

SSASSA 01 (QO)

INVITATION FOR QUOTATIONS

**THE SOUTH AFRICAN SOCIAL SECURITY AGENCY INVITES QUOTATIONS
FOR THE PROVISION OF *description of works***

Project title:	INDUCTION TRAINING FOR MEMBERS OF SASSA ETHICS COMMITTEE		
RFQ No:	96/23/OM	Closing Date:	10 AUGUST 2023
Closing time:	11:00	Validity period:	30 days

1. COMPLETION OF QUOTATION/BID DOCUMENTS:**1.1 All quotations documents must be completed in ink.**

All quotations and completed SBD forms must be addressed to the South African Social Security Agency and must be emailed to:

AcquisitionDineo@sassa.gov.za or hand delivered in a sealed envelope marked with the RFQ number stated above. **NB: PLEASE SIGN THE QUOTATION REGISTER AT RECEPTION.** Quotations that are e-mailed to any other e-mail address other than the one mentioned above **WILL** not be considered.

1.2 Where the quotations are above R 30 000 Vat inclusive, suppliers are encouraged to hand deliver their quotations and must be deposited in the QUOTATION BOX situated at the reception at **SASSA House, 501 Prondisa Building Cnr Steve Biko & Pretorius Streets, Arcadia, Pretoria 0083. Late quotations will not be considered.**

1.3 This quotation is subject to the GCC (General Conditions of Contract) and any other special conditions of contract where applicable.

1.4 The taxes of the successful bidder must be in order, or satisfactory arrangements must be made with the Receiver of Revenue to meet the bidder's tax obligations. SARS PIN SHOULD BE SUBMITTED TOGETHER WITH THE QUOTATION FOR TAX COMPLIANCE VERIFICATION PURPOSE.

1.5 Your quotation must include costs breakdown and that is inclusive VAT inclusive, (where applicable)



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South African Social Security Agency
Head Office

SASSA House • 501 Prondisa Building Cnr Beatrix & Pretorius Street
Pretoria • Private Bag X55662 Arcadia • Pretoria 0083
Tel: +27 12 400 2000 • Fax: +27 12 400 2257
www.sassa.gov.za

- 1.6 Quotations above R30 000 must be accompanied by an original or certified original B-BBEE certificate issued by SANAS accredited agencies. Exempted Macro Enterprise (EME's) must submit an original Sworn Affidavit signed by EME's representative and attested by commissioner of oath. Failure to submit will result into the supplier not awarded points for B-BBEE level of contribution.
- 1.7 Quotations equal to or above R30, 000 Vat inclusive shall be evaluated on 80\20 point system.
- 1.8 Suppliers to indicate validity of quotation and delivery date for goods and services.
- 1.9 The quotation must be detailed as per the SASSA attached specification and where the quotation is itemised, the supplier must indicate price for each line item. Failure to comply with this condition (paragraph 1.10) WILL result in the invalidation of your quotation.

2. DESCRIPTION OF SERVICE REQUIRED:

Description of Goods / Services	Quantity
INDUCTION TRAINING FOR MEMBERS OF SASSA ETHICS COMMITTEE	

NB: Please find attached SBD Forms and Detailed Specification or TOR's

3. ENQUIRIES RELATED TO DOCUMENTS MUST BE ADDRESSED TO:

BUYER:	D. LEKGANYANE	Telephone no:	012 400 2154
Cell no:	N/A	Fax no:	

Name: D. Lekganyane

Signature: 

Date: 04 AUGUST 2023



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SOUTH AFRICAN SOCIAL SECURITY AGENCY

TERMS OF REFERENCE

For the appointment of a Service Provider
to

**Conduct Induction Training for SASSA Officials
Serving in the Ethics Committee.**

South African Social Security Agency
Head Office

SASSA House • 501 Prodinsa Building Cnr Beatrix & Pretorius Street
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Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

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Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

1. SERVICE REQUEST

- 1.1 This is a Terms of Reference which serves as an invitation to prospective service providers to assist the South African Social Security Agency (SASSA/Agency) to conduct induction training for the Agency's officials who serve as the SASSA Ethics Committee.

