



PRIVATE BAG X0029, BHISHO, 5605 REPUBLIC OF SOUTH AFRICA

www.ectreasury.gov.za



Eastern Cape Provincial Treasury



@ectreasury

SCMO-26/27-001

**APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF
OFFICE STATIONERY TO THE EASTERN CAPE GOVERNMENT AS AND WHEN
REQUIRED FOR A PERIOD OF THIRTY-SIX (36) MONTHS**

BIDDING ENTITY: _____

REGION: _____

BID NUMBER: _____

CSD REGISTRATION NO: _____

BRIEFING MEETING: 08 OCTOBER 2026

CLOSING DATE: 02 NOVEMBER 2026

CLOSING TIME: 11H00

SUPPLY CHAIN MANAGEMENT
PROVINCIAL TREASURY
TYAMZASHE BUILDING (OLD STANDARD BANK BUILDING),
PHALO AVENUE
BHISHO
5605

Enquiries: **Ms Y. Bonase**
Email Address: Yolanda.Bonase@ectreasury.gov.za

Enquiries: **Mr Z. Bobani**
Email Address: Zilindile.Bobani@ectreasury.gov.za

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	SCMO-26/27-001	CLOSING DATE:	02 November 2026	CLOSING TIME:	11h00
DESCRIPTION	APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY-SIX (36) MONTHS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
PROVINCIAL TREASURY, SUPPLY CHAIN MANAGEMENT UNIT					
TYAMZASHE BUILDING (OLD STANDARD BANK BUILDING)					
PHALO AVENUE					
BHISHO 5605					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Yolanda Bonase-Qomoyi		CONTACT PERSON	Zilindile Bobani	
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Yolanda.Bonase@ectreasury.gov.za		E-MAIL ADDRESS	Zilindile.Bobani@ectreasury.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B

TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

NB: FAILURE TO PROVIDE / OR COMPLY WITH ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

TERMS OF REFERENCE

APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY-SIX (36) MONTHS



TABLE OF CONTENT

Section A	:	Introduction, Objective and Scope of Work
Section B	:	Conditions of Bid
Part 1	:	Evaluation criteria per category
Part 2	:	Other bid requirements
Part 3	:	Awarding Methodology
Section C	:	Conditions of Transversal Contract
Section D	:	Conditions of Contracting

LIST OF ABBREVIATIONS

BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
CPA	Contract Price Adjustment
CPI	Consumer Price Index
CSD	Central Supplier Database
EME	Exempt Micro Enterprises
ISO	International Organization for Standardization
PT	Provincial Treasury
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
RSA	Republic of South Africa
SARS	South African Revenue Service
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
GCC	General Conditions of Contract
SBD	Standard Bidding Documents
ECPG	Eastern Cape Provincial Government
VAT	Value Added Tax
SCMO	Supply Chain Management Office
MSME'S	Micro, Small and Medium Enterprises

DEFINITIONS

Customer	A participant on the transversal contract who procures goods and/or services from the appointed supplier(s).
Delivery	The process of transporting goods from a bidder's source location to a predefined destination by the participants.
Minimum Oder quantities	The departments should consider ordering not less than the indicated quantities where possible
Due Diligence	The investigation or exercise of care that the state conducts before entering into an agreement with the bidders to validate the bid responses.
Mandatory	A mandatory document in terms of the bid is a document that is required, obligatory, or compulsory. Non-submission means no further evaluation of the bidder.

RETURNABLE DOCUMENTS

Table 1: Returnable Bid Document Checklist

#	Document Name	Included in the published bid document?	To be returned by bidder	<u>Will the non-submission of applicable document (s) result in disqualification</u>	Submitted by bidder (tick Yes/No)
PHASE 1: PRE-QUALIFICATION REQUIREMENTS					
GENERAL/ STANDARD BID COMPLIANCE REQUIREMENTS					
1.	Standard Bidding Document (SBD) 1: Invitation to Bid	Yes	Yes	Yes	
2.	Proof of Authority to sign the bid document (As per SBD1)	No	Yes	No	
3.	Central Supplier Database Report	No	Yes, for Tax verification	No	
4.	SBD 3.1 Pricing Schedule – Firm Prices	Yes	Yes	Yes	
5.	Bidders to submit fully completed Pricing Schedule (Annexure A) for each item bidding for. Soft copy (excel format) and hard copy pricing schedules must be submitted together with the bid document.	No	Yes	Yes	
6.	SBD 4 Bidder's Disclosure	Yes	Yes	Yes	
7.	SBD 6.1: Preference points Claim form	Yes	Yes	No	
8.	Signed JV / Consortium agreement and CSD Registration for each party to the JV / Consortium after which a successful JV / Consortium shall be compelled to be registered jointly as a single legal entity on CSD.	No	Yes	Yes	
MANDATORY / FUNCTIONALITY REQUIREMENTS					
9.	All bidders must have a minimum of three (3) years' experience in supplying office stationery and must submit: - Company profile (demonstrate the capacity and experience); and - a minimum of three (3) contactable reference letters under the client's letterheads with contactable numbers	No	Yes	Yes	

**APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE
GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY - SIX (36) MONTHS**

#	Document Name	Included in the published bid document?	To be returned by bidder	<u>Will the non-submission of applicable document (s) result in disqualification</u>	Submitted by bidder (tick Yes/No)
	accompanied by purchase orders/requests or delivery notes (stamped by the relevant receiving institution) or proof of payments as proof of projects successfully delivered in the past five (5) years.				
10.	Bidders must submit together with the bid, letters of supply agreement or letter of intent from their local stationery outlets or if a distributor, proof that the bidder sells stationery items. (namely, catalogue, price list, etc.)	No	Yes	Yes	
11.	Provision of latest Audited Financial Statements not older than 2024/25 Financial Year by those that are compelled to have audited financial statements / or Independently reviewed Financial Statements from those that are not compelled or do not opt to voluntarily file audited financial statements with a positive net asset position of equal or more than R100 000.00 OR Provision of C bank rating letter. Authenticity and verification of such documents will be conducted.	No	Yes	Yes	
PREFERENCE POINTS AND OTHER DOCUMENTS					
13.	General Condition of Contract. (Bidders are required to initial on each page of the GCC)	Yes	Yes	No	
14.	Special Conditions or contract. (Bidders are required to initial on each page of the SCC)	Yes	Yes	No	

**APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE
GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY - SIX (36) MONTHS**

#	Document Name	Included in the published bid document?	To be returned by bidder	<u>Will the non-submission of applicable document (s) result in disqualification</u>	Submitted by bidder (tick Yes/No)
15.	The bidder must be operating in the Eastern Cape and must submit proof of address in the form Lease Agreement /Municipal Utility Bill / Letter from Traditional Authority and Ward Councilor's in bidder's name or the company Directors name (site inspection may be conducted for verification purposes.)	No	Yes	No	
16.	Business enterprises owned by persons living with disabilities must provide medical certificate or doctor's medical report (impairment should be substantially limiting long term or of recurring nature).	No	Yes	No	
17.	Women, Youth owned business enterprises must provide valid CPIC certificate with percentage of ownership or controlling interest (share certificate) inclusive of ID numbers for each director of the bidding entity.	No	Yes	No	

#NB 1: All prospective bidders are required to return these documents as per above sequence.

#NB 2: The table provided above is a guide; bidders must ensure all required documents are submitted.

#NB3: Bidders are responsible for reading the full document to ensure adherence to submission requirements.

SECTION A : INTRODUCTION, OBJECTIVE AND SCOPE OF WORK

1. BACKGROUND

The Eastern Cape Provincial Government endorsed the implementation of Local Economic Development Procurement Framework (LEPDF) which seeks to promote Eastern Cape based suppliers and create jobs to stimulate the social economic front. Office stationery is amongst the identified commodities that can contribute towards the enhancement of Socio-Economic condition in the Eastern Cape.

2. OVERALL OBJECTIVES

The following are the overall goals for the project:

- 2.1. Government does not create jobs, however, plays a pivotal role in fostering an environment conducive to job creation by the private sector. It serves as an enabler, springboard to support local Micro Small Medium Enterprises (MSMEs) by affording them an opportunity to supply office stationery to Eastern Cape Provincial Government (Provincial departments and public entities) through a term contract.
- 2.2. To preserve and create additional jobs within the surrounding areas where production takes place. Consolidation of procurement processes has proven through spend analysis conducted by the Supply Chain Management Office, to be more cost effective in terms of administrative effort to reduce duplication of processes within the province and to achieve economies of scale.
- 2.3. In addition, consolidation of services is to ensure sustainability and diversification of service resulting in sustained jobs.

2.4. SPECIFICATIONS AND SCOPE OF WORK

- 2.4.1 Appointment of service providers for the supply and delivery of office stationery to the Eastern Cape Government as and when required for a period of thirty-six (36) months as detailed in **Annexure A.**

3. BID INFORMATION

3.1 DURATION OF THIS TRANSVERSAL CONTRACT

3.1.1 The transversal contract shall be for a period of thirty-six (36) months.

3.2 BID INFORMATION SESSION

3.2.1 A non-compulsory briefing session will be held as follows:

**Venue: To be confirmed Date:
To be confirmed Time: To be
confirmed**

3.2.2 The non- compulsory briefing session will be a hybrid session that will provide bidders with an opportunity to obtain clarity on certain aspects of the procurement process as set out in this bid document.

3.2.3 The Provincial Treasury reserves the right to answer questions at the briefing session and / or to respond formally after the briefing session in writing.

3.2.4 Bidder(s) must record their names and other required information on the attendance register and those who will attend the non- compulsory briefing session via Teams are encouraged to sign the attendance register that will be found on the chart box. This is done to ensure that the feedback to all questions raised by bidders are shared with all the bidders whose contact details were made known to the department during the briefing session, **not excluding** the suppliers that did not attend the briefing session whose details are known by the department through enquiries they may have raised before the closing date and time of the bid.

