

## TENDER DATA

<b>Project title:</b>	<b>Appointment of Service Provider for the Provision of Mergers and Acquisitions Advisory Services to Sentech SOC Ltd for a period of 24 Months.</b>
<b>Bid no:</b>	<b>SENT/013/2023-24</b>

### 1. BACKGROUND

Sentech is a state-owned company and is the largest broadcasting signal distributor in South Africa. Sentech is a licensed Electronic Communications Network Service provider in South Africa. It currently operates many telecommunication networks for Satellite, Television, Radio, Internet and more. As such, Sentech is a global enabler of broadcasting and digital content delivery.

**SENTECH requires Mergers and Acquisitions advisory services for the period of 24 months.**

### 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/013/2023-24**
- **TECHNICAL AND FINANCIAL PROPOSALS**
- **INSERT CLOSING DATE AND TIME**
- **BIDDER'S NAME AND ADDRESS**

Bidders that combine their Technical Proposal with the Financial Proposal (or any financial information) will be automatically disqualified and not be evaluated further.

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 Bidding condition applicable to this Bid is \_\_\_\_\_ (Specify targeted companies (EME / QSE) or minimum B-BBEE status level of contributor) 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. Subcontracting as a condition of Bid**

The successful Bidder must subcontract a minimum of \_\_\_\_\_% of the value of the contract to \_\_\_\_\_ (specify the designated group targeted) as contemplated in the PPPFA regulations, 2017 sub regulation 9(1);

### **10. Transformation Plan**

A transformation plan is a record of activities an entity intends to undertake to improve its BBBEE 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.

## 11. 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 a 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
If yes, specify the sector		
Specify minimum threshold applicable		

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

## 12. EVALUATION CRITERIA

The evaluation criteria are stipulated in 18 below. 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 not being evaluated further. Bidders must ensure that they have included all supporting documentation required to support their response to the Bid.

## 13. 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.

## 14. 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.

## 15. BID EVALUATION METHOD

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

<b>#A Two Envelope 100/150 system will be followed for Technical and Price offer</b>	<ol style="list-style-type: none"> <li><b>Stage 1 – Administrative Responsiveness Evaluation</b> All the Technical Proposals will be evaluated against the <b>Administrative responsiveness requirements</b> as set out in the list of returnable documents.</li> <li><b>Stage 2 –Technical Evaluation</b> All proposals that qualify based on administrative responsiveness requirements will be evaluated against the Mandatory Evaluation Criteria in order to qualify for further evaluation.  <b>Functional Criteria:</b> Proposals that qualify in Mandatory Criteria will be evaluated against the Functional Criteria. Proposals must score 90 points or more out of a total of 120 points allocated to be considered.</li> <li><b>Stage 3 – Price and Preference</b> Financial Proposals for Qualifying Bidders will be opened and evaluated. Bidder's financial offers and BEE certificates will be ranked according to price and preference points from the highest number of points to the lowest.</li> </ol>
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## 16. 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 Bidder 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.
- Complete and sign the Contract Data.
- Should this be a 2 envelope or 2 stage system, Bidders **MUST** separate the technical proposal from their financial proposal. The technical and financial proposals must be placed in two separate sealed envelopes.

### 16.1 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.
- 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.

## 17. TECHNICAL RESPONSIVENESS COMPLIANCE

The Technical Evaluation will encompass evaluation of:

- Mandatory Criteria
- Functional / Technical Criteria

## 18. TECHNICAL EVALUATION CRITERIA\

### 18.1 Mandatory Eligibility Criteria

Mandatory Eligibility Criteria	Attach evidence	Provide reference page number in your proposal
N/A	N/A	N/A