2. BACKGROUND AND INFORMATION

2.1 Background on the Agency

- 2.1.1. The South African Social Security Agency (SASSA) was established in April 2006 in terms of section 2(1) of the South African Social Security Agency Act, 2004 (Act No. 9 of 2004). SASSA is an organ of state in terms of section 239(b) (ii) of the Constitution and a Schedule 3A National Public entity, in terms of the Public Finance Management Act, 1999 as amended (Act No 1 of 1999).
- 2.1.2. Its functions include administration of social assistance in terms of Chapter 3 of the Social Assistance Act, 2004 as amended (Act No 13 of 2004) and to perform any function delegated to it under the Social Assistance Act.
- 2.1.3. The function also includes the collection, collation, maintenance and administration of such information as is necessary for the payment of social assistance, as well as for the central reconciliation and management of funds transfer, in a national database of all applicants and beneficiaries of social assistance.
- 2.1.4. The objectives of SASSA (in terms of SASSA Act of 2004) is to:
- 2.1.4.1. serve as a consultant for the administration and payment of social assistance.
 - 2.1.4.2. serve as an consultant for the prospective administration and payment of social security.
 - 2.1.4.3. to render services relating to such payments and for matters connected thereto.
- 2.1.5. The South African Social Security Agency currently pays 17.8 million social assistance grants to over 11 million beneficiaries through the nine (9) SASSA regions.
- 2.1.6. These regions are dealing with the registration, processing and administration of social assistance programme on a daily basis.

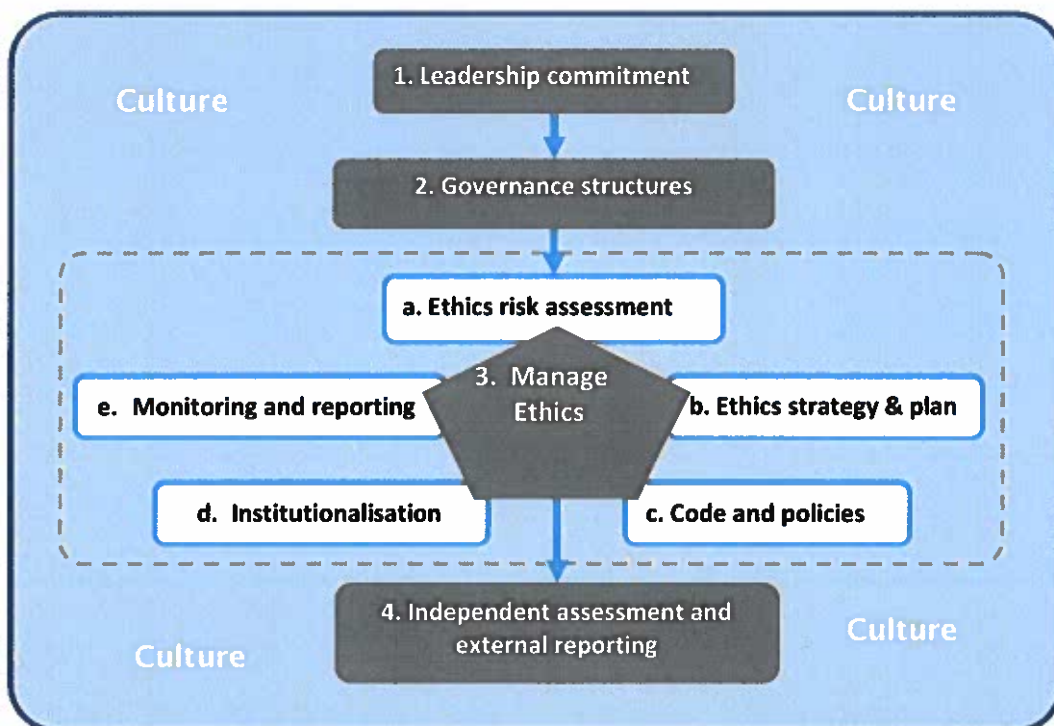
Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

2.1.7. SASSA has a total staff compliment of 7747 permanent staff as at 10 December 2021, located at the Head Office in Pretoria and across nine Regions (SASSA refers to Provinces as Regions).

2.2 Background to the SASSA Ethics Committee Members' Induction Project

2.2.1. The Department: Risk Management, among other functions, exists to promote integrity of the Agency's systems, processes and people to increase public confidence in the Agency as a sole provider of Social Assistance.

