

# SME & BEE APPLICATION FOR RESTRICTED BIDDING PROCESS

APPLICATION NUMBER	2021-2022
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## Description

SME & BEE APPLICATION FOR RESTRICTED BIDDING PROCESS
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CLOSING DATE	
CLOSING TIME	

**TIP:**  
Submit well before the closing date and time

NAME	
POSTAL ADDRESS	
CONTACT PERSON	
E-MAIL ADDRESS	
TELEPHONE NUMBER	

**Please note:**

- The bidder should provide the original and one copy of the application document.
- All pages of the application document must be initialled.
- Erongo RED will not assume responsibility for applications received late through any postal or courier service. Such applications will be disqualified and returned to the supplier unopened. The onus is on the bidder to ensure that applications are deposited in the stipulated tender box before the closing date and time.
- A separate tender box is provided for applications and no application shall be considered which, subsequent to the closing date and time for applications, may be found in another box or location.
- No applications received by e-mail or fax will be considered, unless the application document specifically provides for this.

Applicant Initials	
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# SME & BEE APPLICATION FOR RESTRICTED BIDDING PROCESS

## CONTENTS

IMPORTANT NOTICE TO ALL PROSPECTIVE BIDDERS - CONFLICT OF INTEREST	3
BIDDERS CONFLICT OF INTEREST	3
1. GENERAL INFORMATION	4
2. ELIGIBLE APPLICANTS	5
3. NATURE OF THE GOODS AND SERVICES/COMMODITY GROUPS	5
4. APPLICATION EVALUATION PROCESS	6
Phase 1: General Tender Responsiveness and Completeness	6
Phase 2: Technical Evaluation (45%)	8
Phase 3: BEE and SME Evaluation (35%)	9
Non-Compulsory Documents	10
Phase 4: Price Evaluation (20%)	11
OVERALL COMPETITIVE SCORE	11
ANNEXURE A: GENERAL INFORMATION OF BIDDER/APPLICANT	12
1. Particulars of Bidder/Applicant	12
2. Ownership of Company: See Non-Compulsory Document Clause 1	13
3. Skills Development: See Non-Compulsory Document Clause 3	13
4. Enterprise Development: See Non-Compulsory Document Clause 4	13
5. Residual: Corporate Social Responsibility	14
6. Management: See Non-Compulsory Document Clause 2	14
ANNEXURE B: APPLICATION LETTER	15



**TIP:**  
Remember  
to initial  
each page



Applicant Initials	
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# IMPORTANT NOTICE TO ALL PROSPECTIVE BIDDERS - **CONFLICT OF INTEREST**

**Erongo RED strictly prohibits any of its employees or board members from tendering for any Erongo RED contracts.**

## BIDDERS CONFLICT OF INTEREST

All bidders must ensure that they are in compliance with our conflict of interest clause.

All bidders found to have conflicting interests shall be disqualified. A bidder may be considered to be in a conflict of interest situation with one or more parties in this bidding process if they:

- a. have controlling shareholders in common; or
- b. receive or have received any direct or indirect subsidy from any of them; or
- c. have the same legal representative for purposes of this bid; or
- d. have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another bidder, or influence the decisions of the purchaser regarding this bidding process; or
- e. participate in more than one bid in this bidding process. Participation by a bidder in more than one bid will result in the disqualification of all bids in which the bidder is involved. However, this does not limit the inclusion of the same subcontractor, not otherwise participating as a bidder, in more than one bid; or
- f. participated as a consultant in the preparation of the design or technical specifications of the goods and services that are the subject of the bid (either personally or through any affiliates); or
- g. have been determined by the Tender Committee to have acted in conflict of interest in any way comparable to the situations mentioned above.

**TIP:**  
Read the entire document. All the information is important

Applicant Initials	
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# 1. GENERAL INFORMATION

Erongo RED has updated its procurement strategy with the intent to give effect to an enabling environment for increasing the participation of previously disadvantaged Namibians and small and medium enterprises (SMEs) in procurement activities, as well as to promote training and skills transfers through partnerships and joint ventures.