### 18.2 Functional Criteria

**NOTE: Bidders that do not comply with all the above criteria will not be evaluated further.**

Number	Functionality Criteria	Documents required	Weighting factor
<b>1</b>	<b>Company Experience</b>		<b>50</b>
<b>1.1</b>	Bidder should have at least more than 10 years' experience as a transaction advisor in mergers and acquisitions. <b>Evaluation indicators</b> <ul style="list-style-type: none"> <li>10+ years of experience = 10 points</li> <li>Between 5 to 9 years of experience = 5 points</li> <li>Less than 5 years of experience = 0 points</li> </ul>	Company profile showing experience as Mergers and Acquisitions (M&A) Transaction Advisor	10
<b>1.2</b>	Bidder should at least provide 5 completed and successful mergers and acquisition transactions valued above R80m. <b>Evaluation indicators</b> <ul style="list-style-type: none"> <li>3-5 successful completed M&amp;A = 10 points</li> <li>Between 1 to 2 successful completed M&amp;A = 5 points</li> <li>Less than 1 successful completed M&amp;A = 0 points</li> </ul>	Reference letters from clients of completed and successful M & A transactions	10
<b>1.3</b>	Demonstrate knowledge and experience of the ICT industry with testimonials of successful M&A transactions completed in the ICT industry not limited to South Africa. <b>Evaluation indicators</b> 3 or more (as per project list) successful M&A transactions in ICT industry = 10 points Between 1 to 2 successful (As per project list) M&A transactions in ICT industry = 5 points Less than 1 successful M&A transactions in ICT industry = 0 points.	Project list with contactable references of M&A transactions completed in the ICT industry	10
<b>1.4</b>	Provide company experience and projects on submissions to the Competition Commission and the outcome thereof with reference to M&A ( <b>Specifically under Legal Advisory, Refer to the table of the legal requirement in page 12 of 12 below</b> ). <ul style="list-style-type: none"> <li>30 or more projects = 20 points</li> <li>10 to 20 projects = 10 points</li> <li>5 to 9 projects = 5 points</li> <li>Less than 5 projects = 0 points</li> </ul>	Project table with a list of projects	20

2.	Advisory Team Experience	Documents required	60
2.1	<p><b>Legal Advisory</b></p> <p>1. The bidder is to provide a summary of the Partner's and Senior Associate's experience and knowledge of Mergers and Acquisitions and include qualifications, projects names of past mergers and acquisitions worked on as well as number of years of experience in Mergers and Acquisitions.</p> <p><b>Evaluation indicators – experience of a Partner in legal due diligence:</b></p> <ul style="list-style-type: none"> <li>• 10+ years of experience = 10 points</li> <li>• Between 5 to 9 years of experience = 5 points</li> <li>• Less than 5 years of experience = 0 points</li> </ul> <p><b>Evaluation indicators – experience of a Senior Associate in legal due diligence:</b></p> <ul style="list-style-type: none"> <li>• 10+ years of experience = 10 points</li> <li>• Between 5 to 9 years of experience = 5 points</li> <li>• Less than 5 years of experience = 0 points</li> </ul>	<p>CV &amp; qualifications of the Partners and Associates demonstrating required experience in Mergers and Acquisitions</p>	20
2.2	<p><b>Financial Advisory</b></p> <p><b>Financial due diligence advisory</b></p> <ul style="list-style-type: none"> <li>• Team Lead to be a qualified CA (SA) with 10 + years' experience and at least have 10+ years' experience as a lead in financial due diligence in mergers and acquisition transactions.</li> <li>• Team who will be involved in the financial due diligence should at least collectively have 15 years' experience in a financial due diligence in mergers and acquisitions transactions.</li> <li>• A team member should at least demonstrate knowledge and experience of the ICT industry with 3 or more completed financial due diligence M&amp;A work done in the ICT industry.</li> </ul> <p><b>Evaluation indicators – Experience as lead</b></p> <ul style="list-style-type: none"> <li>• 10+ years of experience as team lead = 10 points</li> <li>• Between 5 years and 9 years of experience as team lead = 5 points</li> <li>• Less than 5 years of experience = 0 points</li> </ul> <p><b>Evaluation indicators – Experience of team members</b></p> <ul style="list-style-type: none"> <li>• Collectively 15+ years of experience for team = 10 points</li> <li>• Collectively between 14 years and 10 years of experience for team = 5 points</li> <li>• Less than 10 years of experience = 0 points</li> </ul>	<p>CV of the Team lead and CA (SA) certificate.</p> <p>CVs of team demonstrating required experience</p> <p>CV of team member demonstrating financial due diligence experience in M&amp;A work done in the ICT industry</p>	20