4 BID VALIDITY

4.1 Bid documentation submitted by the bidder will be valid and open for acceptance for a period of ninety (**90**) calendar days from the closing date and time stipulated on the front cover of this invitation to bid.

5 SELECTION OF REGIONS

5.1 To give opportunity to various Service Providers, bidders are required to indicate all the regions they are willing to service. Bidders encouraged bid for more than one region, but the department reserves the right to limit the award to one region. If bidding for more than one region, bidders are required to submit separate bid documents for each region they are bidding for.

6 **BID STRATEGY**

- 6.1 The Provincial Treasury on behalf of its client Departments is seeking to appoint service providers for the Supply and Delivery of Office Stationery as and when required for a period of thirty-six (36) months.
- 6.2 The bid will be awarded for the identified regions as follows:

NORTHERN REGION	SOUTHERN REGION	EASTERN REGION	WESTERN REGION
• Chris Hani • Joe Gqabi	• Amathole • Buffalo City	• OR Tambo • Alfred Nzo	• Nelson Mandela • Sarah Baartman

- 6.2.1 A maximum of five (5) service providers shall be appointed within a region. Bidders are encouraged to bid for more than one region, but the department reserves the right to limit the award to one region.
- 6.2.2 If bidding for more than one region, bidders are required to submit separate bid documents for each region they are bidding for.
- 6.2.3 In the event that there is no responsive bidder within a particular region, consideration will be given to responsive bidders within the nearest region.
- 6.2.4 The successful bidders will be required to deliver the office stationery ordered directly to a place where the goods are required.
- 6.2.5 The participating institutions shall procure stationery items that are not included in this contract through normal means of procurement.
- 6.2.6 ECPT reserves the right to communicate with the bidder, in writing, at any stage of evaluation for clarity seeking purposes.

7. **REQUIREMENTS**

- 7.1 The successful bidder will be required to supply and deliver stationery on a need basis; and
- 7.2 The stationery must be delivered in the required quantity, quality, at the right time, and at the right place.

8. GENERAL REQUIREMENTS

- 8.1 Bidders are required to be registered on the Central Supplier Database (CSD) and Provincial Treasury shall verify the bidder's tax compliance status through the CSD or through SARS. A detailed CSD registration report must be submitted by bidders preferably as at the last week prior to closing date and time.
- 8.2 Where Consortia / Joint Ventures submit a bid proposal, each party must be registered on the CSD, and their tax compliance status will be verified through the CSD or through SARS. Signed JV / Consortium agreement and CSD Registration for each party to the JV/Consortium after which a successful JV/ Consortium shall be compelled to be registered jointly as a single legal entity on CSD.
- 8.3 A copy / copies must be certified by a Commissioner of Oaths (i.e. Police Station, Post Office.) and must not be older than six (6) months prior the closing of the bid.
- 8.4 The Pricing Schedule must be completed in full and duly signed by the bidder. It must be submitted in both of the following formats, A hard copy, included as part of the bid document; and an excel spreadsheet saved on a USB flash drive/memory stick and submitted by the bid closing date and time. Pricing information submitted in any format other than those specified above will not be considered.
- 8.5 All SBDs (1, 3, 4, and 6.1) must be fully completed and submitted with the bid.
- 8.6 Bidders must be a legal entity or partnership.

9 PART 1: BID EVALUATION CRITERIA

The bid shall be evaluated in three (3) phases as follows:

- General/ Standard Bid Compliance Requirements.
- Mandatory / Functionality Requirements; and
- Preference Points/ Specific Goals and other documents

9.1 PHASE 1: GENERAL/ STANDARD BID COMPLIANCE REQUIREMENTS

9.1.1 Administrative and Legislative Compliance (Standard Bidding Documents)

9.1.1.1 In this stage of evaluation, the process includes the verification of completeness of administrative compliance documents (standard bidding documents).

9.1.1.2 The following standard bidding documents must be submitted with the bid at the closing date and time of the bid.

Table 2: STANDARD BIDDING DOCUMENTS AND OTHER BID REQUIREMENTS

Name of the document to be submitted	
Invitation to Bid – SBD 1 (Returnable document)	Please complete and sign the supplied form.
Central Supplier Database registration (Returnable document)	Please submit the CSD report to prove registration and for verification of tax compliance.
Pricing Schedule - Annexure A (Returnable document)	The pricing schedule must be fully completed and signed by bidders. The pricing schedule on Excel Spreadsheet (soft copy) and PDF copy of the complete/ entire bid document which includes Pricing Schedule, must be stored into a USB and be submitted together with a printed hard copy at the closing date and time of the bid.
SBD 3.1 Pricing Schedule – Firm Prices (for the first year)	Please complete and sign the supplied form.
Declaration of Interest – SBD 4 (Returnable document)	Please complete and sign the supplied form and pay attention to all the clauses.
SBD 6.1: Preference points Claim form	Please complete and sign the supplied form.
JV/Consortium	Signed JV / Consortium agreement and CSD Registration for each party to the JV/Consortium after which a successful JV/ Consortium shall be compelled to be registered jointly as a single legal entity on CSD.

