 3.1 including all applicable costs.

7.2 In the case of the service provider using sub-contractors, the former will be responsible for ensuring delivery of services from any such sub-contractors and for making any payments to such sub-contractors.

7.3 **Bidder will be subjected to annual review in terms of measuring satisfactory performance.**

8. ABSENCE OF OBLIGATION & CONFIDENTIALITY

8.1 No legal or other obligation shall arise between the service provider and INSETA unless/until both parties have signed a formal Lease Agreement in place.

8.2 The Contract site is at **INSETA (as and when required)**.

9. WORKMEN AND SUPERVISION ON SITE

9.1 The service provider shall be held responsible for the conduct of his employees and the conduct of his sub-contractor's employees for the full duration of the contract.

10. PREQUALIFICATION CRITERIA (Phase 1)

10.1 Proof of registration on CSD (**Central Supplier Database**) - full CSD report.

10.2 Bidders are required to complete, sign and submit Standard Bid Document (**SBD 4**) - **Bidders Disclosure**

10.3 Proof of valid BBBEE Certificate (SANAS accredited only or CIPC certificate) and or Sworn affidavit on preferred DTI approved template.

Note: All bidders who do not comply with the items listed above will be disqualified.

11. EVALUATION CRITERIA

11.1 Responses will be evaluated using a predetermined set of evaluation criteria. The evaluation criteria is designed to reflect the INSETA's requirements in terms of identifying a suitable service provider and ensure the selection process is transparent and affords all the bidders a fair opportunity for evaluation and selection.

12 Functional Evaluation threshold (Phase 2)

12.1 The tender submission will be functionally evaluated (paper-based evaluation) out of a **minimum of 75 points – any bidder who scores less than 75** will not be considered for further evaluation (Phase 2b), **maximum score is 100.**

12.2 Functional Evaluation Criteria Phase 2a:

The evaluation is based on functionality, which will be evaluated using the following criteria and points: **Items 2, 3, 5 are not compulsory allowing bidders to score a minimum of 75 points, bidders who score less than 70 points, will be disqualified.**

12.3 Bidders who provide all items listed below will score the maximum 100 points and qualify to be evaluated in terms of Phase 2b.

| Phase 2a | | |
|---------------------|---|----------------|
| No. | Functionality | Maximum Points |
| 1 | The proposed Office Space should be approximately between 3500m ² to 4000m ² , withing a 10km radius (Preferably in Johannesburg North) including building plans and pictures | 20 |
| 2 | The premises must be close to public transport (bidder clear indicate the applicable transport routes) | 10 |
| 3 | The building must be able to cater for people living with disability (bidder present a disability friendly building) | 10 |
| 4 | The premises must be able to provide sufficient parking space for the INSETA stakeholders 120 parking including provision for 4 disabled parking based. <i>Parking (percentage of covered and or open)</i> | 10 |
| 5 | 3* his; 3* hers and be able to accommodate people living with disability including kitchen | 10 |
| 6 | Alternate power supply in the event of normal power supply interruption to the building UPS and Generator = 10 points Generator = 5 points Noncompliance with minimum points = 0 points | 10 |
| 7 | Municipal clearance which indicates the building/premise offered is cleared of any arears (services, rates & taxes accounts) | 10 |
| 8. | Copies of certificates proving compliance with the aforementioned regulations must be provided as part of bidder's proposal. | 20 |
| Total Points | | 100 |

12.3.1 A functionality score of less than **70 points** will eliminate the proposal for further evaluation

13 Phase 2b Site Visit

13.1 The following criteria will be used to evaluate all bids where bids must score a **minimum of ninety points (90)** out of **100 maximum points** on **Phase 2b** which is the stipulated minimum threshold for site inspection.

13.2 Bidders who comply with the Phase 2b will be evaluated in terms of Price and BBBEE Preference Point system (**Phase 3**)

| Phase 2b | | |
|---------------------|---|----------------|
| No. | Functionality | Maximum Points |
| 1. | Location: 3500m ² to 4000m ² , withing a 10km radius – as per paper evaluation 1.1 Proposed Building aligned to the paper-based evaluation | 40 |
| 2. | Suitability: 2.1 Access for people living with disabilities | 10 |
| | 2.2 Parking as per requirements | 10 |
| | 2.3 Access to public transport | 10 |
| | 2.4 Alternate power supply in the event of normal power supply interruption to the building 2.4.1 UPS and Generator and generator room = 20 points 2.4.2 Generator and generator room = 10 points | 20 |
| | Noncompliance with minimum points = 0 points | |
| | 2.5 Centralised air-conditioning system | 10 |
| Total Points | | 100 |

13.2.1 Bidders who obtained less than the minimum threshold of **90 points** will be declared non-responsive and therefore will not be eligible for **evaluation of BBBEE & Price Preference**.

13.3 Phase 3: Preference Evaluation

13.3.1 BBBEE and Price

As the tender **price is estimated to be R30 000 and R50 million including VAT**, the tender responses will be evaluated on the **80/20**-point system.

14 ADJUDICATION USING A POINT SYSTEM

- 14.3** The bidder obtaining the highest number of total points will be awarded the contract unless objective criteria justify the award to another bidder.
- 14.4** Preference points shall be calculated after process has been brought to a comparative basistaking into account all factors of non-firm prices.
- 14.5** In the event that two or more bids have scored equal points in terms of price and preference points for BBEE, the successful bid must be the one scoring the highest number of preference points for BBEE.
- 14.6** However, when functionality is part of the evaluation process and two or more bids have scored equal points for BBEE, the successful bid must be the one scoring the highest score for functionality.
- 14.7** Should two or more bids be equal in all respect, the award shall be decided by the drawing of lots.