<b>2.3</b>	<b>Tax Advisory</b> <ul style="list-style-type: none"> <li>Team Leader should at least have 10+ years' experience as a lead in Tax due diligence in mergers and acquisition transactions.</li> <li>Team who will be involved in the Tax due diligence should at least collectively have 15 years' experience in a Tax due diligence in mergers and acquisitions transactions.</li> <li>A team member should at least demonstrate knowledge and experience of the ICT industry with 3 or more completed Tax due diligence M&amp;A work done in the ICT industry.</li> </ul> <b>Evaluation indicators – Experience as lead</b> <ul style="list-style-type: none"> <li>10+ years of experience as team lead = 10 points</li> <li>Between 5 years and 9 years of experience as team lead = 5 points</li> <li>Less than 5 years of experience = 0 points</li> </ul> <b>Evaluation indicators – Experience of team members</b> <ul style="list-style-type: none"> <li>Collectively 15+ years of experience for team = 10 points</li> <li>Collectively between 14 years and 10 years of experience for team = 5 points</li> <li>Less than 10 years of experience = 0 points</li> </ul>	<p>CV of the tax advisory Team Lead demonstrating required experience</p> <p>CV of team members demonstrating Tax due diligence experience in M&amp;A work done in the ICT industry</p>	20
<b>3</b>	<b>Methodology</b>		<b>40</b>
<b>3.1</b>	<p>Provide a proposal which covers the entire mergers and acquisitions process (origination, transaction execution and closing activities) including the potential target universe.</p> <p><b>The proposal must state:</b></p> <ul style="list-style-type: none"> <li>Specific activities to be performed.</li> <li>Timeframes for each activity including milestones and critical path.</li> <li>Workflow chart.</li> </ul> <p><b>Evaluation indicators:</b></p> <ul style="list-style-type: none"> <li>Excellent methodology – Comprehensive end to end process proposed = 30 points</li> <li>Good methodology – End to end process with some critical activities missing = 20 points</li> <li>Poor methodology – End to end process with major critical activities missing = 10 points</li> <li>No Methodology provided = 0 points</li> </ul>	Proposal from bidders	40
	<b>Total</b>		<b>150 Points</b>

**Table 1: Functional Criteria**

Total minimum qualifying functional score is **100 points**. A Bidder must score more than 0 points in each criterion to be evaluated further.

#### **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
<b>Preference:</b>	<b>20%</b>
<b>Price:</b>	<b>80 %</b>
<b>Total must equal:</b>	<b>100%</b>



Sentech will award preference points as follows:

Goal	Points	Evidence required
Historically disadvantaged by unfair discrimination on the basis of Race	10	A valid BBBEE Certificate showing at least 51% black ownership
Historically disadvantaged by unfair discrimination on the basis of Gender (women)	8	A valid BBBEE Certificate showing at least 30% women ownership
Historically disadvantaged by unfair discrimination on the basis of disability	2	A doctor's note confirming disability
<b>Total Points</b>	<b>20</b>	

## 20. Price Calculation 80/20

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

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

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.

Customer		Service Provided	Contact Person	Contact tel. no.	Contractual commencement date	Contractual completion date
1						
2						
3						
4						
5						

TABLE FOR LEGAL ADVISORY REQUIREMENT

Details of project	Year of completion	Value of Project

<b>Name of Tenderer</b>	<b>Signature</b>	<b>Date</b>