2.2.2. SASSA has adopted a model for managing its ethics programme which is an ethics management cycle that shows a clear flow of components/phases of managing ethics in an organisation.



2.2.3. As part of the adoption and institutionalisation of the structured management of ethics within the Agency, the Agency developed an Ethics Policy Manual which was approved by the EXCO in 2021.

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

- 2.2.4. The Ethics Policy Manual consists of the Ethics Management Policy and Procedures for implementing the different facets of the ethics management programme outlined in the ethics management cycle.
- 2.2.5. Since the approval of the Ethics Policy Manual, the Department has been, among others, establishing the SASSA ethics infrastructure.
- 2.2.6. Among the components of the ethics infrastructure being established, is the SASSA Ethics Committee whose establishment was approved by the CEO in 2021.
- 2.2.7. The SASSA Ethics Committee started with its work in the third quarter of 2022/23.
- 2.2.8. It is one of the good governance requirements that upon its establishment, every governance structure must receive induction.
- 2.2.9. Ethics Committee refers to a regulatory structure that is set up to provide strategic direction and oversight on the ethics management of the Agency.
- 2.2.10. Some officials of the Agency serve in the Ethics Committee as members of the committee whilst others serve to provide secretariat services and support to the Committee.
- 2.2.11. The Committee provides leadership and guidance on implementation of Ethics Strategy of the Agency so that it is able to comply with its responsibilities to act in the public interest, with integrity, objectivity, professional competence, due care, confidentiality, and in compliance with all relevant laws and regulations.
- 2.2.12. It is against this background that a service provider with requisite experience, expertise and skills is sought to conduct induction training for the SASSA officials serving in the Ethics Committee (Committee members and members of the Committee Secretariat and support).

3. INTRODUCTION TO THE TERMS OF REFERENCE

3.1 Services Required

3.1.1. In line with the aforementioned requirement, it was resolved to appoint subject experts to facilitate required project deliverables in the ethics management field to conduct induction training for SASSA officials serving in the Ethics Committee.

3.1.2. The Service Provider is required to conduct induction training for SASSA officials serving in the Ethics Committee of the Agency (total of 13 officials).

4. SERVICE SCOPE AND OBJECTIVES

4.1 Induction Training

4.1.1. The main objective of providing induction training for officials serving in the Ethics Committee within SASSA is to ensure that the knowledge, skills, expertise and capacity to build and maintain an ethical culture translate into organizational performance efficiency and effectiveness.

4.2 Scope of Work

4.2.1. The scope of work for the project, to the extent possible, will include, but not be limited to:

- i. Train SASSA officials serving in the Ethics Committee.
- ii. Produce and submit a report on the induction training conducted.

5. EXPECTED DELIVERABLES

5.1 Aspects of the Deliverables

The deliverables for this scope of work consist of two aspects which should be considered:

5.1.1. Induction training conducted for SASSA officials serving in the Agency's Ethics Committee.

5.1.2. A report on induction training conducted.

6. CONTRACT OBJECTIVES

6.2.1. Specific Roles and Responsibilities

- i. The role of the successful service provider, amongst others, is to:
 - a. Apply world-class ethics management approach to the management and attainment of the project.
 - b. Cooperate, collaborate and actively engage with SASSA staff and other stakeholders as required.
 - c. Provide timeous and accurate report on the project.
 - d. Production of deliverables in accordance with the requirements and timeframes of the Terms of Reference.
 - e. Training of 13 SASSA officials.

7. RELEVANT SKILLS AND EXPERIENCE

7.1 Company Level

7.1.1. The successful service provider will be required to demonstrate skills, expertise and experience in the following areas:

- i. An extensive proven understanding of- and experience in Ethics Management induction programme.
- ii. Prior experience of providing similar service in the public administration sector.
- iii. Excellent Report writing and Facilitation skills.

7.2 Resource Level

7.2.1. The successful service provider will be required to include CVs of all facilitators (resources) that will be deployed to this training. These CV's should demonstrate the skills, expertise and experience of these resources as it refers to change management and the skills and experience outlined above.

7.2.2. The successful service provider will be required to outline the role of all of the resources in the training project.