15 POINTS AWARDED FOR PRICE AND BBEE PREFERENCE POINT

The **80/20** preference point system

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

$$P_s = 80 \{1 - (P_t - P_{\min})\}$$

P_{\min}

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

16 B-BBEE PREFERENTIAL POINTS WILL BE AWARDED AS FOLLOWS:

In terms of regulation 5 (2) and 6 (2) of the preferential procurement regulations, preference points must be awarded to the bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of contributor | Number of points 80/20 system |
|---|--------------------------------------|
| 1 | 20 |
| 2 | 18 |
| 3 | 16 |
| 4 | 12 |
| 5 | 8 |
| 6 | 6 |
| 7 | 4 |
| 8 | 2 |
| Non-compliant contributor | 0 |

- 16.1** Bidders who qualify as EME's and QSE's in terms of the B-BBEE Act must submit a Sworn affidavit. Misrepresentation of information constitutes a criminal offence.
- 16.2** Bidders other than EME's or QSE's must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating issued by SANAS.
- 16.3** 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.

17 Consortium

- 17.1** A consortium is an association of two or more individuals, companies, organisations or governments (or any combination of these entities) with the objective of participating in a common activity or pooling their resources for achieving a common goal.
- 17.2** A consortium requires that each participant retains its separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract, which delineates the rights and obligations of each member.
- 17.3** In a consortium, only the lead bidder's credentials both in terms of financial and technical qualifications are considered. Therefore, the interpretation and application to a RFQ/Bid process is such that the lead partner is identified and the following requirements are required as follows:

17.3.1 Lead Partner

- a) All administrative documents (consortium agreement between the lead partner and the partner)
- b) Technical requirements (which will show in the proposal and other requirements why the need for the consortium, which for all intent and purpose fulfils the requirements of the bid through combination of skills)

17.3.2 Partner

- a) Proof of CSD registration.
- b) Tax Pin.
- c) BBBEE Sworn-Affidavit.
- d) SBD 4 Declaration of interest.
- e) SBD 8 Past supply chain.

17.4 It should be taken into cognisance that although the lead partner is the qualifying entity, the partner should prove that it can do business with state-owned entities, through CSD registration, proof that the taxes are compliant, its level of BBBEE status in order to align with the BBBEE status level required by the BID, declare interest and answer questions that it is not a disqualified entity with the National Treasury. The foregoing ensures compliance from an SCM process perspective that the consortium is in order.

17.5 Of importance is that in a consortium, each individual team members retain their identities.

18. A joint venture

18.1 A joint venture is a business entity created by two or more parties, generally characterized by shared ownership, returns and risks and shared governance.

18.1.1 Unincorporated joint venture:

All SCM documents are filled in by the joint venture in the name of the joint venture, although the submission of administrative documents (partnership agreement between parties) will be completed in the name of the joint venture, and the following will be required from both parties, amongst others

- a) SBD 4.
- b) SBD 6.
- c) SBD 8.
- d) SBD 9.
- e) Tax pin
- f) CSD registration.
- g) The JV agreement will direct which bank account of the two entities will be used.
- h) Consolidated Joint BBBEE Certificate.

18.1.2 Incorporated joint venture

This aligned to a registered entity or company. A registered entity/ company with a consolidated BBBEE certificate and a bank account in the name of the Joint venture. The required compliance documents must be complete by the entity/ company the name of the joint venture, and the following will be required amongst others:

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- a) SBD 4.
- b) SBD 6.
- c) SBD 8.
- d) SBD 9.
- e) Tax pin
- f) CSD registration.
- g) The JV agreement will direct which bank account of the two entities will be used.
- h) Consolidated Joint BBBEE Certificate.

19. 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 capacity and the ability to execute the sub-contract.

20. A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capacity and the ability to execute the sub-contract.

21. COMMUNICATION

21.1 Respondents are warned that a response will be disqualified should any attempt be made by a bidder either directly or indirectly to canvass any officer(s) or employees of INSETA in respect of BID process, between the closing date and the date of the award of the business.

21.2 All enquiries relating to this BID should be emailed ***three days before the closing date.***

22. CONDITIONS TO BE OBSERVED WHEN BIDDING

22.1 The organization does not bind itself to accept the lowest or any BID, nor shall it be responsible for or pay any expenses or losses which may be incurred by the bidder in the preparation and delivery of his BID submission. The organization also reserves the right to withdraw or cancel the BID at any stage.

22.2 No BID shall be deemed to have been accepted unless and until a formal contract / letter of award is prepared and executed.

22.3 The competitive shall remain open for acceptance by the Organization for a period of **120 days** from the closing date of the BID Enquiry.

22.4 INSETA reserves the right to:

22.4.1. Not evaluate and award a bid that do not comply strictly with this BID document.

22.4.2. Make a selection solely on the information received in the Bid Document and Enter into negotiations with any one or more of preferred bidder(s) based on the criteria specified in the terms of reference.

22.4.3. Contact any bidder during the evaluation process, in order to clarify any information,

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without informing any other bidders. During the evaluation process, no change in the content of the BID shall be sought, offered or permitted.

22.5 Cancel this BID at any time as prescribed in the PPPFA Act of 2000

22.6 Should bidder(s) be selected for further negotiations, they will be chosen on the basis of the cost effectiveness and the principal of value for money not necessarily on the basis of the lowest costs.

23. Cost of Bidding

23.1 The bidder shall bear all costs and expenses associated with preparation and submission of its BID submission and the INSETA shall under no circumstances be responsible or liable for any such costs, regardless of, without limitation, the conduct or outcome of the bidding, evaluation, and selection process.

24. Note to Bidders:

24.1 Due diligence to be conducted by INSETA prior to the award of the contract.

END OF TERMS OF REFERENCE DOCUMENT