

# **FORMATIVE ASSESSMENT WORKBOOK**

## ***Unit Standard 119712***

### **Activity 1 (SO1, AC1 – 3, 5): Individual activity**

1. Where can you find out about tenders? List at least two places.
2. How often is the government tender bulletin published?
3. What information will be contained in the tender bulleting?
4. How will you set up a tender prospecting system?
5. Explain an HDI or historically disadvantaged individual.
6. List three official forms that have to be completed for all tenders.
7. Explain how tenders for less than R500 000 will be adjudicated.
8. Name four key principles of the Tendering System
9. Where must tender results be published?
10. List 5 indicators that will show when your business is ready to tender.
11. Describe the tendering process.
12. Who can help you to complete a tender document?

### **Activity 2 (S01, AC4) (Group Activity)**

1. What will a larger company expect from you as a subcontractor?
2. How will you prove that you can deliver the services as required?
3. What are the advantages of being a subcontractor?
4. What are the disadvantages of being a subcontractor?

### **Activity 3 (S01, AC4) Individual activity**

1. Write a motivation of how you will confirm the following: The track record of your business.
2. The quality of your staff:
3. The quality of your customer care:
4. The reliability of your company:
5. The quality of your equipment and/or vehicles
6. For your own business idea, identify businesses you would be able to enter into joint contracts with.

## Activity 4 (SO2, AC4) (Individual activity)

Study the following information and calculate the following ratios:

- ✓ Variable costs per kilometre
- ✓ Bus fixed costs per bus
- ✓ Overhead costs per bus

<b>COST STRUCTURE FOR JANUARY 2001</b>		<b>R/MONTH</b>
Fuel		12 803
Tyres and tubes		2 409
Lubrication		673
Spare parts		10 375
Salaries of bus drivers		15 779
Salaries of maintenance personnel		3 328
Salaries of other operating personnel		6 927
Licences of buses		4 791
Depreciation buses		10 182
Renting of building and equipment		1 984
Personnel cost: management and administration		2 923
Other general expenses		1 343
All other depreciation		253
<b>TOTAL</b>		<b>73 770</b>

	<b>OTHER STATISTICS</b>	<b>R/MONTH</b>
Total kilometres		14 146
Peak vehicles		5

### CALCULATIONS

Calculate the variable cost and divide it by the total kilometres to get the cost factor per kilometre


Calculate the fixed cost per bus and divide it by the total number of peak buses to get the bus fixed cost per bus


Calculate the overhead cost per bus and divide it by the total number of peak buses to get the overhead cost per bus


### Activity 5 (SO2, AC4, 5) (Individual activity)

Use the same cost structure and calculate a price for school children for a day trip to the zoo.  
The following information is available:

- ✓ A bus is needed for the full day.
- ✓ The total distance for the private hire is 200 km.
- ✓ A profit of 10% must be included in the price.

Bus fixed costs		
Overhead costs		
Variable costs		
Total costs		
10% Profit		
<b>TOTAL</b>		

### CALCULATIONS

Bus fixed costs		
Overhead costs		
Variable costs		
Total costs	=	
10% Profit	=	
<b>TOTAL</b>		

### **Multiple day trips**

Now you can also work out the price for multiple day trips. Use the same information and calculate a price for a soccer team visiting Durban for 5 days. The following information is available:

- One bus is needed
- The total distance for the private hire is 3 000 km.
- A profit of 10% must be included in the price.

Bus fixed costs		
Overhead costs		
Running costs		
Total costs		
10% Profit		
<b>TOTAL</b>		

### **CALCULATIONS**

Bus fixed costs			
Overhead costs			
Running costs			
Total costs			
10% Profit			
<b>TOTAL</b>			

You want to run some extra trips so that you can increase your profit. A nearby old age home needs a bus company to transport its members to and from different venues over the weekends. They have asked you to provide this service.

The old age home will need one bus on a Saturday to take the old people to the shopping centre in a nearby town. A bus is needed for the whole morning. The total distance for the private hire is **190 kilometres**. A profit of **20%** must be included in the price.

Work out what you will charge them for the trip.

**Remember that in real life you will have to work out**

- Bus fixed costs
  - Overhead costs
  - Variable costs
  - Total costs

Refer back to the learner guide to help you if you cannot remember the formulas

The old age home will also need another bus on a Sunday to transport the old people to Church meetings. A bus will be needed for the whole day. The total distance for the private hire is **360 kilometres**. A profit of **20%** must be included in the price.