Erongo RED, at its own discretion, will reserve certain procurement activities for SME and BEE enterprises. The list of reserved activities will be reviewed annually and will be published on the Erongo RED website and/or in at least two local newspapers.

Preferential treatment will be given should a company have:

- a. the necessary qualifications, capability, experience, and appropriate equipment or facilities to provide the goods/services or works required; and
- b. the legal capacity to enter into a procurement contract; and
- c. not been declared insolvent or bankrupt or not be under curatorship or being wound up under the law; and
- d. not been previously barred from participating in Erongo RED procurement processes; and
- e. good standing with the Receiver of Revenue in respect of all taxes (e.g. Income Tax, VAT, and PAYE) and the Social Security Commission.

Erongo RED will establish and maintain a database of pre-qualified BEE/SME suppliers. These suppliers shall apply for approval in writing through the e-procurement platform of Tara Nawa and supply the required information as requested in the pre-evaluation/application form.

Details pertaining to the evaluation criteria and any additional information deemed necessary by the Tender Committee are enumerated in this standard application form.

Erongo RED shall review the shortlisted BEE and SME supplier information on an annual basis or as and when necessary.

Erongo RED supports the principle of subcontracting and joint venture agreements in its procurement activities.

Any specific objectives for which points may be awarded shall be clearly specified in the pre-evaluation document/application form as well as the invitation to submit a quotation/tender and shall be measurable, quantifiable and monitored for compliance.

For the purpose of restricted bidding, the procurement for goods or services reserved exclusively for this category may not exceed the amount of N\$300,000 and/or be a service contract with a term longer than 3 years.

Applicant Initials	
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## 2. ELIGIBLE APPLICANTS

To be eligible to participate in this application exercise, applicants should be:

- a. Namibian registered small and medium enterprises;
- b. Namibian registered joint venture businesses;
- c. Namibian manufacturers and service providers;
- d. Businesses owned by previously disadvantaged Namibian(s);
- e. in possession of the necessary qualifications, capability, experience, and have the appropriate equipment and/or facilities to provide the goods/services or works required;
- f. of legal capacity to enter into a procurement contract;
- g. solvent, i.e. not declared insolvent or bankrupt or not under curatorship or being wound up under the law;
- h. in good standing with Erongo RED, i.e. not previously barred from participating in Erongo RED procurement processes.



## 3. NATURE OF THE GOODS AND SERVICES/COMMODITY GROUPS

This application document is for the shortlisting of BEE and SME suppliers for the goods and services as listed in Table 1.

Preference shall be given to suppliers based in and operating from the specific town within the Erongo Region, where the goods and services are required. The nature of the goods, services and commodities reserved for shortlisted BEE and SME suppliers is listed in Table 1. Suppliers need to provide copies of reference letters from 3<sup>rd</sup> parties for each commodity that they apply for. Commodities without reference letter from 3<sup>rd</sup> parties will be excluded from elevation.

Please indicate the town and specific items for which this application will be valid:

**Table 1: List of Goods and Services**

No.	Description of Goods and Services	Town <i>(Please provide town)</i>	Commodities Applied For <i>(Please indicate)</i>
<b>1.</b>	<b>GOODS</b>		
1.1	<b>Arts &amp; Crafts</b> – Artworks, music, musicians, local crafts		
1.2	<b>Gift Baskets &amp; Hampers</b> – Gift of gratitude, which includes food, drinks and/or confectionaries (sweets)		
1.3	<b>Food &amp; Beverages</b> – Takeaway meals, platters, pastries, tea, coffee, sugar, milk, biscuits, bottled water, cool drinks, juice		
<b>2.</b>	<b>SERVICES</b>		
2.1	<b>Cleaning Services</b> – Office cleaning, window cleaning		
2.2	<b>Laundry Services</b> – Washing of clothes, bedding and tableware		
2.3	<b>Building Maintenance Services</b> – General painting, repairs to doors, hinges, windows, locks and boundary walls		
2.4	<b>Plumbing Services</b> – General repairs and maintenance		
2.5	<b>Tiling Services</b> – General repairs and maintenance		

