

**INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/PUBLIC ENTITY)

BID NUMBER: HS 04/2022/2023

CLOSING DATE: 31 MARCH 2023

CLOSING TIME: 11:00

**DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE MARKETING, SALES, TRANSFER (CONVEYANCING) AND BOND REGISTRATION OF 278 HOUSES IN THE LOUIS FOURIE (MOUNTAINVIEW) PROJECT (GARDEN ROUTE REGION) IN TERMS OF THE FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME**

**The successful bidder will be required to fill in and sign a written Contract Form (WCBD 7.1)**

BID DOCUMENTS MAY BE POSTED TO: PRIVATE BAG X 9083, CAPE TOWN, 8000

OR

DEPOSITED IN THE BID BOX SITUATED ON (STREET ADDRESS)

GROUND FLOOR, 27 WALE STREET, CAPE TOWN, 8000 or GROUND FLOOR YORK PARK BUILDING, YORK STREET, GEORGE

**Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.**

The bid box is generally open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (NOT TO BE RE-TYPED)

PREFERENCE POINTS CLAIM FORMS IN TERMS OF THE PREFERENTIAL PROCUREMENT IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

THE FOLLOWING PARTICULARS MUST BE FURNISHED  
(FAILURE TO DO SO MAY RESULT IN YOUR BID BEING DISQUALIFIED)

NAME OF BIDDER .....

POSTAL ADDRESS .....

STREET ADDRESS .....

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER .....

FACSIMILE NUMBER CODE.....NUMBER.....

E-MAIL ADDRESS .....

VAT REGISTRATION NUMBER .....

HAS AN ORIGINAL AND VALID TAX CLEARANCE CERTIFICATE BEEN SUBMITTED? (WCBD 2)

YES or NO

HAS A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE BEEN SUBMITTED? [WCBD 6.1 (a) or (b)]

YES or NO

IF YES, WHO WAS THE CERTIFICATE ISSUED BY?

AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA).....  
A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS);  
OR.....

A REGISTERED AUDITOR .....  
[TICK APPLICABLE BOX]

**(A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)**

ARE YOU THE ACCREDITED REPRESENTATIVE  
IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED?

YES or NO

[IF YES ENCLOSE PROOF]

SIGNATURE OF BIDDER .....

DATE .....

CAPACITY UNDER WHICH THIS BID IS SIGNED .....

TOTAL BID PRICE..... TOTAL NUMBER OF ITEMS OFFERED .....

**ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:**

Department: .....

Contact Person: .....

Tel: .....

Fax: .....

E-mail address:.....

**ANY ENQUIRIES REGARDING TECHNICAL INFORMATION MAY BE DIRECTED TO:**

Contact Person: .....

Tel: .....

Fax: .....

E-mail address:.....

List of returnable documents for Bid number: **HS 04/2022/2023**

### 1. Compulsory Returnable Bid Documents

**Returnable schedules required for tender Governance purposes.**

<b>All bidders must comply with the following criteria:</b>	
<b>TENDER DOCUMENT NAME</b>	<b>RETURNABLE DOCUMENT</b>
WCBD 1	Yes
Proof of Tax Compliance status [CSD Report or valid tax clearance pin]	Yes
Form 4 – Pricing Schedule	Yes
WCBD 4 [Declaration of interest, bidders past SCM practices & independent bid determination]	Yes
WCBD 6.1 [including sworn affidavit or BBBEE certificate]	Yes
Proof of registration on Central Supplier Database	Yes
Completed clarification certificate signed by the WCDHS representative attending the session	Yes

**Returnable schedules required for tender Evaluation purposes:**

<b>All bidders must comply with the following criteria:</b>		Yes
Form 1 – Fidelity Fund Certificate (FFC)		Yes
Form 2 – Mortgage Originator License		Yes
Form 3 – Fidelity Fund Certificate (FFC) [ Legal Practice Council or Legal Practice Act, No. 28 of 2014 as amended]		Yes
Form 4 – Pricing Schedule (as listed above)		Yes
Form 5 – Financial References		Yes
Form 6 – Detailed Project Plan		Yes
Form 7 – Detailed Marketing Strategy and Implementation Plan		Yes
Form 8 – Detailed Pre-screening Process		Yes
Form 9 – Credit Readiness Programme		Yes
Form 10 – Customer Relationship Management (CRM) System		Yes

Form 11 – Detailed Implementation Programme	Yes
Form 12 – Use of Local Property Practitioners (if applicable)	Yes (if applicable)
Form 13 – Detailed Company Profile (CV)	Yes
Form 14 – Occupational Health and Safety Declaration	Yes

**FORM 4 – PRICING SCHEDULE**

The prices inserted below constitute a form of offer and acceptance, the bidder offers to perform all of the obligations and liabilities under the contract, including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined as per the conditions of the contract.

Table 1 and 2 must be completed. The Total Bid Price, as per Item 5 of Table 2, will be taken and adjudicated in terms of the 80/20 Preference Point System for requirements with a Rand value of up to R50 000 000 (all applicable taxes included). The total bid price must also be carried forward inserted on page 2 of WCBD 1. The offer to be valid for 120 days from the closing date of the bid.

Item No.	Description of Scope of Work	Cost in Rands per unit/house sold & transferred (incl. VAT)
1.	Marketing, sales and management function (as per 9.2)	
2.	Conveyancing cost for property transfer (as per 9.3)	
3.	Bond registration cost (as per 9.4)	
4.	<b>Total amount per unit/house sold &amp; transferred (incl. VAT)</b> <b>[Total of Item 1 + Item 2 + Item 3]</b>	

Table 1 – Cost breakdown per unit/house sold and transfer for each combined element of the Scope of Works

	Description of Item	Total bid price for the sale and transfer of 278 units/houses (incl. VAT)
5.	<b>TOTAL BID PRICE FOR THE SALE AND TRANSFER OF 278 UNITS/HOUSES [ITEM 4: TOTAL PER UNIT/HOUSE X 278 UNITS]</b>	

Table 2 – Total tendered amount for fulfilling the Scope of Works for the 278 units

Signature(/s) .....

Name(/s) .....

Capacity .....



BETTER TOGETHER

## PROVINCIAL GOVERNMENT OF WESTERN CAPE

### DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Practice Note 4 of 2006 Declaration of Bidders Past SCM Practices-(SDB8), Instruction note Enhancing Compliance Monitoring and Improving Transparency and Accountability in Supply Chain Management, Practice note 7 of 2009/10 - SBD 4 Declaration of Interest, Practice Note 2010 Prohibition of Restrictive practices SBD9, Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).

#### 3. Definitions

**"bid"** means a bidder's response to an institution's invitation to participate in a procurement process which may include a bid, price quotation or proposal;

**"Bid rigging (or collusive bidding)"** occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors;

**"business interest"** means —

- (a) a right or entitlement to share in profits, revenue or assets of an entity;
- (b) a real or personal right in property;
- (c) a right to remuneration or any other private gain or benefit, or
- (d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

**"Consortium or Joint Venture"** 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;

**"CSD"** means the Central Supplier Database maintained by National Treasury;

**"employee"**, in relation to —

- (a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 but excludes a person appointed in terms of section 12A of that Act; and
- (b) a public entity, means a person employed by the public entity;

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***If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701***

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

**"entity"** means any —

- (a) association of persons, whether or not incorporated or registered in terms of any law, including a company, corporation, trust, partnership, close corporation, joint venture or consortium; or
- (b) sole proprietorship;

**"entity conducting business with the Institution"** means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

**"Family member"** means a person's —

- (a) spouse; or
- (b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

**"intermediary"** means a person through whom an interest is acquired, and includes a representative or agent or any other person who has been granted authority to act on behalf of another person;

**"Institution"** means —

a provincial department or provincial public entity listed in Schedule 3C of the Act;

**"Provincial Government Western Cape (PGWC)"** means

- (a) the Institution of the Western Cape, and
- (b) a provincial public entity;

**"RWOPS"** means —

Remunerative Work Outside the Public Service

**"spouse"** means a person's —

- (a) partner in marriage or civil union according to legislation;
- (b) partner in a customary union according to indigenous law; or
- (c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his or her life partner or permanent companion;

4. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.

- a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:

- (i) resigned as an employee of the government institution or;
- (ii) cease conducting business with an organ of state or;
- (iii) resign as a director/ shareholder/ owner/ member of an entity that conducts business with an organ of state.

5. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where the bidder is employed by the Institution.

6. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's

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supply chain management system; committed fraud or any other improper conduct in relation to such system; or failed to perform on any previous contract.

7. Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging). Collusive bidding is a *per se* prohibition meaning that it cannot be justified under any grounds.
8. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
  - a. disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
  - b. cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
9. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.
10. 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.

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SECTION A: DETAILS OF THE ENTITY		
A1.	CSD Registration Number	MAAA_____
A2.	Name of the Entity	
A3.	Entity registration Number (where applicable)	
A4.	Entity Type	
A5.	Tax Reference Number	
<b>A6.</b> Full details of directors, shareholder, member, partner, trustee, sole proprietor or any persons with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below.		

[illegible]

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30/09/2019

**SECTION B: DECLARATION OF THE BIDDER'S INTEREST**

The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity, a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13 (c).

