



# **UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA (USAASA)**

## **TERMS OF REFERENCE (TOR) FOR THE APPOINTMENT OF A SERVICE PROVIDER FOR THE RELOCATION OF USAASA ICT INFRASTRUCTURE**

### **1. ORGANISATIONAL BACKGROUND**

- 1.1. The Universal Service and Access Agency of South Africa (USAASA) is established in terms of Section 80 of the Electronic Communications Act No. 36 of 2005. The Agency is mandated to promote universal access and universal service to electronic communications network services (ECNS), electronic communications services (ECS), and broadcasting services.
- 1.2. In terms of Section 82(5) of the Act, USAASA administers the Universal Service and Access Fund (USAF), established under Section 87.

### **2. PURPOSE**

- 2.1. The purpose of this Terms of Reference is to appoint a suitably qualified and experienced service provider to undertake the secure relocation of USAASA ICT infrastructure, including:
  - 2.1.1. Decommissioning
  - 2.1.2. Transportation
  - 2.1.3. Recommissioning
  - 2.1.4. Network reconfiguration
  - 2.1.5. Testing and validation
- 2.2. This process must be executed in a controlled, secure, and auditable manner, ensuring minimal disruption to business operations.

### **3. BACKGROUND**

- 3.1. USAASA operates a hybrid ICT environment consisting of:
  - 3.1.1. 60 Virtualised server infrastructure (VMware on IBM Flex System)
  - 3.1.2. SAN storage systems
  - 3.1.3. Network infrastructure (LAN/WAN/MPLS)
  - 3.1.4. VoIP communication systems
  - 3.1.5. Firewall, wireless, and security infrastructure

**3.2.** The Agency is relocating its offices and requires a structured migration of ICT infrastructure to the new site.

**3.3.** *Interested bidders are required to visit the current and new premises for better assessment and understanding of the scope so to aid them on pricing.*

#### **4. OBJECTIVES**

**4.1.** The objectives of this assignment are to:

4.1.1. Ensure safe and secure relocation of all ICT infrastructure

4.1.2. Minimise downtime and operational disruption

4.1.3. Ensure full system functionality post-migration

4.1.4. Maintain data integrity and security

4.1.5. Produce complete technical documentation (as-built environment)

#### **5. SCOPE OF WORK**

The service provider will be responsible for the full lifecycle of ICT relocation, including but not limited to:

##### **5.1. Pre-Migration Planning**

5.1.1. Site assessment (old and new premises)

5.1.2. Migration plan and schedule

5.1.3. Risk assessment and mitigation plan

5.1.4. Business continuity and rollback plan

5.1.5. Asset verification and inventory

##### **5.2. Decommissioning**

5.2.1. Labelling and documentation of all equipment and cabling

5.2.2. Safe shutdown procedures

5.2.3. Secure removal and packaging (anti-static and shock protection)

5.2.4. Backup verification prior to shutdown

##### **5.3. Transportation**

5.3.1. Secure, insured, and climate-controlled transport

5.3.2. Chain-of-custody controls

5.3.3. Transit risk mitigation

##### **5.4. Recommissioning**

5.4.1. Installation of racks and equipment

5.4.2. Reconnection of all systems

5.4.3. Power-up sequencing and validation

## 5.5. Network & Systems Reconfiguration

- 5.5.1. IP address reconfiguration (LAN, WAN, DMZ)
- 5.5.2. VLAN and routing configuration
- 5.5.3. Firewall and security rule updates
- 5.5.4. VPN and SIP trunk reconfiguration
- 5.5.5. DNS and NAT updates (where applicable)
- 5.5.6. ISP coordination for connectivity

## 5.6. Testing & Validation

- 5.6.1. End-to-end system testing
- 5.6.2. Network performance testing
- 5.6.3. Application and service validation
- 5.6.4. Security verification
- 5.6.5. User acceptance testing support

## 5.7. Post-Migration Documentation (Mandatory Deliverables)

The service provider must deliver:

- 5.7.1. As-built network architecture diagrams
- 5.7.2. IP address schema and configuration register
- 5.7.3. Rack layout diagrams
- 5.7.4. Configuration backups
- 5.7.5. Migration report (including issues log and resolutions)

## 6. DELIVERABLES & ACCEPTANCE CRITERIA

- 6.1. Final acceptance will be subject to formal sign-off by USAASA Project Manager.