Work out what you will charge them for the trip.

## Activity 6 (SO2, AC1) (Group activity)

In handout 2 you will find an example of tender documents.

1. Volume 1 contains general rules that apply to all tenders. Under point 7 you will find a list of documents that have to be completed for all tenders. In a group, list these documents.
2. Point no 9 states what will happen if tenderers do not attend meetings. In a group find out what happens if you do not attend the meeting.
3. Point no.11 talks about ***domicilium citandi et executandi***. You must also give the street address where the business located. This is called a ***domicilium citandi et executandi***. If the state wants to take legal action against you, the summons will be served at this address. Which address would you quote as ***domicilium citandi et executandi?***
4. Point no 17 contains rules about the completion and signing of the documents. Point 17.1 states how the documents must be signed. Write the details below.
5. Point 17.2 gives details of a form that must be completed. Write the details of the form below.
6. Are you allowed to make alterations to the forms? Check Point 18 for the answer.
7. Point 20.2 gives details about the submission of tender documents. List the details.
8. Point 28 states the equity in the company of historically disadvantaged individuals before the tender will be considered. What is the equity percentage required?
9. Volume two contains the general conditions of contract. Point no 1 gives details about the meaning of words and terms used in the contract. Give the meaning of the following words:
  - ✓ Capacity
  - ✓ Commencement date
  - ✓ Day
  - ✓ Employer
  - ✓ Midi bus
  - ✓ Minibus
  - ✓ Month
  - ✓ Operating licence
  - ✓ Operator
  - ✓ Payment certificate
  - ✓ positioning kilometres or dead kilometres
  - ✓ Revenue kilometres
  - ✓ Scheduled kilometres
  - ✓ Standing kilometres
  - ✓ Tenderer
  - ✓ Timetable

- ✓ waybill
10. Point 5 of volume 2 states conditions under which scheduled trips may be cancelled. List two
  11. Point 8 states details of the commencement date. Which clause of the specifications will give details of this date?
  12. Point 16 details information that must be given to the employer. Write down these details.
  13. Insurance is discussed under Point 17. Who must arrange public passenger liability insurance?
  14. Point no 18 states details under which you may refuse to convey a person. List the details.
  15. Point 20 states details of payment. When must you submit the claim form?
  16. When will the representative certify the claim?
  17. When will payment be made?
  18. Point 22 states conditions for permits and operating licences. Where must you apply to get an operating licence?
  19. Point 25 states whether you may do other transport business outside the contract. Under which conditions will you be allowed to do this?
  20. Point 33 gives details about vehicles. Which form must be completed regarding vehicles?
  21. Volume 3 contains special conditions of contract. How must vehicle and duty numbers be displayed?
  22. Volume 4 contains the specifications of the tender. Which points will give details about the following? Commencement of services
    - ✓ Services to be provided
    - ✓ Submission of operating data
  23. Have any bidders meetings been scheduled? If so, when and where?
  24. Which products or services are required?
  25. What are the details of the products/services?
  26. When will the tender start? When will the tender end?
  27. Where must delivery of the service take place?

### Activity 7 (SO2, AC2) (Individual activity)

Refer to handout 2 and list the requirements as stated in the tender documents.

### Activity 8 (SO2, AC3) (Group activity)

1. Work out the route that you will follow.
2. Work out a timetable.

### Activity 9 (SO2, AC 4-5) (Individual activity)

1. Work out what each trip will cost you. Refer to the learner guide for help. Use the details given in the learner guide.
2. Add a profit mark up of 10% to your unit costs.

### Activity 10 (SO2, AC6) (Group activity)

1. Which forms do you have to complete for this tender?
2. In your groups, complete one set of forms as needed by the tender.

### Activity 11: (SO3, AC1-3) (Individual activity)

You have a midi bus and will not require any further financing. For additional information refer to the business plan or discuss with your trainer. This is not a real tender; it is only for exercise purposes.

1. Complete the forms that are required for the tender. Check the tender document to ensure that you have completed it correctly and that your tender conforms to the requirements stated in the tender document.
2. Write down when and where the tender should be submitted.
3. Write down how you will submit the tender document.
4. What risks could you face if you do not collect passengers on time?
5. What risks could you face if your vehicle does not conform to specifications?
6. What risks do you face if you do not display the route, etc. as specified?
7. What risks do you face if you do not hand in documents for payment on time?