Furthermore, an employee employed by an organ of state conducting remunerative work outside the public enterprise should first obtain the necessary approval (RWOP), failure to submit proof of such authority, where applicable, may result in disciplinary action.

<b>B1.</b>	Are any persons listed in Table A identified on the CSD as employees of an organ of state? (If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions)	<input type="checkbox"/> NO <input type="checkbox"/> YES
<b>B2.</b>	Are any employees of the entity also employees of an organ of state? (If yes complete Table B and attach their approved "RWOP")	<input type="checkbox"/> NO <input type="checkbox"/> YES
<b>B3.</b>	Are any family members of the persons listed in Table A employees of an organ of state? (If yes complete Table B)	<input type="checkbox"/> NO <input type="checkbox"/> YES

**TABLE B**

Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.

FULL NAME OF EMPLOYEE	IDENTITY NUMBER	DEPARTMENT/ ENTITY OF EMPLOYMENT	DESIGNATION / RELATIONSHIP TO BIDDER**	INSTITUTION EMPLOYEE NO./PERSAL NO. (Indicate if not known)

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# SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

To enable the prospective bidder to provide evidence of past and current performance.

<b>C1.</b>	Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C)	<input type="checkbox"/> NO <input type="checkbox"/> YES
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## C2. Table C

Complete the below table to the maximum of the last 5 contracts.

NAME OF CONTRACTOR	PROVINCIAL DEPARTMENT OR PROVINCIAL ENTITY	TYPE OF SERVICES OR COMMODITY	CONTRACT / ORDER NUMBER	PERIOD OF CONTRACT	VALUE OF CONTRACT

<b>C3.</b>	Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector?	<input type="checkbox"/> NO <input type="checkbox"/> YES
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<b>C4.</b>	Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)? (To access this Register enter the National Treasury's website, <a href="http://www.treasury.gov.za">www.treasury.gov.za</a> , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 3265445.)	<input type="checkbox"/> NO <input type="checkbox"/> YES
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<b>C5.</b>	If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury?	<input type="checkbox"/> NO <input type="checkbox"/> YES
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<b>C6.</b>	Was the entity or persons listed in Table A convicted for fraud or corruption during the past five years in a court of law (including a court outside the Republic of South Africa)?	<input type="checkbox"/> NO <input type="checkbox"/> YES
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**SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT**

*This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.*

I, ..... hereby swear/affirm;

- i. that the information disclosed above is true and accurate;
- ii. that I understand the content of the document;
- iii. the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to the Institution.
- iv. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the awarding of the contract.

\_\_\_\_\_  
DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

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I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

1.1 Do you know and understand the contents of the declaration? ANSWER: .....

1.2 Do you have any objection to taking the prescribed oath? ANSWER: .....

1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER: .....

1.4 Do you want to make an affirmation? ANSWER: .....

2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

..... SIGNATURE FULL NAMES

Commissioner of Oaths

Designation (rank) ..... ex officio: Republic of South Africa Date:

..... Place .....

Business Address: .....

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**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS**

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS (TENDERERS) MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER, PREFERENTIAL PROCUREMENT REGULATIONS, 2022 AND THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE**

## **1. DEFINITIONS**

- 1.1 **"acceptable tender"** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- 1.2 **"affidavit"** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.
- 1.3 **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- 1.6 **"bid"** means a written offer on the official bid documents or invitation of price quotations and "tender" is the act of bidding /tendering;
- 1.7 **"Code of Good Practice"** means the generic codes or the sector codes as the case may be;
- 1.8 **"consortium or joint venture"** 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;
- 1.9 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;

- 1.10 **"EME"** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.
- 1.11 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 1.12 **"Large Enterprise"** is any enterprise with an annual total revenue above R50 million;
- 1.13 **"non-firm prices"** means all prices other than "firm" prices;
- 1.14 **"person"** includes a juristic person;
- 1.15 **"price"** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- 1.16 **"proof of B-BBEE status level contributor"** means-
- (a) The B-BBEE status level certificate issued by an authorized body or person;
  - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
  - (c) Any other requirement prescribed in terms of the Broad- Based Black Economic Empowerment Act.
- 1.17 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.18 **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- 1.19 **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 1.20 **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- 1.21 **"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;
- 1.22 **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.23 **"the Regulations"** means the Preferential Procurement Regulations, 2022;

- 1.24 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 11 October 2013;
- 1.25 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 1.26 **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

## 2. GENERAL CONDITIONS

- 2.1 The following preference point systems are applicable to all bids:
- 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).
- 2.2 Preference point system for this bid:
- (a) The value of this bid is estimated to exceed/not exceed R50 000 000 (all applicable taxes included) and therefore the preference point system shall be applicable; or
  - (b) Either the 80/20 or 90/10 preference point system will be applicable to this tender  
(delete whichever is not applicable for this tender).
- 2.3 Preference points for this bid (even in the case of a tender for income-generating contracts) shall be awarded for:
- (a) Price; and
  - (b) B-BBEE Status Level of Contribution.
- 2.4 The maximum points for this bid are allocated as follows:

	POINTS
<b>PRICE</b>	
<b>B-BBEE STATUS LEVEL OF CONTRIBUTOR</b>	
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

- 2.5 Failure on the part of a bidder to fill in, sign this form and submit in the circumstances prescribed in the Codes of Good Practice either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or an affidavit confirming annual total revenue and level of black ownership together with the bid or an affidavit issued by Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.



- 2.6 The organ of state reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

### 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the **bidder obtaining the highest number of total points** will be awarded the contract.
- 3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.
- 3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:
- (a) points out of 80 for price; and
  - (b) 0 points out of 20 for B-BBEE
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.6 As per section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the contract may be awarded to a bidder other than the one scoring the highest number of total points based on objective criteria in addition to those contemplated in paragraph (d) and (e) of the Act that justifies the award to another tenderer provided that it has been stipulated upfront in the tendering conditions.
- 3.7 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

### 4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

#### 4.1 POINTS AWARDED FOR PRICE

##### 4.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

$$\begin{array}{ccc}
 \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\
 P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) & \text{or} & P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)
 \end{array}$$

Where

- $P_s$  = Points scored for price of bid under consideration
- $P_t$  = Price of tender under consideration
- $P_{\min}$  = Price of lowest acceptable tender

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

### 5.1 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

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{max}$  = Price of highest acceptable tender

## 6. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 6.1 In terms of WCG interim strategy, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

- 6.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission
- 6.3 A **QSE that is less than 51 per cent (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.
- 6.4 A **QSE that is at least 51 per cent black owned (51% or higher)** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.

- 6.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 6.6 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 6.7 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.
- 6.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

## 7. BID DECLARATION

- 7.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 8. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPH 6

- 8.1 B-BBEE Status Level of Contribution..... = ..... (maximum of 20 points)

*(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 6.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.*

## 9. SUB-CONTRACTING

- 9.1 Will any portion of the contract be sub-contracted? **YES/NO** (delete which is not applicable)

- 9.1.1 If yes, indicate:

- (i) what percentage of the contract will be subcontracted? .....%
- (ii) the name of the sub-contractor? .....
- (iii) the B-BBEE status level of the sub-contractor? .....
- (iv) whether the sub-contractor is an EME or QSE? **YES/NO** (delete which is not applicable)

- 9.1.2 Sub-contracting relates to a **particular** contract and if sub-contracting is applicable, the bidder to state in their response to a particular RFQ that a portion of that contract will be sub-contracted.



**10. DECLARATION WITH REGARD TO COMPANY/FIRM**

10.1 Name of company/ entity: .....

10.2 VAT registration number: .....

10.3 Company Registration number: .....

**10.4 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

[SELECT APPLICABLE ONE]

10.5 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I/we acknowledge that:

- (a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.
- (b) As set out in Section 130 of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:
  - (i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;
  - (ii) provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;
  - (iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or
  - (iv) engages in a fronting practice.
- (c) If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 10.5 (a) above will be reported to an appropriate law enforcement agency for investigation.

- (d) Any person convicted of an offence by a court is liable in the case of contravention of 10.5 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person to a fine not exceeding 10 per cent of its annual turnover.
- (e) The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, may 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.
- (f) The purchaser may, in addition to any other remedy it may have –
  - (i) disqualify the person from the bidding process;
  - (ii) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (iii) 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; and
  - (iv) forward the matter for criminal prosecution.
- (g) The information furnished is true and correct.
- (h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

**SIGNATURE(S) OF THE BIDDER(S):** .....

**DATE:** .....

**ADDRESS:** .....

.....

**WITNESSES:**

1. ....

2. ....