Applicant Initials	
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2.6	<b>Catering Services</b> – Cooked meals and drinks/cool drinks/water/juice served with meals on specific location		
2.7	<b>De-bushing Services</b> – Where no specialised machinery is required		
2.8	<b>Tarring Services</b> – Where no specialised machinery is required		
2.9	<b>Paving Services</b> – Related to the repair and maintenance after trenching and digging		
2.10	<b>Trenching &amp; Digging Services</b> – Where no specialised machinery is required		
2.11	<b>Gardening Services</b> – Cleaning of office yards, outside substations and watering of plants		

## 4.APPLICATION EVALUATION PROCESS

This section contains the criteria that Erongo RED will use to evaluate a bid and determine whether a bidder/applicant has the required qualifications to be shortlisted.

### General Information

Tender evaluation scores are broken down as follows:

Description	Percentage
Price	20%
Technical Evaluation	45%
BEE & SME Evaluation	35%
<b>TOTAL SCORE</b>	<b>100%</b>

### Evaluation Methodology

The evaluation is divided into four (4) phases as described hereunder.

#### Phase 1: General Tender Responsiveness and Completeness

Responsiveness and completeness of the application will be assessed based on Yes or No answers. All applicants that:

- have attached all applicable mandatory documents as stated in Table 2 – Confirmed with a YES
- have provide 3rd party reference letters for each commodity applied, and
- have attached the complete mandatory declaration, will proceed to the next phase (Phase 2: Technical Evaluation)

Applicants that fail to pass with a Yes in terms of all mandatory documents and who did not complete the mandatory declarations will be deemed as 'non-responsive/incomplete'. Such applications will be excluded from further evaluation.

Applicant Initials	
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**Please note:**

- Should the applicant fall below the statutory thresholds for registration, the certificates should state this.
- Certificates should not be older than 6 months, where no validity period is indicated.
- All certificates should be valid as at the closing date of the tender. If a certificate expires within the 180-day evaluation period, updated certificates may be requested by the Evaluation Committee without prejudice to the evaluation process.

**Table 2: Mandatory Document Requirements**

Description of Mandatory Documents	Yes/No
<p><b>Registration documents:</b></p> <p>a. Copy of the latest company registration certificate (including certificates for change of name, if applicable)</p> <p>b. Companies need to provide a complete copy of the latest CM1 and CM9/CM26, if applicable</p> <p>c. Close corporations need to provide a complete copy of the latest CC1 or CC2</p> <p>d. Sole owners need to provide a business fitness certificate issued by the municipality/trade licence</p> <p>All copies must be certified by the Namibian Police or public Commissioner of Oaths</p>	
<p><b>Identification documents (IDs)</b> of all owners and/or all shareholders or members of the company/closed corporation/partnership</p> <p>All copies must be certified by the Namibian Police or public Commissioner of Oaths</p>	
<p><b>Copy or original of the good standing certificate from Receiver of Revenue</b> in respect of all taxes (e.g. Income Tax, VAT, PAYE, etc.)</p> <p>All copies must be certified by the Namibian Police or public Commissioner of Oaths</p>	
<p><b>Copy or original of the good standing certificate from Social Security Commission</b></p> <p>All copies must be certified by the Namibian Police or public Commissioner of Oaths</p>	
<p>A duly completed, initialed and signed <b>Joint Venture Agreement</b> (if applicable)</p>	
<p><b>Copy of the founding statements to identify the shareholders</b> and the percentage (%) shareholding owned – where shareholders are juristic persons (companies/estates etc.), information on the juristic person’s shareholding must also be provided</p>	



Applicant Initials	
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## Phase 2: Technical Evaluation (45%)

In order to evaluate if applicants have the necessary qualifications, capability, experience, and the appropriate equipment or facilities to provide the goods/services or works required, applications will be assessed against the technical evaluation criteria as provided for in Phase 2. Evaluation will be according to the weights stated therein.

The total technical evaluation counts out of 100 points, with a weighting of 45% towards the final score. For an applicant to proceed to the next phase (Phase 3: BEE & SME Evaluation), the applicant must score 60% and above on the technical score. **Applications that fail to achieve the required minimum score of 60% will be deemed as 'technically non-responsive'**. Such applications will be excluded from further evaluation.