<b>Deliverable</b>	<b>Acceptance Criteria</b>
Migration Plan	Approved by USAASA prior to execution
Risk & Rollback Plan	Complete and feasible
Successful Relocation	All systems operational
Network Configuration	Fully functional and documented
Testing Report	All critical systems validated
Documentation Pack	Complete, accurate, and approved

## **7. PROJECT GOVERNANCE & REPORTING**

The service provider will:

- 7.1.** Appoint a dedicated Project Manager
- 7.2.** Provide daily progress reports during migration
- 7.3.** Participate in governance structures including:
  - 7.3.1.** Project Steering Committee
  - 7.3.2.** Technical Working Sessions
- 7.4.** Escalate risks and issues timeously

## **8. TIMEFRAMES**

- 8.1.** The migration must be completed within an agreed implementation window (7 days), structured as follows:
  - 8.1.1.** Weekend (Critical Migration Phase): Physical relocation and setup
  - 8.1.2.** Post-Migration (Weekdays): Configuration, testing, and validation
- 8.2.** The detailed schedule must be approved prior to execution.

## **9. LOCATION**

### **Old Building Addresses:**

94 Bekker Road, Thornhill Office park, Vorna Valley, Midrand, 1686

### **New Building**

GPS coordinates the office location: 25.8898° S, 28.1704° E

Eco Glades 1, Block B, 70 Ribbon Glass Street, Highveld Ext 80, Centurion, 0169.

## **10. REQUIRED SKILLS AND EXPERIENCE**

The bidder must demonstrate:

- 10.1.** Minimum 7 years' experience in data centre or ICT infrastructure migration
- 10.2.** Proven track record of similar projects
- 10.3.** Availability of the following key resources:
  - 10.3.1.** Certified Network Engineer
  - 10.3.2.** Project Manager
  - 10.3.3.** Server/Storage Engineer

## **11. GUIDELINES FOR PROPOSAL PREPARATION**

**The submitted proposals are to include each of the following sections:**

- 11.1.** Executive Summary of Solution

11.2. Approach and Methodology

11.3. Project Deliverables – As per the scope of work

11.4. Project Management

## 12. EVALUATION CRITERIA

**Bidders must achieve a minimum score of 80 points out of 100 on the functionality evaluation.**

No	Criteria	Description	Weight
12.1	Experience	<p>Proven ICT &amp; data centre migration projects - The bidder must clearly demonstrate that they have previously handled a similar project (server room relocation) and completed successfully within the timelines. A signed reference letter on a letterhead describing the service rendered.</p> <p>Bidder presented five (5) and above letters = 30</p> <p>Bidder presented two -four (2-4) letters =10</p> <p>Bidder presented one (1) or less letter = 0</p>	30
12.2	Methodology	<p>The bidder must present a detailed and clearly articulated relocation plan that demonstrates a thorough understanding of the full relocation lifecycle, including decommissioning, secure transport, and recommissioning of ICT infrastructure. The plan must outline step-by-step procedures, risk mitigation measures, timelines, and resource allocation. Evaluation will be based on the completeness, logical flow, and practicality of the plan.</p> <p>Bidder presents a comprehensive and clearly articulated relocation plan covering all 3 phases (decommissioning, transport, and recommissioning), with detailed steps, risk mitigation strategies, timelines, and resource allocation. Plan demonstrates a high level of feasibility and relevance, supported by successful execution of similar projects. = 30</p> <p>Bidder presents a relocation plan that addresses at least 2 out of 3 phases (decommissioning, transport, recommissioning) in moderate</p>	30

		<p>detail, with some risk mitigation and timelines. Plans are feasible but lack full clarity or depth in execution steps. =15</p> <p>Bidder provides a relocation plan that addresses fewer than 2 phases, lacks sufficient detail, or fails to demonstrate clarity, feasibility, or relevance to similar projects. = 0</p>	
12.3	Technical Skills	<p>The service provider needs to ensure that the following resources are certified that will be assigned to the project:</p> <p>Certified network engineer Project Manager Server &amp; Storage Engineer.</p> <p>Bidder meets 3 out of 3 resources with minimum relevant working experience of seven (7) years for each resource = 20</p> <p>Bidder meets 2 out of 3 resources with minimum relevant working experience of seven (7) years for each resource = 10</p> <p>Bidder meets less than 1 out of 3 resources with minimum relevant working experience of seven (7) years for each resource = 5</p> <p>The above three resources must have at least 7 years of working experience on support and maintenance of technologies as per terms of reference requirements.</p> <p>The bidder must ensure that a detailed CV for each resource to be placed on the project and proof of certification submitted with the proposal.</p>	20
12.4	IP Reconfiguration	<p>WAN/LAN/DMZ/VPN/SIP detailed strategy - The bidder must demonstrate a detailed technical strategy for IP Reconfiguration—including WAN, LAN, DMZ, VPN, and SIP trunk adjustments.</p> <p>The bidder proposal includes a comprehensive strategy for all IP layers &amp; detailed cutover testing = 20</p> <p>The bidder provides partial detail/high level for IP addressing. The proposal reflects a basic understanding but lacks full detail or depth in either strategy = 15</p> <p>The bidder's proposal does not provide the strategy on how IP reconfiguration will be handled = 0</p>	20