**Western Cape  
Government**

Department of Human Settlements

**Gavin Wiseman**

Affordable Housing

Gavin.Wiseman@westerncape.gov.za | Tel: 021 483 6492

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## **WESTERN CAPE GOVERNMENT**

### **DEPARTMENT OF HUMAN SETTLEMENTS**

#### **THE TERMS OF REFERENCE FOR THE APPOINTMENT OF A SERVICE PROVIDER TO UNDERTAKE THE MARKETING, SALES, TRANSFER (CONVEYANCING) AND BOND REGISTRATION OF 278 HOUSES IN THE LOUIS FOURIE (MOUNTAINVIEW) PROJECT (GARDEN ROUTE REGION) IN TERMS OF THE FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME**

#### **1. PURPOSE OF THE TERMS OF REFERENCE**

- 1.1 The purpose of this Terms of Reference is to set out the scope of work to be undertaken for the marketing, sales, subsidy application process, any required bond registration and the final transfer of housing units targeted at potential purchasers who qualify for the Finance Linked Individual Subsidy Programme (FLISP) in the Mountain View Project, in Mossel Bay.
- 1.2 Based on this Terms of Reference (ToR), bidders with the relevant qualification, registration and licenses, expertise and experience are invited to submit bids to undertake and execute the scope of work and required deliverables, as detailed in the ToR.
- 1.3 It is recognised that each component of this ToR may be undertaken by a separate individual, company, or entity due to the nature of the work. However, a single entity, such as a consortium or joint venture, shall be contracted with to undertake the overall scope of work. The requirement is that one entity takes full responsibility for all aspects of the work. In addition, it is envisaged that significant cost savings will be achieved due to the 'one-stop-shop' concept and nature of the services envisaged by this ToR, as all the required processes and documentation will be generated from the same baseline information. The use of system automation, electronic capture and processing of information is envisaged to play a vital role in obtaining economies of scale and the required cost savings.



1.4 At the outset it is important to note that the appointment of the successful bidder may not result in an exclusive contract and arrangement between the WCDHS and the successful bidder for the services envisaged by this ToR and under the circumstances as stated below:

1.4.1 If the appointed service provider fails to comply with any of the requirements stated in this ToR, and/or with the terms and conditions stated in the special conditions of contract (SCC) (in the form of service level agreement), to be concluded between the WCDHS and the appointed service provider, the WCDHS reserves the right to, and may without notice, appoint other service providers, through whatever procurement processes, to perform the services envisaged in this ToR, and/or additional services, and such other service provider(s) to perform such services then either in conjunction with the successful bidder, or on its own.

1.4.2 The WCDHS therefore reserve all its rights in this regard, including the right to conduct subsequent procurement processes, and whilst the contract with the successful bidder, emanating from this bid process, is ongoing, and to appoint other service providers under the circumstances as indicated, to render the services envisaged under this ToR in conjunction with, or separate from, the successful bidder.

## **2. BACKGROUND AND CONTEXT**

2.1 The Mountain View Project is situated in Mossel Bay, off Louis Fourie Drive. The project has been developed by the Western Cape Department of Human Settlements (WCDHS) on behalf of the landowner, Mossel Bay Municipality (MBM).

2.2 The project comprises 725 Breaking New Ground (BNG) units as part of the state-funded Integrated Residential Development Programme (IRDP). As part of this integrated approach, the WCDHS has developed a further 278 houses in terms of the Finance Linked Individual Subsidy Programme (FLISP).





Figure 1: - Houses under construction - Mountain View



Figure 2: Units being completed at Louis Fourie (Mountainview) Housing Project



Figure 3: - Aerial view of completed houses

- 2.3 The 278 FLISP units are intended for sale to potential buyers earning between R 3501 to R 22 000 combined monthly income. The FLISP policy in the Housing Code was amended on 1 April 2022 and is now termed 'Help Me Buy a Home', referred to as "FLISP" in this ToR. The revised policy enables the 'delinking' of the FLISP subsidy from the mortgage requirement.
- 2.4 These FLISP duplex units are an average of 45m<sup>2</sup> in size, consisting of a living area, an open plan kitchen downstairs, a bathroom and two bedrooms upstairs. The houses have been built in various block formations to provide passive surveillance and create defined courtyard-type areas.
- 2.5 The estimated selling price of the units will be between R 435 000 and R 450 000 (VAT deemed included), with the selling of units being undertaken in phases. The final unit selling prices will be determined once this tender has been awarded.
- 2.6 Priority must be given to potential buyers residing within the Mossel Bay municipal area. Thereafter, should the market dictate, preference then be given to potential beneficiaries residing within the Garden Route District Municipal Area.

**2.2** The units are only to be made available to purchasers who qualify for the FLISP subsidy and who meet the required affordability and creditworthiness status and can secure a mortgage bond for the balance of the sales price or other approved financial instrument in terms of the 'Help Me Buy a Home' policy applicable at the time of the transaction.

**2.8** To qualify for a FLISP subsidy, a potential purchaser is required to meet the following requirements:

- Have a combined household income between R3 501 to R22 000 per month;
- To be a South African Citizen or a permanent resident with a Permanent Residence Permit;
- Not have accessed a government subsidy before;
- Not have owned a property before;
- Be competent to contract (over 18 years and of sound mind); and
- Be married, cohabitating or single with dependents

**2.9** The details for the Implementation of the required scope of work and the overall management thereof must be submitted in the Bid Documents (Returnables).

### **3. SCOPE OF WORK**

The following provides the detail of the scope of work that is required in terms of the appointment: -

**3.1** The service provider must submit a detailed project plan that contains all the elements and aspects that are required in terms of the scope of work. The project plan must demonstrate that the service provider has the relevant expertise and experience to undertake the full scope of work successfully. The project plan must highlight relevant experience and projects undertaken of this nature. In addition, the project plan must reference current projects being undertaken and highlight that the service provider has the relevant capacity to undertake this project. The project plan must include contact details of previous clients to allow for references to be determined. It is recognised that each of the various elements of the work may be undertaken by different entities. The project plan must ensure that the necessary clarity is provided for each of these entities and the details of these contractual relationships. In addition, the proposal must highlight the specific and relevant experience of each of the 'sub-contracted' entities concerning their specific area of work in terms of the scope of work and verify the competency, experience, capacity and relevant track



record of the team. The detailed project plan and proposal must be submitted as **Form 6 – Detailed Project Plan**.

- 3.2 Obtain approval of 'end-user finance' packages for the project. This includes the compilation and submission of required project information packs to all major banks and other funding institutions to obtain project approval for the provision of end-user finance packages for potential purchasers. Several financial institutions have already expressed interest in providing such end-user packages. If required by certain financial institutions, this application process is to be undertaken by a 'third party' mortgage originator (MO) to ensure an 'arm's length' transaction between the mortgage origination and any required mortgage bond approvals and registrations in terms of this scope of work.
- 3.3 A bespoke, focused marketing strategy must be implemented to market the project to ensure the successful selling of all units. The marketing plan must be designed and implemented to ensure successful market reach and exposure for the FLISP-specific market segmentation associated with first-time home buyers in the income range of R 3 501 to R 22 000 combined monthly income. The service provider shall demonstrate a thorough understanding of the property market demographic catered for by the FLISP programme. The marketing strategy is to carry a strong social media presence, including providing a dedicated website domain for the project's marketing and providing a digital platform for the signing up (onboarding) of potential buyers. An 'on-site' marketing office will need to be established to ensure the required market reach for potential purchasers preferring in person interaction. The relevant marketing strategy must ensure that all potential purchasers can fully access the opportunities. The provision of all required advertising, print media, electronic media, banners, posters, billboards, exhibitions, open days, an extensive social media presence on all recognised social media platforms, a dedicated website domain, on-site office, and all associated costs, are all deemed included. A detailed marketing strategy and implementation plan is required must be submitted as **Form 7 – Detailed Marketing Strategy and Implementation Plan**.
- 3.4 A show house is to be established and operated for the project's duration. One of the completed units will be made available for this purpose. The show house is to be furnished by the service provider as part of the marketing strategy. The furniture and décor provided are to align with the required market segmentation. The show house is to be operational for a minimum of 3 days during the week, from 8.30am to 5.30pm, and on Saturdays from 10am to 1pm. The service provider is required to cover all associated costs, including electricity and water usage etc.

- 3.5 The service provider must provide a physical office on-site or close to the project to enable potential purchasers to make physical enquiries and applications. The possible use of one of the existing units in the project can be considered for this purpose i.e. to be adjacent to the show house unit. All associated expenses for the running of the office are deemed to be included.
- 3.6 The service provider is to provide a digital platform/interface for remote/off-site enquiry and application to purchase a unit. Such a platform may be web-based, a smartphone application or other means of linkage via social media or messaging platforms such as WhatsApp.
- 3.7 A potential buyer's database must be established to ensure that initial purchasers reside within the Mossel Bay municipal area. Once it has been determined by the Western Cape Department of Human Settlements (WCDHS) and Mossel Bay Municipality (MBM) that there is no longer a strong market demand from within the MBM area, the marketing strategy must be adjusted to focus on all other areas from within the Garden Route District Municipal area namely Bitou, Knysna, George, Hessequa, Kannaland and Oudtshoorn municipalities.
- 3.8 The 'signing up' of potential purchasers shall include the drafting and finalising of the Offer to Purchase (OTP) to align with the MBM and WCDHS requirements and standard conditions. The MBM is the 'Seller' and will be required to sign all OTPs, as such. The service provider must manage all administrative processes to ensure the timeous signing of all contractual documentation by all parties.
- 3.9 The service provider is required to 'prescreen' all the applicants. This process is to be undertaken for qualification for the FLISP subsidy and to determine the creditworthiness and affordability of potential purchasers for any required end-user finance. The pre-screening process aims to expedite the sales and marketing process by ensuring that applications submitted to financial institutions will generally meet the required minimum qualification criteria. The costs of the pre-screening are deemed to be included. This will include any associated credit checking agencies and platform costs. The pre-screening, or 'pre-approval', for the FLISP subsidy, must be based on the latest qualification criteria of the "Help me buy a Home" programme. The 'pre-screening' process is described in **Form 8 – Detailed Pre-screening Process**.
- 3.10 The service provider must offer a credit readiness programme or initiative whereby an applicant, who has a poor credit score or minor impairment and therefore would not qualify for end-user finance at initial application stage, is offered the opportunity to enrol for a

credit rehabilitation programme, should they choose to do so. If the service provider does not have such a programme or initiative in place, the service provider shall subcontract the services of an entity that provides such a programme. The purpose of such a programme would be to provide the necessary consumer education, training, support and mentoring/coaching during the programme to enable the potential purchaser to rehabilitate their credit score, if and where possible. The programme's desired outcome is the approval of end-user finance and the purchasing a house in the development. The cost of this programme is to be covered by the individual who signs up for the programme, and the fee is to be collected from the client, should they choose to enrol and participate in such a programme. The service provider must provide an outline of the programme and the detailed methodology in **Form 9 – Credit Readiness Programme**.