Technical evaluation is divided into two (2) sub-categories with a combined score weight of 100 points, which will make up 45% of the final competitive score:

### a) Company Experience (60 points)

Description/Criteria	Total Points	Important Notes
Do you have a <b>valid BEE/SME certificate</b> ? Yes = 10 points No = 0 points	10	Companies need to provide a copy of the SME certificate
Do you have a <b>business fitness certificate</b> issued by the municipality (trade licence)? Yes = 10 points No = 0 points	10	Companies need to provide a copy of the business fitness certificate or trade licence
<b>Monthly income:</b> <ul style="list-style-type: none"> <li>• N\$0 – N\$10,000 = 4 points</li> <li>• N\$10,001 – N\$30,000 = 6 points</li> <li>• N\$30,001 – N\$50,000 = 8 points</li> <li>• Above N\$50,000 = 10 points</li> <li>• Documents not submitted = 0 points</li> </ul>	10	Please upload bank confirmation letter
<b>Years of experience</b> in business operations: <ul style="list-style-type: none"> <li>• 0 – 2 years = 8 points</li> <li>• Above 2 years – 3 years = 10 points</li> <li>• Above 3 years – 4 years = 15 points</li> <li>• More than 4 years = 20 points</li> <li>• No references/registration documents = 0 points</li> </ul>	20	The number of years of business operation will be determined from reference letters and company registration document
Do you have the <b>legal capacity</b> to enter into a procurement contract? Yes = 5 points No = 0 points	5	<b>YES / NO</b>
Have the company, its directors or officers <b>ever been declared insolvent or bankrupt or are they under curatorship or being wound up under the law</b> ? Yes = 0 points No = 5 points	5	<b>YES / NO</b>

Applicant Initials	
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## b) Key Personnel (40 points)

Description/Criteria	Total Points	Important Notes
<ul style="list-style-type: none"> <li>More than two (2) key employees with sound credentials (certificate, diploma or degree in applied field) = 20 points</li> <li>Two (2) key employees with sound credentials (certificate, diploma or degree in applied field) = 15 points</li> <li>One (1) key employee with sound credentials (certificate, diploma or degree in applied field) = 10 points</li> <li>Employee(s) with experience but no tertiary qualifications = 5 points</li> <li>No documents submitted = 0 points</li> </ul>	20	Submit certified copies of qualifications of key personnel and CVs signed by key personnel
Number of Namibian employees permanently employed by the company: <ul style="list-style-type: none"> <li>30 – 50 employees = 20 points</li> <li>10 – 29 employees = 15 points</li> <li>1 – 9 employees = 10 points</li> <li>No Namibians = 0 points</li> <li>No documents submitted = 0 points</li> </ul>	20	Submit a list with names, Namibian ID numbers and signatures of all permanent employees

Technical Score (100 points) = Company Experience (60 points) + Key Personnel (40 points)

$$\text{Technical Percentage Score (\%)} = \frac{\text{Technical Score}}{100 \text{ points}} \times 45\%$$

## Phase 3: BEE and SME Evaluation (35%)

The application will be evaluated as follows:

The total BEE and SME evaluation is out of 100 points, with a weighting of 35% towards the final competitive score.

In order to promote the advancement of previously disadvantaged Namibians, the following criteria shall be used as guidelines for scoring/evaluating the technical requirements of BEE and SME entities:

Criteria	Description	Points
<b>Ownership (BEE)</b>	Owned (50.1% – 100%)	20
	Empowered (25.1% – 50%)	15
	Influenced (5% – 25%)	10
	<b>Maximum points</b>	<b>20</b>
<b>Management Control</b>	Management (50.1% – 100%)	15
	Management (25.1% – 50%)	10
	Management (5% – 25%)	5
	<b>Maximum points</b>	<b>15</b>
<b>Employment Equity</b>	Woman ownership	15
	Persons with disabilities ownership	10
	<b>Maximum points</b>	<b>25</b>