9.2 PHASE II: MANDATORY / FUNCTIONALITY BID REQUIREMENTS

9.2.1 In this stage of evaluation, the process includes verification of mandatory bid requirements.

9.2.2 Bidders must submit all required supporting documents with the bid documents at the closing date and time of the bid.

Bidders who fail to comply with any of the following mandatory criteria will be disqualified.

9.2.3 The following criteria is critical for this bid:

- Bidders' experience in supplying office stationery,
- Financial strength for delivery turnaround time; and
- Delivery capability

9.2.4 Proposals received will be evaluated for functionality to determine if a prospective supplier does meet the minimum requirements as stated below and must score a minimum overall point of 80 out of 100 points including obtaining the minimum points on each criterion.

9.2.5 Responses received that fail to score the minimum points on functionality will be eliminated and not considered further for price and specific goals.

Criteria	Sub-criteria	Max Score	Evidence Required
1. Bidders experience in the Supply and Delivery of Office Stationery	▪ Five (5) or more contactable with corresponding purchase orders/requests or delivery notes (stamped by the relevant receiving institution) or proof of payments as proof of projects successfully delivered in the past five (5) years. = 50 ▪ Four (4) contactable reference letters with corresponding purchase orders/requests or delivery notes (stamped by the relevant receiving institution) or proof of payments proof of projects successfully delivered	50	Only reference letters of not older than 5 years which must be under the client's letterheads with contactable numbers, submitted with its purchase order/request, delivery note (stamped by the relevant receiving institution) or proof of payment.

APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE
GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY - SIX (36) MONTHS

Criteria	Sub-criteria	Max Score	Evidence Required
	in the past five (5) years. = 40 - Three (3) contactable reference letters with corresponding purchase orders/requests or delivery notes (stamped by the relevant receiving institution) or proof of payments proof of projects successfully delivered in the past five (5) years = 30 - Two or less contactable reference letters with or without the corresponding purchase orders/requests or delivery notes (stamped by the relevant receiving institution) or proof of payments including reference letters which are for projects performed beyond the past five (5) years= 0		
2. Financial strength	Provided with the latest audited financial statements or latest Independently reviewed financial statements with a positive net asset position equal or more than R100 000.00 (i.e. Total Assets - Total Liabilities = Net Assets) OR C bank rating letter or not older than three (3) months.	25	Latest Audited Financial Statements not older than 2024/25 Financial Year from those that are compelled to have their statements audited / OR Independently reviewed Financial Statements where the bidder is not compelled & do not opt to voluntarily file audited financial statements
	Non submission of latest audited financial statements or latest Independently reviewed financial		

APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE
GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY - SIX (36) MONTHS

Criteria	Sub-criteria	Max Score	Evidence Required
	statements with a positive net asset position equal to or more than R100 000.00 OR Rating bank letter below C rating or rating banking letter of older than three (3) months.	0	OR C bank rating letter of not older than three (3) months. Authenticity and verification of such documents will be conducted.
3. Delivery Capability	▪ Bidders must attach a letter of Supply Agreement from Local Stationery outlet OR Proof that bidder actively sells stationery items. (catalogue, price list, etc.)	25	Bidders must attach a letter of Supply Agreement from Local Stationery outlet or Proof that bidder actively sells stationery items. (catalogue, price list, etc.)
	Non submission of the required letter of supply agreement from a local stationery outlet or proof that bidder actively sells stationery items. (catalogue, price list, etc.)	0	
Total		100	
Minimum Qualifying score		80	

#NB Points scored by qualifying bidders in stage 2 (functionality evaluation) will not be taken into consideration for evaluation at stage 3 (Price and Specific goals evaluation).

9.3 PHASE III: PREFERENCE POINTS AND OTHER DOCUMENTS

9.3.1 In terms of Regulation 3.1 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2022 responsive bids will be adjudicated by the State on the 90/10 preference point system in terms of which points are awarded to bidders based on:

- i. The bid price (Maximum of 90 points)
- ii. Specific Goals (maximum 10 points)

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

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

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

NB: Prices will be evaluated per item. Failure to provide the unit price to any of the stationery items will result in the bid not being considered (i.e. disqualification of the bid).

In terms of Regulation 4(2); 5(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this bid the bidder will be allocated points based on the goals stated in table 3 below. A maximum of 10 points may be allocated as follows:

TABLE 3: POINTS FOR THE SPECIFIC GOALS

The specific goals allocated points in terms of this bid	Number of points allocated (90/10) system)
Eastern Cape locality	5
Women	2
Youth	2
Persons living with disability	1

9.3.2 CLAIMING OF POINTS FOR SPECIFIC GOALS

The supporting documents required to claim points for claiming points for Specific Goals will be as follows:

- 9.3.2.1 Eastern Cape locality:** The bidder must be operating in the Eastern Cape and must provide proof of address in the form Lease Agreement /Municipal Utility Bill / Letter from Traditional Authority and Ward Councillors in bidder's name or the company Directors name. **IN LOCO inspection will be conducted for shortlisted bidders at TBEC's discretion.**
- 9.3.2.2 Women, Youth owned business enterprises:** The bidders must provide valid CIPC Certificate with percentage of ownership or controlling interest (share certificate) inclusive of ID numbers for each director of the bidding entity.
- 9.3.2.3 Business enterprises owned by persons living with disability:** The bidders must provide medical certificate or doctor's medical report (impairment should be substantially limiting long term or of recurring nature) and
- 9.3.2.4** The points scored for the specific goals shall be added to the points scored for price and the total shall be rounded off to the nearest two decimal places.
- 9.3.2.5** A contract may, on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest number of points.