- 3.11 Upon the successful completion of the pre-screening process, the service provider must make an application on behalf of the purchaser to the WCDHS for the FLISP subsidy. The initial application process may be electronically based. However, the WCDHS still requires the hardcopy version of the application and supporting documentation for record purposes. The service provider is to ensure compliance with all requirements of the WCDHS. The service provider will not be permitted to charge the purchaser for this application process should their subsidy be declined or approved. The service provider must limit this risk during the pre-screening process and will need to make the necessary provision for a percentage of applications declined by the WCDHS for failing to meet the qualifying criteria.
- 3.12 Upon the successful pre-screening process, the service provider is to make an application, on behalf of the purchaser, to the various financial institutions to obtain the best end-user finance package. This application process must be undertaken by an approved and licensed mortgage originator through a banking institution, a recognised mortgage originator company, or another approved and compliant intermediary.
- 3.13 The service provider is to manage the timeous approval of the FLISP subsidies and the required end-user finance to ensure the meeting of any suspensive conditions in the OTPs. In addition, the service provider shall facilitate the timeous payout of the FLISP subsidies in collaboration with the WCDHS.
- 3.14 The service provider must undertake the transfer process of the erf and any top structure from MBM to the purchaser. To this end, the service provider must have the purchaser complete and sign all required documentation for this purpose, including the OTP. The

service provider must appoint a registered conveyancing attorney for this purpose, should they not be a registered conveyancing attorney. The cost of such transaction is to be provided as a fixed amount, per transaction and NOT based on a percentage of the selling price. The cost for each transfer must include all required Deeds Office fees, obtaining relevant rates clearance certificates, and any other associated costs. All costs will be deemed to be included and include VAT where applicable.

- 3.15 The conveyancing attorney shall open the township register, if required, and ensure the registration of the approved General Plan at the Deeds Office if required. A conveyancing attorney appointed by MBM will transfer the Breaking New Ground (BNG) units off the same General Plan, as this is a separate phase from the 278 FLISP units. Allowance is to be made for liaison and coordination with this conveyancing attorney and all associated costs are deemed included.
- 3.16 The service provider must undertake any required bond registration process. The bond registration cost will be undertaken at a fixed cost per registration and NOT based on a percentage fee of the selling price or mortgage bond value. The service provider will ensure they, or a subcontracted conveyancing attorney, is on the various financial institutions' approved panels for bond registration processes. If not, and if they are unable to be placed onto the relevant panel, the service provider must subcontract a conveyancing attorney that is on the relevant bank's panel and must negotiate a fixed fee at which the bond registration will be undertaken. This cost will be to the service provider's account and must be allowed for at the time of the bid submission.
- 3.17 The conveyancing attorney is to provide a valid Fidelity Fund Certificate issued by the Legal Practice Council.
- 3.18 The service provider must provide a cleaning service to ensure that the house is handed over in a clean and neat condition. The units have been standing complete for several months. To this end, the service provider must ensure all windows are cleaned, internally and externally. The insides of the units are to be thoroughly cleaned, including all rooms and fixtures etc. The service provider must provide this service and include all required consumables, equipment, access equipment, etc. to undertake the work. The cost of this service must be provided for under 9.1 and deemed to be part of the marketing and sales function. Where possible, local labour and services are to be utilised.

- 3.19 The service provider must manage the handover and occupation of the units by the approved purchasers. This must include the signing of the necessary 'happy letter' by the purchaser, as required by the banking institutions. Furthermore, the service provider is to undertake an inspection with the purchaser. A 'defects/snag list' is to be drawn up on behalf of the purchaser should there be any minor snags or defects that the purchaser becomes aware of during the handover inspection. Furthermore, the service provider is to record the water meter reading at the time of occupation of the unit and ensure that the prepaid electrical meter is working and that a purchase card is handed over to the purchaser. The handover defects list must be provided to the WCDHS representative. In addition, the required 'handover documentation pack' including a copy of the Occupancy Certificate, NHBRC enrolment certificate, Electrical Certificate of Compliance (CoC), Plumbing Compliance Certificate, A19 roofing and structural certificates, and any other required documentation, is to be made available to the purchaser. In addition, the original or copies are to be provided to the relevant financial institution as required. Any required copies to be generated will be to the account of the service provider.
- 3.20 The service provider must ensure that the transfer of a given unit occurs upon, or just after, the occupation of the unit in order to avoid purchasers from having to pay occupational rent (interest). This must include the timeous completion of all documentation, receipt of required finances and clearance certificates, the required lodgment of all documentation at the Deeds Office, as well as addressing any rejections of transactions with the Deeds Office. If due to any unforeseen delays with transfer, the service provider must administer the collection of occupational rent (interest), and the receipt thereof, into the required interest-bearing trust account. These funds are to be paid over to the WCDHS. The calculation of such occupational rental shall be determined by the WCDHS as contained in the OTP. The service provider shall administer the collection and administration of this rental at a fixed percentage of 10% of the occupational rental charged.
- 3.21 The service provider is to ensure timeous notification to the purchaser regarding the occupation date. The service provider is to ensure the unit has been cleaned, etc., before occupation takes place.
- 3.22 The conveyancing attorney is to ensure a copy of the title deed is provided to the beneficiary upon delivery from the Deeds Office.
- 3.23 The service provider is to undertake consumer and home-owner education with the beneficiaries. This includes content on affordability, all contractual responsibilities,



mortgage bond repayment, insurance, budget fitness, payment of rates and utilities, basic property maintenance, FLISP subsidy benefits, etc. The consumer and home-owner education must be done on a one-to-one basis at the time of 'signing up' potential purchasers. The educational material must also be provided to the purchaser in a printed format for easy of future reference.

- 3.24 The service provider must implement and manage a Customer Relationship Management (CRM) system to manage and track the full process from sign-up ('onboarding') of the purchaser, prequalification, signature of all required documents, property finance and FLISP subsidy approval, the construction/rectification of units (if required), cleaning of units, property transfer and bond registration, handover and execution of snag lists, handover of property information pack to new home owner and the final handover of a copy of the title deed once issued by the Deeds Office. Details of the CRM system are to be provided as **Form 10 – Customer Relationship Management (CRM) System**.
- 3.25 The service provider is to submit detailed bi-monthly reports on the status and progress of each transaction, including market strategy reach and impact. The service provider is to ensure that any required adjustments, enhancements or refinements to the marketing strategy are made to expedite the sales and transfer of the units, including search engine optimization, face-to-face marketing events and workshops, etc..
- 3.26 The service provider must submit a detailed implementation programme outlining, inter alia, obtaining bank approval for end-user finance packages, the launch and implementation of the dedicated website and social media presence, the establishment, furnishing and operationalisation of the 'on-site' show house, the drafting and finalisation of the OTP and any required documentation, signing of relevant OTP with purchasers and seller, the submission and approval of bond and FLISP applications, monthly house handovers and monthly transfer registrations. The programme is to be submitted as **Form 11 – Detailed Implementation Programme**.
- 3.27 If the service provider is not a local property practitioner operational within the Mossel Bay municipal area, the service provider shall engage the services of local registered property practitioners (estate agents), where possible and feasible. The service provider shall be responsible for all deliverables and aspects, however, the use of local property practitioners is encouraged, where appropriate, to allow for the development and transformation of the property sector within the MBM area. The details of such use of local property practitioners are to be provided in **Form 12 – Use of Local Property Practitioners**, if applicable.

#### 4. PROGRAMME AND CONTRACTUAL REQUIREMENTS

- 4.1 The WCDHS, in collaboration with MBM, envisages that an average of approximately 15 property transfers per month will be achieved during the contract period. It is recognised that a number of external factors have a direct impact on the sales being completed, such as interest rate increases, consumer affordability, market acceptance of the product offering/typology being a duplex row house 2-bedroom unit, creditworthiness, market supply and demand factors, market perception/sensitivity and market reach, etc. It is, however, the responsibility of the service provider to achieve the agreed sales and transfer targets. The service provider must ensure that the marketing strategy and implementation, in conjunction with effective and efficient communication, client-centred service, ease of access and user experience, achieve the required sales and transfer deliverables.
- 4.2 The monthly property sales and transfer targets, detailed in the table below, will provide the contractual performance baseline for the service provider. Upon the award of the contract, the WCDHS will provide a revised programme that will align to specific dates, based on the commencement date of the contract. The units must be sold to the buyers within the FLISP qualifying criteria only, as stated in 2.8 above.