8. ASSUMPTIONS AND RISKS

8.1 Assumptions underlying this Intervention

8.1.1. The communication channel between service providers and SASSA officials is open and constructive.

8.1.2. Service Provider will have enough knowledge and experience to effectively deliver this project.

8.2 Risks

8.2.1. The non-availability of appropriate service providers to effectively conduct induction training.

9. LOGISTICS, COMMENCEMENT AND TIMING

9.1 Project Location

9.1.1. The training is expected to be conducted on a face to face or in person session and the service provider is also expected to provide the venue for the training.

9.2 Project Equipment

9.2.1. No procurement of equipment is foreseen. The Service Provider is required to furnish their own equipment necessary for the execution of the project.

9.3 Project Commencement

9.3.1. It would be expected of the successful Service Provider to assume duties within five business days of the award of the project.

9.4 Project Duration

9.4.1 It is expected that this project will be completed in two (2) days from commencement.

10. RESPONSE REQUIREMENTS

10.1 Terms of Reference

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

10.1.1. The Prospective Service Provider shall provide a proposal covering all aspects of this Terms of Reference.

10.1.2. The Prospective Service Providers are advised to:

- i. Acquaint themselves with the contents of this document.
- ii. Assess the extent and nature of requirements.
- iii. Understand that no belated claim on the grounds of lack of knowledge in respect of the aforementioned will be entertained.

10.1.3. Should the content of these specifications not define sufficiently the execution of the scope of the development and implementation, the Prospective Service Provider is obliged to contact SASSA for further details.

10.1.4. All costs accepted from successful Service Provider will remain fixed and firm from date of acceptance for a period of the contract.

10.2 Submissions

Prospective Service Providers are invited to provide proposals which will outline and address all aspects covered in this Terms of Reference with special attention to matters covered under point 11.3 Special Conditions and 11.5 Functional Evaluation. The proposal should include at a minimum:

10.2.1. Profile of the Service Provider Company outlining:

- i. experience and expertise of the company relating to Ethics Management and training.
- ii. the company track record, including a description of similar work undertaken, within the public administration sector.

10.2.2. Attach at least three contactable references with reference letters.

10.2.3. The proposal should include CVs of all Consultants that will be deployed for the task by the Service Provider and outline their role in the project and time allocated to the project.

10.2.4. Proposed methodology and approach to meet the required deliverables.

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

10.2.5. The submission should provide inclusive quotes for the comprehensive project and should include aspects such as VAT.

10.2.6. The responses should be submitted on an original hard copy of the proposal and at least one read-only soft copy of the proposal.

11. EVALUATION PROCESS

11.1 Principles

11.1.1 Proposals will be evaluated in accordance with the 80/20 preference point system, as contemplated in the Preferential Procurement Policy Framework Act (Act 5 of 2000).

11.2 Evaluation of Bid Proposals

The evaluation of the bid proposals shall be conducted as follows:

11.2.1 First Stage

Phase 1: Special Conditions

Phase 2 Administrative Compliance

Phase 3: Functional Evaluation of written response

11.2.2 Second Stage

Phase 1: Price and Specific Goals.

11.3 Phase 1: Special Conditions**

11.3.1 Prospective Service Providers must attach at least three contactable references with reference letters of at least 3 public administration institutions where similar work, as in

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

the scope of work, relating to Ethics Management, including induction training of ethics committee members, was undertaken and was successfully implemented between 2016 and 2023. The letter must:

- Be on the client's company letterhead
- Be signed by the client
- Indicate the name of training intervention.
- Indicate the duration of the training intervention (start and end date).
- Have contact person and contact details (number and email).

11.3.2 Prospective Service providers must submit a CV of the Project/Team Leader who will be deployed by the service provider, outlining number of years of his/her relevant industry experience in relation to the project (facilitating training and discussions), academic credentials as well as experience in ethics.

***** Prospective Service Providers not complying with these requirements or not submitting proof to this extent will be disqualified and will not be further evaluated.***

11.4 Phase 2: Administrative Compliance

11.4.1 Phase 2 of the evaluation will cover Administrative Compliance.

EVALUATION CRITERIA
Phase 2: Administrative Compliance
Bidders must submit the following: <ul style="list-style-type: none">• Tax Compliance Status PIN• Proof of company registration with Central Supplier Database• Submission of Technical Proposal and all SBD forms in response to the requirements outlined in the tender document is compulsory NB: FAILURE TO COMPLY WITH THE ABOVE MENTIONED REQUIREMENTS MAY RESULT IN YOUR PROPOSAL BEING DISQUALIFIED

11.5 Phase 3: Functional Evaluation

11.5.1 Important to note that proposals scoring below 70 points for functionality will not be evaluated further on price and specific goals.