Applicant Initials

<b>Skills Development</b>	Skills transfer, i.e. training	5
	<b>Maximum points</b>	<b>5</b>
<b>Preferential Procurement</b>	National Namibian company	10
	Regional (Erongo) Namibian company	15
	<b>Maximum points</b>	<b>15</b>
<b>Enterprise Development</b>	SME/BEE entities	10
	<b>Maximum points</b>	<b>10</b>
<b>Residual</b>	Contributions to social causes	10
	<b>Maximum points</b>	10
<b>TOTAL</b>		<b>100</b>

$$\text{BEE \& SME Percentage Score (\%)} = \frac{\text{BEE Score}}{100 \text{ points}} \times 35\%$$

‘SMEs’ are small and medium enterprises that employ less than 50 employees and have an annual turnover of less than N\$5 million.

‘BEE’ is defined as an integrated and broad-based socio-economic process aimed at redressing the inequalities created by the past discriminatory system, within the context of the country’s National Development Programme.

## Non-Compulsory Documents

Failure to submit these documents will not result in automatic disqualification, but it is recommended that all applicants submit them to take advantage of the possibility to achieve maximum scores as specified in the BEE/SME scoring criteria.

- 1. Ownership and equity:** Please provide organogram/detailed list indicating the shareholders/members/partners and the percentage (%) owned by Namibians and/or persons with disabilities, women and/or previously disadvantaged Namibians.
- 2. Management control:** Please provide organogram/list indicating the number of previously disadvantaged Namibians in management. For companies/closed corporations, this list will be made up of the directors and officers listed on the CM/CC form, and must clearly indicate which persons qualify for this score. For other entities, such as trusts, information regarding the trustees must be supplied, along with a certified copy of the Trust Deed.
- 3. Skills development:** Please provide documentary proof regarding training programmes, apprenticeship courses, affirmative action programmes or activities, or other programmes or activities benefiting disadvantaged Namibian citizens or Namibian citizens with disabilities, e.g. bursaries granted within the last 12 months, internship programmes, etc. This needs to be substantiated with a letter from students/training facilities.
- 4. Enterprise development:** Please provide valid SME certificate issued by the Minister of Industrialisation, Trade and SME Development, industry or a BEE certificate.
- 5. Affirmative Action Compliance Certificate:** Please provide certificate, or in its absence, proof from the Employment Equity Commissioner that the applicant is not a relevant employer, or exemption issued in terms of Section 42 of the Affirmative Action (Employment) Act, Act 29 of 1998.

### Please note:

- Please supply copies of the above relevant documents in order to support all information provided.
- No points will be awarded if the supporting documents are not submitted.

Applicant Initials	
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## Phase 4: Price Evaluation (20%)

Phase 4 is not applicable for the pre-evaluation/application evaluation. Therefore, applicants will not be scored on Phase 4 during this application. Price will only be scored when quotations have been submitted after the shortlisting of suppliers.

The quotations will be evaluated as follows: The total price evaluation contributes 20% to the final competitive score.

The quotations shall be rated according to their quoted prices for individual items as indicated in the price schedules. Points shall be determined and allocated relative to the engineering cost estimate.

The following formula shall be used to calculate the points.

$$\text{Bidder's Price Percentage Score} = 20\% * \left(1 - \frac{P_{\text{Tendered}} - P_{\text{Low}}}{P_{\text{Low}}}\right)$$

**Where:**  $P_{\text{Tendered}}$  = Price of bid under consideration  
 $P_{\text{Low}}$  = Engineering cost estimate

## OVERALL COMPETITIVE SCORE

Please take note that the competitive score for this application will only be calculated on the Technical and BEE scores, All suppliers will score equally on the price. Price will only be evaluated after quotation have been requested.

**Technical Score 45% + BEE and SME Score 35% + Price Score 20% = Overall Competitive Score**

**NOTE: The three highest competitive scores per commodity per town will be recommended as shortlisted suppliers, and will be recommended for approval by the Tender Committee.**

Applicant Initials	
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# ANNEXURE A: GENERAL INFORMATION OF BIDDER/APPLICANT

**TIP:**  
Remember  
to attach all  
supporting  
documentation

## Please take note of Table 2: Mandatory Documentation

Before entering into a business relationship with any company, Erongo RED will perform a supplier evaluation. The purpose of the evaluation is to minimise business risks and to avoid subjective judgement of the supplier. The supplier evaluation shall be based on facts and supported by documents, and must be completed prior to signature of any service agreement. The evaluation will include as a minimum the criteria outlined below.