Month	Completed sales transactions (signed OTP with all conditions fulfilled)	Cumulative total of completed sales	Units transferred	Cumulative total of units transferred
Month 1	5	5	0	0
Month 2	10	15	0	0
Month 3	15	30	5	5
Month 4	20	50	10	15
Month 5	20	70	15	30
Month 6	20	90	20	50
Month 7	20	110	20	70
Month 8	20	130	20	90
Month 9	25	155	20	110

Month 10	25	180	20	130
Month 11	20	200	25	155
Month 12	20	220	25	180
Month 13	15	235	20	200
Month 14	15	250	20	220
Month 15	10	260	15	235
Month 16	8	268	15	250
Month 17	5	273	10	260
Month 18	5	278	8	268
Month 19	0	278	5	273
Month 20	0	278	5	278

- 4.3 The project period shall begin within one month of the date of appointment, unless specified otherwise by the WCDHS. The WCDHS will release the housing units to the service provider in batches of approximately 20 to 30 units at a time, based on the unit block configurations, as determined by the site development plan (SDP). The WCDHS will release a new batch of units to the service provider on satisfactory sales and transfers being achieved with the previous batch.
- 4.4 The WCDHS reserves the right to terminate the contract if the service provider has not achieved the required sales and transfers within the specified timeframes and has not substantiated the reason/s for not achieving the required sales.
- 4.5 The WCDHS reserves the right to extend, or not extend, the project timeframe based on the service provider's performance and the number of transfers completed. The WCDHS may consider an extension of the time, should external factors, outside the control of the service provider, have caused delays to the sales and transfer of the units.
- 4.6 If so required, the WCDHS may, and reserves the right to, conduct a procurement process to appoint an additional service provider/s, in order to expedite the sales and transfers, should the service provider fail to meet any of the required performance indicators and property sales and transfer deliverables. Such appointment of additional service providers may be additional to the appointed service provider under this bid process and the WCDHS

may also, and reserve the right to, reduce the scope of the contract awarded to the service provider under this bid process. The following must also be noted and as stated in paragraph 1.4 above which is repeated below to emphasise its importance and part of the terms and conditions of this ToR:

*"1.4 At the outset it is important to note that the appointment of the successful bidder may not result in an exclusive contract and arrangement between the WCDHS and the successful bidder for the services envisaged by this ToR and under the circumstances as stated below:*

*1.4.1 If the appointed service provider fails to comply with any of the requirements stated in this ToR, and/or with the terms and conditions stated in the special conditions of contract (SCC) (in the form of service level agreement), to be concluded between the WCDHS and the appointed service provider, the WCDHS reserves the right to, and may without notice, appoint other service providers, through whatever procurement processes, to perform the services envisaged in this ToR, and/or additional services, and such other service provider(s) to perform such services then either in conjunction with the successful bidder, or on its own.*

*1.4.2 The WCDHS therefore reserve all its rights in this regard, including the right to conduct subsequent procurement processes, and whilst the contract with the successful bidder, emanating from this bid process, is ongoing, and to appoint other service providers under the circumstances as indicated, to render the services envisaged under this ToR in conjunction with, or separate from, the successful bidder."*

4.7 The project may be phased, if required, and shall make allowance for selling price adjustments. Any such price adjustments, and the updating of all marketing material is deemed to be included.

## **5. REPORTING, MEETINGS AND DATA MANAGEMENT**

5.1 An inception meeting will be convened between the WCDHS, MBM, RUWACON (PTY) Ltd (the building contractor) and Royal HaskoningDHV (the project managers) , at the start of the sales and marketing process.

- 5.2 The service provider must report to the WCDHS and attend fortnightly progress meetings. The WCDHS will exercise quality and governance oversight at these progress meetings.
- 5.3 Fortnightly written progress reports must be submitted to the WCDHS. Such reports shall provide detailed analysis and progress of each transaction. This must include, among other things, the status of the FLISP and end-user finance applications and approvals, house handovers and copies of title deeds issued. In addition, the reports shall provide detail on the transfer process, including Deeds Office lodgments and registrations. The reports must be generated via the CRM system.
- 5.4 The service provider must provide a monthly marketing report detailing the statistics of the market reach, market profiling and segmentation, the number of leads generated, and the number of successful sales deals entered into via various media and marketing platforms, etc. The service provider must implement any required changes to the marketing strategy and plan based on the outcome of the market response, ensuring maximum reach.
- 5.6 The service provider must provide a secure and compliant database with all project information. The service provider must ensure compliance with the Protection of Personal Information Act (POPIA).
- 5.7 The service provider will be responsible for compiling a close-out report relating to the full scope of work of the bid.

## 6. EVALUATION CRITERIA

The service provider will be responsible for the provision of the following services and for which the following evaluation criteria will be applicable:-

- 6.1 Project coordination, marketing and sales management – Must be undertaken by a registered Estate Agent (Property Practitioner) who holds a valid Fidelity Fund Certificate (FFC), issued by the Property Practitioners Regulatory Authority (PPRA), or the previous Estate Agents Affairs Board (EAAB), as evidence of registration and confirmation that the person is legally entitled to carry out the activities, or person or company that is exempt from the Property Practitioners Act (PPA) such as a qualified conveyancing attorney with a valid Law Practice Council FFC. The relevant FFC must be submitted as **Form 1 – Fidelity Fund Certificate (FFC)**.

The service provider must have undertaken the project coordination, marketing and sales management of at least one new affordable housing development where some, or all of the sales transactions, utilised the FLISP subsidy and included the securing of individual end-

user finance packages. A detailed company profile (CV) must be submitted as **Form 13 – Detailed Company Profile (CV)**, which details the qualification and experience of the service provider. In addition, the detailed company profiles of any other subcontracted entities that will form part of the project team must also be submitted as part of the Company Profile and be included in **Form 6 – Detailed Project Plan**. The service provider must provide clear evidence that the project team, including all subcontracted entities, will have the requisite capacity to undertake and complete this project. The required implementation programme must be submitted as **Form 11 – Detailed Implementation Programme**, is to provide clear evidence of in-depth knowledge of the processes, and requisite timeframes, to achieve the required sales. Furthermore, the service provider must submit a detailed marketing and sales strategy and implementation plan as **Form 7 – Detailed Marketing Strategy and Implementation Plan**, demonstrating an in-depth market knowledge, track record of marketing and sales experience, and a thorough understanding of the affordable housing sector to ensure maximum market reach and penetration.

- 6.2 Required to 'prescreen' all the applicants - This process must be undertaken for both the qualification for the FLISP subsidy and determining the creditworthiness and affordability of potential purchasers for any required end-user finance. This process is to be documented and provided as **Form 8 – Detailed Pre-screening process**.
- 6.3 Submitting and securing end-user finance packages and individual end-user finance applications – must be undertaken by a licensed mortgage originator, or broker, in terms of the Financial Sector Regulations Act (FSRA) and in compliance with the (PPA), where applicable. The license must be submitted as **Form 2 – Mortgage Originator License**.
- 6.4 The transfer of the property from MBM to the purchaser - to be undertaken by a registered and practising conveyancing attorney with a valid Fidelity Fund Certificate (FFC) taking into consideration the provisions of the Legal Practice Council or Legal Practice Act, No. 28 of 2014 as amended. The relevant FFC must be submitted as **Form 3 – Fidelity Fund Certificate (FFC)**.
- 6.5 Registration of mortgage bonds on behalf of the institution providing such mortgage bonds – to be undertaken by a practising conveyancing attorney serving on the panel of the given financial institution to register such a mortgage bond. Various financial institutions have different conveyancing attorneys on their panels. The service provider is required to



subcontract this component of work to such conveyancing attorneys serving on banking panels, the cost of which is to be covered by the service provider.

## 7. COMPULSORY CLARIFICATION SESSION

A compulsory clarification session will be held on site at the Mountain View (Louis Fourie) Project which is located between Louis Fourie Road and Bill Geffery roads in Mossel Bay.

Date: **Tuesday, 14<sup>th</sup> March 2023**

Time: **9.00 am**

Venue: To meet on site, at the corner of Bill Geffery Avenue and Grunter Str/Road, Mossel Bay



Contact Person: Mr Gavin Wiseman on 021 483 6492 or 082 825 8363

Ms Esther Pillay on 021 483 3173

## 8 OTHER CONTRACTUAL ASPECTS

- 8.1 Upon the award of the tender, the successful bidder will be required to enter a standard contract agreement that incorporates the terms and conditions of this bid.
- 8.2 The successful service provider must have all required insurances, including any professional indemnity (PI) cover. Where applicable, the service provider must comply with the

provisions of the Compensation for Occupational Injuries and Deceases Act (COIDA) and provide proof of their current good standing with the Workman's Compensation Commission/ COIDA registration number. These requirements may be requested at the inception meeting/signing of the Service Level Agreement.

- 8.3 Bidders are to comply with the Occupational Health and Safety Act No. 85 of 1993. Bidders must ensure that all sub-contractors or others engaged in the performance of the scope of work, or parts thereof, such as the required cleaning of the completed units, also comply with the above requirements.