10. TIME FRAMES

The successful bidder(s):

- 10.1 Shall render the required service over a period of thirty-six (36) months as and when required.
- 10.2 Will be expected to deliver goods within fourteen (14) working days from the date of receiving a government/official purchase order.

11. GENERAL CONDITIONS OF CONTRACT (GCC)

The General Conditions of Contract shall apply in this bid.

12. SPECIAL CONDITIONS

Failure of the bidder(s) to meet the following requirements will result in disqualification of the bid:

- 12.1 The bidder must have been awarded and successfully delivered a minimum of three (3) projects in the past five (5) years. Bidders must provide a minimum of three (3) contactable reference letters under the client's letterheads with contactable numbers accompanied by corresponding purchase orders/requests, delivery notes (stamped by the relevant receiving institution) or proof of payments.
- 12.2 Bidder(s) must supply unit prices for all stationery items listed in the pricing schedule.
- 12.3 The bidder must be operating in the Eastern Cape and must submit proof of address in the form Lease Agreement / Municipal Utility Bill / Letter from Traditional Authority and Ward Councilor's in bidder's name or the entity Director's name. **The lease agreement must be supported by a municipality bill/ letter from Traditional Authority and letter from Ward Councillors in the name of the lessor.**
- 12.4 Before and during price adjustment window period (i.e. year 2 and year 3), the department reserves the right to negotiate prices for purposes of standardizing supplier prices per item within a particular region and to negotiate prices of items that seem to exceed the prevailing market-related price.

The department reserves the right to conduct verification of information submitted by recommended bidder(s).

13. BID PRICING STRUCTURE

- 13.1 Bidders are required to complete the mandatory **Pricing Schedule (Annexure A)** indicating the prices to be charged for each item in the list. The completed Pricing Schedule must be submitted in three (3) formats: (i) as a printed hard copy included in the printed bid document,
- as a PDF version of the bid document which must be saved on a USB/memory stick, and
 - as an Excel spreadsheet (soft copy) containing the price per unit saved on the same USB/memory stick. The soft copy version (Excel spreadsheet) of the pricing schedule is required to ease the evaluation process since the evaluation will be conducted based on clusters and per item. All three (3) formats of submissions must be provided with the bid at the bid closing date and time. Pricing information submitted in any other format will not be considered.

13.2 The Pricing Schedule (Annexure A) will be available on the eTender Portal and the Provincial Treasury website. Bidders must submit the completed Pricing Schedule as a hard copy in the bid document and as an Excel spreadsheet on a USB/memory stick, together with a PDF version of the entire bid submission. The hard-copy and electronic versions must contain identical information. **Failure to comply may render the bid non-responsive.**

13.3 In a case where there is a legal dispute, the hardcopy version of the pricing schedule will be the legal document.

13.4 The prices must be inclusive of all direct and indirect related costs and be firm for the period of one (1) year.

“The Department reserves the right to enter into price negotiations with recommended bidder(s) in line with the market related prices.”

14 REGISTRATIONS AS A VAT-VENDOR

14.1 For the purpose of bidding process all bid prices must be inclusive of all costs and fifteen percent (15%) Value Added Tax. Failure to comply with this condition will invalidate the bid. It is a requirement that all prices must be inclusive of all applicable taxes, including VAT, unless the item is Zero- Rated. Therefore, all prices tendered are deemed to be inclusive of VAT. A bidder that was not registered for VAT at the time of award but subsequently becomes VAT registered, cannot include VAT in the invoice, the contracted price thus remains and cannot be altered.

14.2 Non-VAT vendors who submit bids for contracts that would, if successful, take their annual turnover above the threshold of **R2.3 million** must include VAT in the prices quoted and must therefore, immediately upon award of the contract, register with the South African Revenue Service (SARS) as VAT vendors.

14.3 Where a supplier is not VAT registered at the point of contracting and did not include VAT in their prices, but registers during the contract period as a VAT-vendor, that supplier must absorb any cost escalations associated with its VAT registration. The contracted price with the supplier will not be increased, but will be deemed to be a contract price which is inclusive of VAT. Therefore, bidders must determine the implications hereof and price accordingly.

SECTION C : CONDITIONS OF TRANSVERSAL CONTRACT

15 SUPPLIER DUE DILIGENCE

- 15.1 PT reserves the right to conduct supplier due diligence prior to final award or at any time during the transversal contract period and this may include pre-announced/ non-announced site visits. During the due diligence process the information submitted by the bidder will be verified and any misrepresentation thereof may disqualify the bid in whole or parts thereof.