11.5.2 Evaluation criteria for functionality are listed below:

Values: 1=Poor, 2=Average, 3= Good, 4 = Very Good, 5 = Excellent

Evaluation Criteria		Weight
Technical Proposal		
1.	<p>Number of reference letters of public administration institutions where similar work, as in the scope of work, relating to Ethics Management, including induction training of ethics committee members, was undertaken and was successfully implemented in the recent past five years from 2018 (attach reference letters):</p> <ul style="list-style-type: none"> • 0–3 reference letter = 1 point • 4 reference letters = 2 points • 5 reference letters = 3 points • 6 reference letters = 4 points • 7+ reference letters = 5 points 	40
2.	<p>Quality of the training content covering the following topics:</p> <ol style="list-style-type: none"> 1. Concept of corporate governance 2. Governance of Ethics 3. Governance of corporate citizenship 4. The statutory mandate of the social and ethics committee 5. The purpose and the role of social and ethics committee 6. Monitoring and reporting framework <p>(The bidder should submit a proposal which, amongst others, should outline training content as stipulated above) :</p> <ul style="list-style-type: none"> • 0–1 topic addressed = 1 point • 2 topics addressed = 2 points • 3 topics addressed = 3 points • 4 topics addressed = 4 points • 5+ topics addressed = 5 points 	30
3.	<p>Number of years of deployed Project/Team Leader's experience in relation to the project (attach CV):</p> <ul style="list-style-type: none"> • 0–1 year experience = 1 point • 2 years' experience = 2 points • 3 years' experience = 3 points • 4 years' experience = 4 points • 5+ years' experience = 5 points 	30
TECHNICAL		100

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

11.6 Stage 2: Phase 1- Price and Specific Goals

11.6.1 Points awarded for price and specific goals:

Price and Specific Goals	100
Price	80
Specific Goals	20

11.6.2 Bidder should note that 80 points will be for price and the 20 points will be for specific goals:

11.6.2.1 Price

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

Where

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{min} = Price of lowest acceptable tender

11.6.2.2 Specific Goals

Preference points will be awarded to a bidder for attaining the specific goals in accordance with the table below:

Specific Goals	Number of points (80/20)
B-BBEE Status Level 1 - 2 contributor with at least 51% black women ownership	20
B-BBEE Status Level 3 - 4 contributor with at least 51% women ownership	18
B-BBEE Status Level 1 - 2 contributor with at least 51% black youth or disabled ownership	16
B-BBEE Status Level 1 - 2 contributor	14
B-BBEE Status Level 3 - 8 contributor with at least 51% youth or disabled ownership	12
B-BBEE Status Level 3 - 4 contributor	8
B-BBEE Status Level 5 - 8 contributor	4
Others (Non-Compliant)	0
Note: In the event of a bidder claiming more than one specific goal category, SASSA will allocate points based on specific goal with the highest points.	

- Bidders must submit a B-BBEE verification certificate from a verification agency accredited by the South African National Accreditation System (SANAS) or certified copies thereof and/or a CSD MAAA number and/or a sworn affidavit indicating the percentage of ownership of all shareholders and/or owners and signed by the commissioner of oaths.

Terms of reference for Service Provider to conduct ethics induction training for SASSA officials serving in the Ethics Committee.

- Failure to submit the required documents shall be interpreted to mean that preference points for specific goals are not claimed.
- Bidders are requested to provide a clear agreement regarding joint venture/consortia. The percentage involvement of each company in the joint venture agreement should be indicated on the agreement. A trust, consortium or joint venture must submit a consolidated B-BBEE status level verification certificate for every separate bid.
- Bidders should not subcontract more than 25% of the bid (attach subcontracting agreement/letter).

12. BID CONDITIONS

- 12.1 SASSA reserves the right to negotiate the price with the successful Prospective Service Provider.
- 12.2 A contract will be concluded between SASSA and the successful service providers.
- 12.3 The letter of acceptance to the successful service provider, together with the original tender documents and the proposal of the successful service provider will form part of the binding contract.
- 12.4 A service level agreement between the parties will be drafted.
- 12.5 The Agency reserves the right not to award the contract.
- 12.6 The Agency reserves the right to conduct vetting and preliminary checks of the successful Service Provider.
- 12.7 The successful Service Provider will be expected to provide SASSA with the same staff/consultants for which CVs have been submitted. CVs must have at least 3 contactable references for similar work and SASSA reserves the right to conduct reference checks.