## 9. FINANCIAL PROPOSAL

- 9.1 The bidder must provide a total price per unit/house containing all the elements of the scope work for the marketing, sales, handover, transfer and bond registration of that unit/house to an approved beneficiary. This overall rate, however, will be made up of the following elements as detailed in **Form 4 – Pricing Schedule**
- 9.2 Marketing, sales and management function in terms of the Property Practitioners Act, including, among others, implementing a focused marketing strategy, the establishment and maintenance of a showhouse and on-site (or in close proximity) office, the creation and maintenance of a project website for the signing up of beneficiaries, consumer education, obtaining project end-user finance packages approval from the major banks, the completion of OTPs, the submission of FLISP subsidy applications to the WCDHS, the submission of individual end-user finance application to all major banks and financial institutions, concluding the finalisation of the sales transaction, cleaning of the unit before occupation and the entire 'house handover' process as detailed in the Scope of Work. The rate will be a fixed amount per successful sales transaction and NOT a selling price-based commission amount. The per unit amount will be paid upon the successful transfer.
- 9.3 The conveyancing costs for the transfer of the property to the approved beneficiary. This must include ALL associated costs such as Deeds Office Fee, obtaining rates clearance certificates, any taxes, duties, consumables, etc. The rate will be a fixed amount per successful transfer and NOT a selling price-based amount. The per unit amount will be paid upon the successful transfer.
- 9.4 The bond registration cost for the registration of a bond for the relevant bank. This is to be a fixed amount per bond registration and NOT a percentage or value based on the



mortgage bond value. The per unit rate shall include ALL associated costs with this process, including any Deeds Office fees, taxes or duty and any consumables etc.

- 9.5 The accumulative total of 9.2, 9.3 and 9.4 is to be multiplied by the total number of 278 units/houses must be sold and transferred. This final total is the total bid price to be used for adjudicating of the bid, as detailed in 10.3 below.
- 9.6 Payment to the successful bidder will be made upon the successful transfer of the property. The relevant funds will be dispersed through the conveyancing attorney's Trust Account, whereby the conveyancing attorney will pay the WCDHS the nett amount. The relevant amount for the marketing and sales, the conveyancer's fee for the transfer, and the bond registration costs will be dispersed to the relevant parties by the conveyancing attorney, should they not be undertaken by the same entity. Monthly detailed reconciliation statements are must be provided to all parties.

## 10. **COMPULSORY CRITERIA, EVALUATION AND ADJUDICATION OF BIDS**

Bids will be evaluated in accordance with the 80/20 Procurement system and in the following Phases:

### 10.1 Phase 1: Compliance Evaluation:-

All bids must be submitted in lever-arch files, with the bid number HS 04/2022/2023 on the cover and all the required supporting documents/attachments. Bids must be deposited in the bid box situated on the Ground Floor, Department of Human Settlements, ISM Building, 27 Wale Street, Cape Town on or before:

Date: **Friday 31<sup>st</sup> March 2023**

Time: **11.00 am**

### **NB: No late bids will be accepted**

The bidder must, in addition to the attachments detailed in paragraph 11, submit the following compulsory documents with the bid:-

- (a) Fully completed WCBD 1 (To include total bid price carried forward from Form 4 – Pricing Schedule);
- (b) Proof of Tax Compliance status (CSD Report or valid tax clearance);

- (c) Fully completed Form 4 – Pricing Schedule (Total bid price to be declared in WCBD 1);
- (d) Fully completed and duly commissioned WCBD 4 - [Declaration of interests, bidders past SCM practices and independent bid determination];
- (e) Fully completed WCBD 6.1 if preference points are claimed, inclusive of either a sworn affidavit or certificate to confirm their Broad-Based Black Economic Empowerment Status Level. NB: To qualify for preference points, it is the responsibility of the bidder to submit the relevant certification/sworn affidavit in terms of the Preferential Procurement Regulations, 2017 at the time of closing of the bid;
- (f) Proof of registration on the Central Supplier Database (CSD);
- (g) Fully completed clarification certificate signed by the WCDHS representative attending the session.

10.1.1 **In addition, the bidder must:**

- (a) for the marketing and sales function, submit a valid Fidelity Fund Certificate (FCC), issued by the Property Practitioners Regulatory Authority (PPRA), or the previous Estate Agents Affairs Board (EAAB), as evidence of registration and confirmation that the person is legally entitled to carry out the activities, or person or company that is exempt from the Property Practitioners Act (PPA) such as a qualified conveyancing attorney with a valid Law Practice Council FFC. The relevant FFC must be submitted as **Form 1 - Fidelity Fund Certificate (FCC)**.
- (b) for the application of project and end-user finance packages, submit a valid Mortgage Originator License of the licensed mortgage originator, or broker, in terms of Financial Sector Regulations Act (FSRA) and in compliance with the (PPA), where applicable, that will be part of the project team. The license must be submitted as **Form 2 – Mortgage Originator License**.
- (c) for the conveyancing function and transfer process of the units, submit a valid Fidelity Fund Certificate (FFC) taking into consideration the provisions of the Legal Practice Council or Legal Practice Act, No. 28 of 2014 as amended, of the team member undertaking this conveyancing function. The relevant FFC is to be submitted as **Form 3 - Fidelity Fund Certificate (FCC)**

**Failure to comply with these requirements will render bids invalid and bidders will be disqualified in this phase.**

## 10.2 Phase 2: Functionality Evaluation

The WCDHS will evaluate the proposals with special attention to the criteria described hereunder. Compliance with the scope of work and consideration of any latent or other factors that might affect the successful delivery of the required deliverables will be considered. The assessment indicators and points allocation for scoring are shown in Table 1 below.

Each criterion will be given a score between 0 and 5 according to the scoring matrix given in Table 2. Each score will be multiplied by the weighting factor (refer to Table 1, column 3) to get the total score for the criterion. Bidders scoring less than 60 out of a maximum of 100 (60%) will not proceed to the next phase of evaluation.

**Table 1: Functionality Evaluation: Criteria, Assessment Indicators and Point Allocation**

Item/Criteria	Unweighted score maximum (refer to Table 2: Scoring Matrix for point allocation)	Weighting factor	Total maximum score
<b>Total applicable experience (company profile and/or combined profile of property practitioner and conveyancer/s)</b>			
Overall Implementation and management of marketing and sales of new affordable housing development (projects) focused on the FLISP subsidy market.	5	4	20
Relevant conveyancing experience and transfer of the erven/houses in new affordable housing developments.	5	3	15
<b>Subtotal</b>			<b>35</b>

<b>Overall project implementation plan and marketing strategy</b>			
Coherent project implementation plan detailing: - team members and subcontracted entities' relevant experience and expertise; appropriate processes; timeframes/programme; all aligned to deliverables detailed in the scope of work.	5	3	15
Implementation of detailed marketing and sales strategy/plan to ensure maximum market reach. Demonstrable in-depth market knowledge and a track record of market and sales experience within the affordable housing market.	5	3	15
<b>Subtotal</b>			<b>30</b>
<b>Application and approval of FLISP subsidies and end-user financing</b>			
Relevant experience and management of FLISP subsidy applications to the WCDHS, on behalf of beneficiaries and obtaining required approvals.	5	3	15
Proven track record of the 'pre-screening' of FLISP subsidy applications and individual end-user packages to determine eligibility, affordability and credit score.	5	2	10
Implementation of credit readiness/rehabilitation programme facilitating the repair of impaired credit scores.	5	1	5
Provision of a Consumer Education Programme and home-owner training/education.	5	1	5
<b>Subtotal</b>			<b>35</b>
<b>Grand Total</b>			<b>100</b>

Table 2: Scoring Matrix

Criteria	Score out of 5	Explanation
<b>Total applicable experience (company profile and/or combined profile of property practitioner and conveyancer/s)</b>		
Overall Implementation and management of the marketing and sales of new affordable housing development projects, which includes the use of the FLISP subsidy. (A new affordable housing project is one where some, or all, of the sales transactions, were enabled by the purchasers accessing the FLISP subsidy and for which new units were developed).	5	Bidder has undertaken the Implementation and management of the marketing and sales of <b>2 or more new affordable housing projects</b> . The bidder must submit a detailed profile providing the details of each project, including the total number of units sold, the selling price of the units, the number of sales transactions that used the FLISP subsidy. The bidder must provide a reference person to contact for each project listed to verify the information provided.
	3	Bidder has implemented and managed the marketing and sales of <b>at least 1 new affordable housing projects</b> . The bidder must submit a detailed profile providing the details of each project, including the total number of units sold, the selling price of the units, and the number of sales transactions that used the FLISP subsidy. The bidder must provide a reference person to contact for each of the projects listed to verify the information provided.
	0	Bidder has not undertaken the Implementation and management of the marketing and sales of new affordable housing projects.
Relevant conveyancing experience and transfer of the erven/houses in new affordable housing	5	Bidder has completed the transfer of <b>more than 30 affordable housing transactions</b> where the sale was enabled using the FLISP subsidy. The bidder must submit project and transaction details that can be verified against the National HSS database, along with the list of relevant erf

developments where the FLISP subsidy has been utilised		numbers must be provided for each transaction as verification
	3	Bidder has completed the transfer of <b>at least 10 to 30 affordable housing transactions</b> where the sale was enabled by means of the FLISP subsidy. The bidder must submit project and transaction details that can be verified against the National HSS database, along with the list of relevant erf numbers must be provided for each transaction as verification
	1	Bidder has completed the transfer of <b>at least 1 to 9 affordable housing transactions</b> where the sale was enabled using the FLISP subsidy.
	0	Bidder has completed the transfer of <b>no affordable housing transactions</b> where the sale was enabled using the FLISP subsidy.