16 COUNTER CONDITION

- 16.1 Bidders' attention is drawn to the fact that amendments to any of the bid conditions or setting of counter conditions by bidders will result in the invalidation of such bids.

17. RIGHT OF AWARD/ NON-COMMITMENT

PT reserves the following rights:

- 17.1 To award in part or in full;
- 17.2 Not to accept any of the bids submitted. Not to make any award of this bid,
- 17.3 To withdraw or amend any of the bid conditions by notice in writing to all bidders prior to closing of the bid and post award;
- 17.4 To cancel and/or terminate the bid process at any stage, including after the closing date and/or after presentations have been made, and/or after bids have been evaluated and/or after the preferred bidder(s) have been notified of their status as such;
- 17.5 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s);
- 17.6 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the bid;
- 17.7 To award a bid based on which bidder is offering the best value for money, even if such bid is not the lowest price;

17.8 In the event that an incorrect award has been made or an error occurred during evaluation and adjudication phase, PT reserves the right to remedy the matter in any manner it may deem fit;

17.9 To cancel and/or terminate the contract or part thereof, post the awards with consultation with the service provider if is deemed necessary;

18. MULTIPLE AWARD

18.1 PT reserves the right to award the same line item to more than one bidder to address product availability, risks, compatibility, cost effectiveness and to provide to for various ranges in equipment.

19. RECOMMENDATION AND APPOINTMENT OF BIDDERS

19.1 The Bid Evaluation Committee will recommend responsive bidders based on the evaluation criteria stipulated above.

19.2 The award of the Contract is subject to meeting all the requirements of the bid.

20. SUBMISSION OF BIDS

Bidders must respond to the bid with returnable documents as follows:

20.1 All returnable documents as listed on the Table 1 (Checklist) must be submitted in a hard copy format with the bid by the stipulated closing date and time of the bid.

20.2 Bidders must submit one (1) original printed hard copy of the completed printed bid document, including the Pricing Schedule, together with one (1) USB/memory stick containing:

- A PDF copy of the complete/entire bid document (Annexure A); and
- The completed Pricing Schedule in Excel format (soft copy);

The USB/memory stick must be clearly labelled with the bidder's name and bid number and must contain all bid documentation.

20.3 The hard copy of the bid response will serve as the legal bid document and must be accompanied by USB including the exact replica of the hard copy. Any discrepancies between the USB document and the original hard copy, the hard copy will take precedence.

20.4 Bidders **must not convert the Annexure A pricing schedule on the USB to PDF** to allow for easy evaluation process.

20.5 In order to simplify the evaluation process, bidders are required to clearly label and neatly organise all sections of their bid submissions.

20.6 A bid should be submitted in a sealed envelope or sealed suitable cover on which the name and address of the bidder, the bid number and the closing date must be clearly visible.

21 LATE BIDS

Bids received after the closing date and time, will NOT be accepted for consideration and where practical, be returned unopened to the bidder.

22 COMMUNICATION AND CONFIDENTIALITY

22.1. Strategic Procurement and Transversal Contracts within Supply Chain Management Office may communicate with bidders where clarity is sought after the closing date and time of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

22.2. If a bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by PT (other than minor clerical matters), the bidder must promptly notify PT in writing of such discrepancy, ambiguity, error or inconsistency in order to afford PT an opportunity to consider what corrective action is necessary (if any).

22.3. Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by PT will, if possible, be corrected and provided to all bidders without attribution to the bidder who provided the written notice.

22.4. All communication between the bidder and the PT Strategic Procurement and Transversal Contracts office must be done in writing.

APPOINTMENT OF SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF OFFICE STATIONERY TO THE EASTERN CAPE
GOVERNMENT AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY - SIX (36) MONTHS
23 CONTACT DETAILS

23.1. General

Supply Chain Management Office, Provincial Treasury, Shop No.4, Tyamzashe Building, Phalo Avenue, Bhisho, 5605

23.2. Bid Enquiries

All bid enquiries must be communicated via email to yolanda.bonase@ectreasury.gov.za / zilindile.bobani@ectreasury.gov.za no later than closing date of bid. Any enquiry communicated after five (5) days before the closing of the bid will not be responded to.

SECTION D: CONDITIONS OF CONTRACTING

24 CONCLUSION OF CONTRACT

24.1 The Contract between Provincial Treasury and the preferred bidder/s (Supplier) collectively referred to as the Parties shall come into effect after the Supplier has been issued with an unconditional letter of acceptance to their bid.

24.2 The Service provider/(s) shall be appointed in terms of this bid. The following will form part of the contract documents between PT and Service Provider(s):

- a) Bid documents;
- b) Letter of Appointment;
- c) Service Level Agreement;
- d) Completed Contract, Form SBD 7.1;
- e) Award documents; and
- f) Acknowledgement letter

24.3 In the event that there is any contradiction between the abovementioned documents, the special conditions of contract shall take precedent.