**Please note that this information will be used to support your BEE and SME score. Therefore, documentary proof is needed for all the information provided hereunder.**

## 1. Particulars of Bidder/Applicant

### 1.1. General

Full name of company	
Company registration number and date	
Social security number	
Physical address	
Postal address	
Town in which company is registered	
Nature of business activities as per company registration documents	
Is the business a small scale industry, according to the Ministry of Industrialisation, Trade and SME Development?	
Will the company be able to provide after sales service for goods or services supplied under this tender?	
Does the company comply with the taxation laws of Namibia?	
BEE and/or SME status	
Quality assurance policy	

Applicant Initials

Environmental policy	
Reliability	
Product and product development	

**2. Ownership of Company: See Non-Compulsory Document Clause 1**

Full Names of Share-holders/Members/Partners/Owners	% Ownership	Capital Amount	Nationality	Male/ Female	Abled/ Disabled

**3. Skills Development: See Non-Compulsory Document Clause 3**

Particulars of structured training programmes/apprenticeship courses of approved standards for labour/ technical staff and managerial cadre/specialised training of women and persons with disabilities/other programmes or activities benefiting disadvantaged Namibian citizens/assistance, sponsorship, bursaries, etc., provided to vocational training centres. Attach documentary proof.

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**4. Enterprise Development: See Non-Compulsory Document Clause 4**

Particulars of affirmative action programmes/activities undertaken, such as promoting advancement of disadvantaged Namibian citizens; emerging Namibian entrepreneurship, women and persons with disabilities; achieving a balanced structure of managerial care, etc. Attach documentary proof.

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Applicant Initials	
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## 5. Residual: Corporate Social Responsibility

Particulars of contributions to social causes during the past year.

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## 6. Management: See Non-Compulsory Document Clause 2

### 6.1. Employees

	<b>Category</b>	<b>Total Number Category</b>	=	<b>Number of Namibians: Male Advantaged</b>	+	<b>Number of Namibians: Male Disadvantaged</b>	+	<b>Number of Namibians: Female</b>	+	<b>Number of Foreigners in Group</b>
a)	Managing Directors/ Directors									
b)	Managers									
c)	Office personnel/ staff									
d)	Skilled labour									
e)	Unskilled labour									
f)	Contract staff/labour									
<b>TOTAL</b>										

Number of persons with disabilities included in management or ownership (please indicate employment position for each)	
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Applicant Initials	
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# ANNEXURE B: APPLICATION LETTER

COMPANY NAME	
COMPANY ADDRESS	
CONTACT PERSON	
TELEPHONE NUMBER	
E-MAIL ADDRESS	
DATE	



**Erongo Regional Electricity Distributor (Pty) Ltd**  
 The Chairperson of the Tender Committee  
 P.O. Box 2925  
 Walvis Bay  
 Namibia

## APPLICATION TO SUPPLY GOODS AND SERVICES UNDER CLAUSE 22 OF ERONGO RED'S PROCUREMENT POLICY

We offer to supply the items listed in Clause 3, Table 1: List of Goods and Services as per the defined specifications that will follow in the quotation requests.

We confirm that we are eligible to participate in this bidding exercise and meet the eligibility criteria specified in Clause 2.

We undertake to abide by Erongo RED's procurement policy and procedures and the execution of any resulting contract.

We have read and understood the content of the application document and are willing to sign a Service Level Agreement and subscribe fully to the terms and conditions.

The validity period of our application is one (1) year from shortlisting or as otherwise stipulated in the Service Level Agreement or for as long as we comply with the terms and conditions stipulated in the application process.

We undertake to inform Erongo RED as soon as any particulars, such as ownership composition, BEE or good standing statuses, change.

Bid authorised by:

NAME	
POSITION	
SIGNATURE	
DATE	

Applicant Initials	
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