Overall project implementation plan and marketing strategy		
A coherent project implementation plan detailing the team members and all subcontracted entities (if applicable) and their roles and responsibilities, the relevant experience and expertise of the team members and entities must be provided. The plan must provide a detailed workflow of all required processes, timeframes and a detailed	5	<b>Outstanding</b> - Bidder demonstrating thorough/in-depth knowledge, understanding and implementation experience of the required deliverables and processes as contained in the scope of work; bidder provides detailed and extensive evidence that their team members/subcontracted entities have the ability and capacity to deliver fully on bid requirements. The bidder has demonstrated proven innovation that adds value to the bid.
	4	<b>Good</b> - Bidder demonstrating sound/adequate knowledge, understanding and implementation experience of the required deliverables and processes as contained in the scope of work; bidder gives strong evidence that their team members/subcontracted entities have the

programme of all processes, aligned to deliverables detailed in the scope of work. The implementation plan must demonstrate a thorough knowledge and understanding of all processes to successfully complete the full scope of work.		ability and capacity to deliver on bid requirements.
	3	<b>Acceptable</b> - Bidder demonstrating an acceptable knowledge, understanding and implementation experience of the required deliverables and processes as contained in the scope of work; bidder gives evidence that their team members/subcontracted entities have the ability and capacity to deliver on bid requirements in an acceptable manner.
	1	<b>Poor</b> – The bidder lacks knowledge, understanding and implementation experience of the required deliverables and processes as contained in the scope of work. The bidder did not provide sufficient evidence that their team members/subcontracted entities have the ability and capacity to deliver fully on bid requirements. The bidder lacks insight and understanding of the deliverables and has limited or no track record. The bid runs the risk that relevant skills and experience will not be available.
	0	<b>Unacceptable</b> - Bidder provides no evidence/no reference to evidence/no comment. Bidder fails to address the required deliverable. Information was completely inadequate.
Implementation of a detailed marketing and sales strategy/plan to ensure maximum market reach and achieve required sales targets. Demonstrable in-depth market	5	<b>Outstanding</b> - Bidder provides a marketing strategy and implementation plan demonstrating a thorough/in-depth knowledge, understanding, and previous experience of the marketing and sales of new affordable housing projects; bidder provides detailed and extensive evidence that their team can deliver fully on bid requirements. The bidder has been able to



<p>knowledge and track record of market and sales experience within the new affordable housing market where some, or all, sales transactions were enabled through the FLISP subsidy. The marketing and sales strategy demonstrates a thorough understanding of the affordable housing sector, including market segmentation, targeting, positioning and the proven methodologies of reaching the greatest numbers of potential buyers. The marketing strategy must recognise the requirement of potential buyers not having internet/website access and preferring to transact in a 'face-to-face' manner.</p>		demonstrate innovation and adds value to the bid e.g. example of a previous/current 'project specific' marketing website, social media platforms, comprehensive market knowledge and understanding.
	4	<b>Good</b> - Bidder provides a sound and coherent marketing strategy and implementation plan that considers all relevant aspects that would be expected; bidder provides strong evidence of skill and experience sought and shows an understanding of required deliverables for the marketing strategy and the Implementation thereof.
	3	<b>Acceptable</b> - Bidder provides acceptable marketing strategy and implementation plan; bidder provides satisfactory evidence of knowledge, understanding, skill, and experience sought and shows an understanding of required deliverables and project requirements.
	1	<b>Poor</b> - Bidder gives a poor response; lacks insight and understanding of the affordable housing market and how to achieve the required sales targets for the project. The bid runs the risk that relevant skills and experience will not be available.
	0	<b>Unacceptable</b> - Bidder provides no evidence/no reference to evidence/no comment. Bidder fails to address the required strategy and implementation plan. Information was completely inadequate.

#### Application and approval of FLISP subsidies and end-user financing

Relevant experience and management of FLISP subsidy	5	Bidder has successfully completed the application and facilitated the successful approval of <b>more than 30 FLISP subsidies</b> on
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applications to the WCDHS, on behalf of beneficiaries and obtaining required approvals		behalf of purchasers for a new affordable housing project. The bidder must submit project and transaction details that can be verified against the National HSS database, along with the list of relevant details and erf numbers to be provided for each transaction as verification, with personal information removed for POPIA compliance.
	3	Bidder has completed the application and facilitated the successful approval of <b>at least 10 to 30 FLISP subsidies</b> on behalf of purchasers for a new affordable housing project. The bidder must submit project and transaction details that can be verified against the National HSS database, along with the list of relevant details and erf numbers to be provided for each transaction as verification, with personal information removed for POPIA compliance.
	1	Bidder has completed the application and facilitated the successful approval of <b>1 to 9 FLISP subsidies</b> on behalf of purchasers for a new affordable housing project. The bidder must submit project and transaction details that can be verified against the National HSS database, along with the list of relevant details and erf numbers to be provided for each transaction as verification, with personal information removed for POPIA compliance.
	0	Bidder provides no evidence. Bidder fails to address this required deliverable.
Proven track record of the 'pre-screening' of FLISP subsidy applications and individual end-user	5	Bidder has completed <b>more than 30 'pre-screening'/pre-qualification checks</b> for FLISP subsidy qualification and credit score and affordability checks. The bidder must submit the relevant project and pre-screening details that

<p>packages to determine eligibility, affordability and credit score. The bidder must provide evidence of the system and methodology used to 'pre-screen'/pre-qualify potential buyers for the FLISP subsidy. In addition, bidders must to provide evidence of the system and methodology used to determine the credit score and affordability of potential buyers and hence their ability to secure end-user finance.</p>		can be verified e.g. system printout of pre-screening database with personal information removed for POPIA compliance.
	3	Bidder has completed <b>at least 10 to 30 'pre-screening'/pre-qualification checks</b> for FLISP subsidy qualification and credit score and affordability checks. The bidder must submit the relevant project and pre-screening details that can be verified e.g. system printout of pre-screening database with personal information removed for POPIA compliance.
	1	Bidder has completed <b>at least 1 to 9 pre-screening /pre-qualification checks</b> for FLISP subsidy qualification and credit score and affordability checks. The bidder must submit the relevant project and pre-screening details that can be verified e.g. system printout of pre-screening database with personal information removed for POPIA compliance.
	0	Bidder provides no evidence. Bidder fails to address this required deliverable.
<b>End-user financial assistance and education programmes</b>		
<p>Proven track record of a credit readiness/rehabilitation programme facilitating the repair of impaired credit scores and improving affordability criteria. The bidder is to provide the details of the approach and methodology of the credit readiness programme. The bidder</p>	5	Bidder has successfully enrolled <b>more than 20 potential buyers</b> on a credit readiness/rehabilitation programme. The bidder must submit the relevant project and credit readiness programme details. Verification must be provided for all enrolled participants and those who have successfully completed the programme e.g. system/database printout and details with relevant personal information removed for POPIA compliance.
	3	Bidder has successfully enrolled <b>between 5 to 20 potential buyers</b> on a credit readiness /rehabilitation programme. The bidder must

must provide verification of the number of potential buyers that have been successfully enrolled on the programme and the number of participants that have successfully rehabilitated.		submit the relevant project and credit readiness programme details. Verification is to be provided for all enrolled participants (potential buyers) and those who have successfully completed the programme e.g. system/database printout and details with relevant personal information removed for POPIA compliance.
	1	The bidder has successfully enrolled <b>between 1 and 4 participants</b> in a credit readiness/rehabilitation programme. The bidder must submit the relevant project and credit readiness programme details. Verification is to be provided for all enrolled participants (potential buyers) and those who have successfully completed the programme e.g. system/database printout and details with relevant personal information removed for POPIA compliance.
	0	Bidder does not have such a programme in place or access to such a programme or initiative.
Provision of a Consumer Education Programme and home-owner training/education. The bidder is to provide the detail of any consumer education and home-owner training undertaken.	5	Bidder has completed consumer education and home-owner training for <b>more than 30 participants</b> . The bidder must submit the relevant project and programme/training details. Verification must be provided for all enrolled e.g. system/database/attendance register printouts and details with relevant personal information removed for POPIA compliance.
	3	Bidder has completed consumer education and home-owner training for <b>at least 10 to 30 participants</b> . The bidder must submit the relevant project and programme/training

		details. Verification must be provided for participants e.g. system/database/attendance register printouts and details with relevant personal information removed for POPIA compliance.
	1	Bidder has completed consumer education and home-owner training for <b>at least 1 to 9 participants</b> . The bidder must submit the relevant project and programme/training details. Verification must be provided for participants e.g. system/database/attendance register printouts and details with relevant personal information removed for POPIA compliance.
	0	Bidder does not have such a programme in place.