24.4 The contract period will be for thirty-six (36) months.

25 QUALITY

25.1 W h e r e specific specifications and/ or standards are applicable on materials and supplies, the quality of products shall not be less than the requirements of the latest edition of such specifications and/or standards.

26 DELIVERY BASIS

26.1. Transit and storage conditions applicable to the relevant products must be adhered to.

27 CONTRACT MANAGEMENT: ROLES AND RESPONSIBILITIES

27.1 CONTRACT ADMINISTRATION

27.1.1 The administration and facilitation of the contract will be the responsibility of Strategic Procurement and Transversal Contracts and all correspondence in this regard must be directed to the following address:

SCM Office, Shop No. 04 Tyamzashe Building, Phalo Avenue, Bhisho, 5605

27.1.2 Service provider must advise the Strategic Procurement and Transversal Contracts Unit in PT immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished to: portia.hashe@ectreasury.gov.za / Zilindile.bobani@ectreasury.gov.za

27.2 SUPPLIER PERFORMANCE MANAGEMENT

27.2.1 Supplier performance management will be the responsibility of the Participating State Institutions where supplier performance disputes cannot be resolved between the Supplier and the relevant Participating Institution, Provincial Treasury: Transversal Contracting must be contacted for corrective actions.

27.2.2 Successful Supplier will have their performance scored annually. Provincial Treasury will provide a template to the institutions which will be used to measure annual performance in terms of the contract. Supplier who scores the unacceptable performance rating may not be awarded future contract of the same bid and may have the contract terminated prior to the end of contract period.

27.2.3 Supplier performance is based on the roles stipulated on the scope of work and as well as the service level agreement.

28 PLACEMENT OF ORDERS AND PAYMENTS

- 28.1 The successful service provider (s) will be expected to respond to a quotation request within two (2) working days from the date of receipt of an official request.
- 28.2 Orders will be placed by participating departments and Public Entities who will be responsible for the payment to Service Provider for goods delivered and/or services rendered.
- 28.3 Service providers should note that each individual purchasing institution is responsible for generating the order(s) as well as the payment(s) thereof.
- 28.4 Service providers should note that the order(s) will be placed as and when required during the contract period and delivery points will be specified by the relevant purchasing institution(s).
- 28.5 The instructions appearing on the official order form regarding the supply, dispatch and submission of invoices must be strictly adhered to and under no circumstances should the service provider deviate from the orders issued by the purchasing institutions.
- 28.6 The procuring institution is under no obligation to accept any quantity which is in excess of the ordered quantity.

29 DELIVERY

- 29.1 Firm lead times for delivery must be agreed upon with the procuring entity during the contract period.
- 29.2 All deliveries or dispatches must be accompanied by a delivery note stating the official order number against which the delivery has been effected.
- 29.3 In respect of items awarded to them, service provider must adhere strictly to the delivery lead times agreed upon.
- 29.4 Deliveries not complying with the order forms will be returned to the service provider at the service provider's expense.
- 29.5 Provincial Treasury reserves the right not to approve any change of specification/ brand.

30 BREACH OF CONTRACT

PT reserves the right to terminate the contract(s) if the Service Provider does not honour contract(s) obligations including submission of information.

31 POST AWARD REPORTING

PT will conduct meetings with the end users and Service Providers to discuss Transversal Contracting issues.

32 SECURITY AND CONFIDENTIALITY INFORMATION

- 32.1 All successful service providers **may** be subject to a State Security Agency (SSA) clearance process which will be facilitated by Provincial Treasury.
- 32.2 PT may enforce section 23 (termination for default) of General Condition of Contract in a case where the supplier's clearance has a negative outcome.
- 32.3 The service provider will regard all information which he/she obtains or is entrusted with concerning the participating department or its members whilst executing the contract, as confidential, secret or top secret.
- 32.4 The service provider, his/her employees, or agents may not make any such information obtained or entrusted with to any other person or to the media.

33 PRICING STRUCTURE

33.1 PRICE ADJUSTMENT PERIODS

Bidder(s) must complete all relevant fields of the **Pricing Schedule (Annexure A)** attached hereto. Bidders must submit their financial proposals on a fixed fee for year 1, as no price adjustments shall be entertained during that period. The pricing escalation for year two (2), year three (3) and subsequent years shall not exceed the applicable period's Consumer Price Index (CPI). PT may use the applicable formula in the industry for calculation of price escalation.

“The Department reserves the right to enter into price negotiations with recommended bidder in line with the market related prices”

33.2 GENERAL

- 33.2.1 Unless prior approval has been obtained from Provincial Treasury, Transversal Contracts, no adjustment in contract prices will be made.
- 33.2.2 Application for price adjustment must be accompanied by documentary evidence in support of any adjustment.