STANDARD BIDDING DOCUMENT (SBD) 4

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

1.1 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.

1.2 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.

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.

STANDARD BIDDING DOCUMENT (SBD) 4

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

STANDARD BIDDING DOCUMENT (SBD) 4

- 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 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

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.

STANDARD BIDDING DOCUMENT (SBD) 4

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 PREVENTING AND COMBATING
ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM 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**

- a) The applicable preference point system for this tender is the **80/20** preference point system.

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	80
SPECIFIC GOALS	20
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:

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

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:

$$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \quad \text{or} \quad Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

- Ps = Points scored for price of tender under consideration
 Pt = Price of tender under consideration
 P_{max} = 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)
B-BBEE Status Level 1 - 2 contributor with at least 51% black women ownership	10	20		
B-BBEE Status Level 3 - 4 contributor with at least 51% women ownership	9	18		
B-BBEE Status Level 1 - 2 contributor with at least 51% black youth or disabled ownership	8	16		
B-BBEE Status Level 1 - 2 contributor	7	14		
B-BBEE Status Level 3 - 8 contributor with at least 51% youth or disabled ownership	5	12		
B-BBEE Status Level 3 - 4 contributor	4	8		
B-BBEE Status Level 5 - 8 contributor	2	4		
Others (Non-Compliant)	0	0		
Note: In the event of a bidder claiming more than one specific goal category, SASSA will allocate points based on specific goal with the highest points.				

Returnable document to claim points	Please tick below for the attached document
1. B-BBEE Certificate	
2. Sworn Affidavit (EME or QSE)	
3. CSD registration number	

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.

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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 recognizable 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 on stock" means immediate delivery directly from stock readily on hand.
- 1.10 "Delivery into consignee 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 markets its goods on its 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 or its sovereign agency, war or revolution, fire, 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 subcontractor) and which costs are inclusive of the costs thereof, 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 "Manufacturer" 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 auxiliary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, guarding, 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 bid 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 2183, Pretoria 0001, or accessed electronically from www.kmmr.co.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 the purpose 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 contract 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.

2. 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 SOC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser on 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 check.
- 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 SOC.

3. Inspection, tests and analysis

- 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 furnish substitutes there with supplies which do comply with the requirements of the contract. Packing such removed the rejected supplies shall be returned at the supplier's 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 25 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 requirements of the goods' final destination and the chances 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 completion, 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;
- (a) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (b) 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 delay 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.

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SOC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SOC.</p> |
| 17. Prices | <p>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 SOC or in the purchaser's request for his validity extension, as the case may be.</p> |
| 18. Contract amendments | <p>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.</p> |
| 19. Assignment | <p>19.1 The supplier shall not assign, in whole or in part, his obligations to perform under the contract, except with the purchaser's prior written consent.</p> |
| 20. Subcontracts | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract 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.</p> |
| 21. Delay in the supplier's performance | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule furnished by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or his 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.</p> <p>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.</p> <p>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</p> |

supplier's place 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 21.3 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 cancelling 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, to entitle 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 21.3;
- (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 each 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 associates or associated 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 entered on the Register for Tender Delinquents. When a person's name has been entered 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 such case will be dealt with on its own merits. According to section 12 of the Act the Register must be open to the public. The Register can be viewed 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 subsidised 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 be deemed to be paid forthwith by the contractor to the State or the State may deduct such amounts from payments (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 contract 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 failure 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 arbitration. No limitation 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 ICC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

- (i) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (ii) 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 law, unless otherwise specified in SCC.
31. Notices	<p>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.</p> <p>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.</p>
32. Taxes and duties	<p>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.</p> <p>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.</p> <p>32.3 No contract shall be concluded with any bidder whose tax returns 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 Service.</p>
33. National Industrial Participation Programme (NIPP)	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	<p>34.1 In terms of section 4 (1) (b) (ii) 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).</p> <p>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.</p>

34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice outlined in 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.

As General Conditions of Contract (updated July 2012)