### 10.3 Phase 3: Price Evaluation

The bids that pass Phase 2 will be evaluated according to the 80/20 points system as prescribed by the Preferential Procurement Regulations, 2017. Preference points shall be awarded for:

- a) Price (80 Points)
- b) B-BBEE Status Level of Contribution (20 Points)

A maximum of 80 points will be allocated for the financial offer in terms of the formula to calculate points allocation:

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

Where:

$P_s$  = Points scored for the comparative price of tender or offer under consideration;

$P_t$  = Comparative price of tender or offer under consideration; and

$P_{\min}$  = Comparative price of lowest acceptable tender or offer.

## 11. BID DOCUMENTS (RETURNABLES) REQUIRED OF EVALUATION

The bidder must submit the following Bid Documents at the closing of the tender:-

- 11.1 Form 1 – Fidelity Fund Certificate (FFC)
- 11.2 Form 2 – Mortgage Originator License
- 11.3 Form 3 – Fidelity Fund Certificate (FFC) [Legal Practice Council or Legal Practice Act, No. 28 of 2014 as amended]
- 11.4 Form 4 – Pricing Schedule (Total Bid Price to be carried forward to WCBD 1)
- 11.5 Form 5 - Financial References
- 11.6 Form 6 - Detailed Project Plan
- 11.7 Form 7 - Detailed Marketing Strategy and Implementation Plan
- 11.8 Form 8 - Detailed Pre-screening Process
- 11.9 Form 9 - Credit Readiness Programme
- 11.10 Form 10 - Customer Relationship Management (CRM) System
- 11.11 Form 11 - Detailed Implementation Programme
- 11.12 Form 12 - Use of Local Property Practitioners (If Applicable)
- 11.13 Form 13 - Detailed Company Profile (CV)
- 11.14 Form 14 - Occupational Health and Safety

The 'checklist' is provided in Section 12 below. The bidder is to sign to confirm that all the relevant documents have been submitted as part of the bid.

**12. BID DOCUMENTS (RETURNABLES)****FORM 1 - FIDELITY FUND CERTIFICATE (FFC)**

The bidder must submit a valid Fidelity Fund Certificate (FFC) as issued by the PPRA or EAAB, or Law Practice Council as outlined in the Qualification Criteria.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of a valid Fidelity Fund Certificate.

**SIGNED ON BEHALF OF BIDDER:** .....



**FORM 2 – MORTGAGE ORIGINATOR LICENSE**

The bidder must submit a valid mortgage originator, or broker license, in terms of the Financial Sector Regulations Act (FSRA) and in compliance with the PPA where applicable.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of a mortgage originator license.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 3 - FIDELITY FUND CERTIFICATE (FFC)**

The bidder must submit a valid Fidelity Fund Certificate (FFC) taking into consideration the provisions of the Legal Practice Council or Legal Practice Act, No. 28 of 2014 as amended, of the team member undertaking this conveyancing function.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of a valid Fidelity Fund Certificate.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 4 – PRICING SCHEDULE**

The prices inserted below constitute a form of offer and acceptance, the bidder offers to perform all of the obligations and liabilities under the contract, including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined as per the conditions of the contract.

Table 1 and 2 must be completed. The Total Bid Price, as per Item 5 of Table 2, will be taken and adjudicated in terms of the 80/20 Preference Point System for requirements with a Rand value of up to R50 000 000 (all applicable taxes included). The total bid price must also be carried forward inserted on page 2 of WCBD 1. The offer to be valid for 120 days from the closing date of the bid.

Item No.	Description of Scope of Work	Cost in Rands per unit/house sold & transferred (incl. VAT)
1.	Marketing, sales and management function (as per 9.2)	
2.	Conveyancing cost for property transfer (as per 9.3)	
3.	Bond registration cost (as per 9.4)	
4.	<b>Total amount per unit/house sold &amp; transferred (incl. VAT)</b> <b>[Total of Item 1 + Item 2 + Item 3]</b>	

Table 1 – Cost breakdown per unit/house sold and transfer for each combined element of the Scope of Works

	Description of Item	Total bid price for the sale and transfer of 278 units/houses (incl. VAT)
5.	<b>TOTAL BID PRICE FOR THE SALE AND TRANSFER OF 278 UNITS/HOUSES [ITEM 4: TOTAL PER UNIT/HOUSE X 278 UNITS]</b>	

Table 2 – Total tendered amount for fulfilling the Scope of Works for the 278 units

Signature(/s) .....

Name(/s) .....

Capacity .....

**FORM 5 - FINANCIAL REFERENCES****FINANCIAL STATEMENTS**

I/We agree, if required, to furnish an audited copy of the latest set of financial statements together with my/our Directors' and Auditors' report for consideration by the Employer.

**DETAILS OF COMPANY'S BANK**

I/We hereby authorise the Employer/Engineer to approach all or any of the following banks to obtain a financial reference / Bank rating:

DESCRIPTION OF BANK DETAIL	BANK DETAILS APPLICABLE TO BIDDER'S HEAD OFFICE
Name of bank	
Branch name	
Branch code	
Street address	
Postal address	
Name of manager	
Telephone number	(     )
Fax number	(     )
Account number	

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 6- DETAILED PROJECT PLAN**

The bidder must submit a detailed project plan that provides clear details of the Implementation of the required scope of works and overall management thereof.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of the detailed project plan.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 7 – DETAILED MARKETING STRATEGY AND IMPLEMENTATION PLAN**

The bidder must submit a detailed marketing strategy and implementation plan that demonstrates the required experience and thorough understanding and specific focus to ensure the required market segmentation and reach to the FLISP target market.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of the detailed marketing strategy.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 8 - DETAILED PRE-SCREENING PROCESS**

The bidder is to submit the details of the 'pre-screening' process that will be undertaken as outlined in the scope of works.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder, hereby confirm the submission of the details of the 'pre-screening' process.

**SIGNED ON BEHALF OF BIDDER:** .....



**FORM 9 - CREDIT READINESS PROGRAMME**

The bidder must submit the outline of the programme and methodology of the credit readiness programme/initiative that will be undertaken as outlined in the Scope of Works.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We, the bidder hereby confirm the submission of the details of the credit readiness programme.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 10 - CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM**

The bidder must submit the details of the CRM system that will be implemented as outlined in the Scope of Works.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of the details of the CRM system.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 11 - DETAILED IMPLEMENTATION PROGRAMME**

The bidder must submit a detailed implementation programme as outlined in the scope of works.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We, the bidder hereby confirm the submission of a detailed implementation programme.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 12 - USE OF LOCAL PROPERTY PRACTITIONERS (IF APPLICABLE)**

The bidder, if not a property practitioner operating an office within Mossel Bay area, must submit a proposal on how they intend to work, and collaborate with, local registered property practitioners in the Mossel Bay area, where possible and feasible. The proposal is to provide the detail of such working relationships as outlined in the scope of works.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of a proposal on working with local registered property practitioners.

**SIGNED ON BEHALF OF TENDERER/BIDDER:** .....

**FORM 13 - DETAILED COMPANY PROFILE (CV)**

The bidder must submit a detailed company profile (CV) as detailed in the Qualification Criteria. The profile must provide clear evidence of experience in project coordination and sales management within the affordable housing market with specific reference to the FLISP market. Company profiles of all other entities within the project team area also to be provided.

**[Documents are to be attached and to form part of the Bid Documents]**

I/We the bidder hereby confirm the submission of the company profiles.

**SIGNED ON BEHALF OF BIDDER:** .....

**FORM 14 – OCCUPATIONAL HEALTH AND SAFETY**

Bidders are to note the requirements of the Occupational Health and Safety Act No. 85 of 1993. The bidder shall be deemed to have read and fully understood the requirements of the above Act and Regulations and to have allowed for all costs in compliance therewith.

Bidders are to ensure that all sub-contractors or others engaged in the performance of the contract also comply with the above requirements.

The bidder shall also take into account the cleaning of units as required in the Scope of Work, and if deemed necessary to draw up a Health and Safety Plan for this portion of the contract to ensure that all occupational health and safety requirements are complied with by any such contractor or sub-contractors.

**SIGNED ON BEHALF OF BIDDER:** .....

### 13. ENQUIRIES

***Enquiries relating to technical information may be directed to:***

Mr. G Wiseman

Director: Affordable Housing

Department of Human Settlements (Western Cape Government)

Telephone: 021 483 6429

Email: [Gavin.wiseman@westerncape.gov.za](mailto:Gavin.wiseman@westerncape.gov.za)

***Enquiries relating to the bidding procedures may be directed to:***


Ms. S. Moodley

Directorate: Financial Management

Department of Human Settlements (Western Cape Government)

Telephone: 021 483 8970

Email: [Shoba.moodley@westerncape.gov.za](mailto:Shoba.moodley@westerncape.gov.za)



G. WISEMAN  
01/03/2023



# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**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 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](http://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.

- |   |   |
|---|---|
| <b>16. Payment</b>                              | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</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 SCC.</p>   |
| <b>17. Prices</b>                               | <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 SCC or in the purchaser's request for bid validity extension, as the case may be.</p>  |
| <b>18. Contract amendments</b>                  | <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>   |
| <b>19. Assignment</b>                           | <p>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.</p>   |
| <b>20. Subcontracts</b>                         | <p>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.</p>   |
| <b>21. Delays in the supplier's performance</b> | <p>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.</p> <p>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.</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 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 (NIP) Programme** 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.