- 33.2.3 Contract Price Adjustment (CPA) application will be applied strictly according to the specified formula and parameters above as well as the cost breakdown supplied by bidders in their bid documents.
- 33.2.4 In the event where the service provider's CPA application, based on the above formula and parameters, differs from Transversal Contracting verification, Transversal Contracting will consult with the supplier to resolve the differences.
- 33.2.5 Bidders are referred to the paragraph regarding counter conditions.
- 33.2.6 PT reserves the right to negotiate a price adjustment or not to grant any price adjustment.

34 MONITORING

- 34.1 Monitoring audits may be conducted periodically and randomly by the Provincial Treasury, Participating Institutions or by a Supplier appointed to determine continuous compliance and terms of contract. Provincial Treasury, in collaboration with the other Participating Institutions will monitor the performance of contracted service provider and maintain a scorecard for compliance to the terms of this contract as follows:
- Compliance to delivery lead times;
 - Percentage of orders supplied in full first time;
 - Compliance with reporting requirements according to reporting schedule; and
 - Provincial Treasury may hold quarterly meetings with service provider/s to assess service providers performance.
- 34.2 PT may conduct random audit(s) with or without prior appointment arrangements with the appointed service provider (s).
- 34.3 PT will conduct meetings with the participating State institutions Service Providers to discuss transversal contracting issues.
- 34.4 PT may request Participating Institutions to impose penalties, where deemed necessary, as per Section 21 and 22 of the General Conditions of Contract.
- 34.5 Any change in the status in supply performance during the contract period must be reported within seven (7) days of receipt of such information to PT.

35 TERMINATION

35.1 PT shall be entitled to terminate this agreement if one or more of the following occur:

- The service provider decides to transfer the contract or cede the contract;
- The service provider does not honour contractual obligations including submission of information;
- The service provider is provisionally or finally liquidated, making it impossible to perform its functions in terms of this contract;
- The service provider enters into settlement arrangements with their creditors;
- The service provider commits an act of insolvency;
- In the event that the Service Provider is a member of an unincorporated joint venture or consortium and the membership of such joint venture or Consortium changes;
- There is a change in ownership of the service provider that has the effect that over 50% ownership of the contractor belongs to the new owner without prior written approval of PT; and
- Overall poor performance rating during the contract period.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

Any person (natural or juristic) may make an offer or offers in terms of this invitation to bid. In line with the principles of transparency, accountability, impartiality, and ethics as enshrined in the Constitution of the Republic of South Africa and further expressed in various pieces of legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

Where a person/s are listed in the Register for Tender Defaulters and / or the List of Restricted Suppliers, that person will automatically be disqualified from the bid process.

2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

- 2.1.1 If so, furnish particulars of the names, individual identity numbers, and, if applicable, state employee numbers of sole proprietor/ directors / trustees / shareholders / members/ partners or any person having a controlling interest in the enterprise, in table below.

Full Name	Identity Number	Name of State institution

- 2.2 Do you, or any person connected with the bidder, have a relationship

¹ the power, by one person or a group of persons holding the majority of the equity of an enterprise, alternatively, the person/s having the deciding vote or power to influence or to direct the course and decisions of the enterprise.

with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract? **YES/NO**

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

I, _____ the _____ undersigned,
 (name)..... in
 submitting the accompanying bid, do hereby make the following
 statements that I certify to be true and complete in every respect:

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the

² Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

contract.

- 3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.7 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON ENHANCING COMPLIANCE, TRANSPARENCY AND ACCOUNTABILITY IN SUPPLY CHAIN MANAGEMENT SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....	
Signature	Date
.....	
Position	Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
- the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).

1.2 **To be completed by the organ of state**

(delete whichever is not applicable for this tender).

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

1.4 **To be completed by the organ of state:**

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

A maximum of 80 or 90 points is allocated for price on the following basis:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \\ \mathbf{Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left(1 - \frac{Pt - Pmin}{Pmin} \right)} \end{array}$$

Where

- Ps = Points scored for price of tender under consideration
- Pt = Price of tender under consideration
- Pmin = Price of lowest acceptable tender

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

A maximum of 80 or 90 points is allocated for price on the following basis:

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \mathbf{Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)} & \mathbf{or} & \mathbf{Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)} \end{array}$$

Where

- Ps = Points scored for price of tender under consideration
Pt = Price of tender under consideration
Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Eastern Cape locality	5			
Women	2			
Youth	2			
Persons living with disability	1			

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
 - ☐ One-person business/sole propriety
 - ☐ Close corporation
 - ☐ Public Company
 - ☐ Personal Liability Company
 - ☐ (Pty) Limited
 - ☐ Non-Profit Company
 - ☐ State Owned Company
- [TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as

indicated in paragraph 1 of this form;

- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

- 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.

5. Use of contract documents and information; inspection.

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.

7. Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or

analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

- 10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.
- 10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

- 11.1 The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC.

12. Transportation

- 12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

13.2 Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

14.1 As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:

- (a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
- (b) in the event of termination of production of the spare parts:
 - (i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - (ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

	(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
29. Governing language	29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
30. Applicable law	30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
31. Notices	31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
32. Taxes and duties	32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country. 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser. 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
33. National Industrial Participation Programme (NIP)	33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
34 Prohibition of Restrictive practices	34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging). 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.