		<b>TOTAL</b>	<b>100</b>
		<b>Minimum Threshold</b>	<b>70</b>

### 13. PRICE SCHEDULE

No	Description	Quantity	Unit Cost (Excl. VAT)	Total Cost
1	ICT Infrastructure Decommissioning			
2	ICT Infrastructure Installation			
3	IP Configuration & Testing			
4	Project Management			
5	Transportation & Insurance			

### 14. BID CONDITIONS

- 14.1. USAASA reserves the right not to appoint should the bid proposals be inadequate in terms of functionality
- 14.2. Failure to comply with any condition of this request for a proposal will invalidate respective tender proposal.
- 14.3. All costs incurred in preparing the proposal are the responsibility of the bidder.
- 14.4. USAASA reserves the right to contact the references.
- 14.5. USAASA reserves the right to verify any certifications.
- 14.6. USAASA reserves the right not to accept the lowest proposal.
- 14.7. USAASA reserves the right to sign and conclude a formal contract with the successful bidder.
- 14.8. General conditions of contract issued by National Treasury will be applicable to this bid at all times and must be interpreted as such.
- 14.9. The bidder must declare any interest it has and any possible conflict of interest with USAASA in the pursuance of this tender.
- 14.10. In the event that any conflict of interest is discovered pre-award and post-award, USAASA reserves the right to summarily cancel the agreement and demand that all information, documents and property of USAASA be returned forthwith.
- 14.11. Any potential delays or constraints should be communicated upfront.
- 14.12. Bidders must be registered on the Central Supplier Database (CSD).

**14.13.** The 80/20 Preference Point System applies as per the Preferential Procurement Policy Framework Act (PPFA).

**14.14.** All bid documents must be completed in full and signed.

**14.15.** Late bids will not be accepted.

**14.16.** The institution reserves the right to accept or reject any bid.

*Other Terms and Conditions: All costs and expenses incurred by the potential service providers relating to their project proposal will be borne by each respective service provider. USAASA is not liable to pay such costs and expenses or to reimburse or compensate service providers in the process under any circumstances, including the rejection of any proposal or the cancellation of this project. USAASA reserves the right to request new or additional information regarding each bidder and any individual or other persons associated with its proposal. USAASA reserves the right not to make any appointment from the proposals submitted.*

## **15. EVALUATION CRITERIA**

The evaluation will be conducted in three stages:

### **15.1. Stage 1: Mandatory Requirements**

15.1.1. The following compulsory documents must be submitted with the proposal:

15.1.1.1. Company Registration Certificate

15.1.1.2. A Valid B-BBEE Certificate or Affidavit

15.1.1.3. Standard Bidding Documents (SBD 4 and 6.1) duly completed and signed.

15.1.1.4. Initialled and signed terms of reference

15.1.1.5. Failure to submit these documents will result in disqualification.

**15.2. Stage 3:** Price and Preference points (80/20 System in line with National Treasury Preferential Procurement Regulations).

### **15.3. Payment Requirements**

15.3.1. Payment will be made on full delivery of deliverables.

15.3.2. Payment will be made within 30 days of submission of a valid invoice.

15.3.3. Comprehensive migration report signed by the Senior IT Manager must accompany the invoice.

15.3.4. The invoice must be in line with the submitted quotation and issued Purchase Order.

### **16. SUMMARY OF CONTRACTUAL TERMS AND CONDITIONS**

**16.1.** The successful bidder will enter into a formal contract with [Entity].

**16.2.** The contract will outline the terms of service, including timelines, penalties for non-performance, and warranty obligations.

**16.3.** Payment terms will be stipulated in the contract, with payment made upon successful delivery and verification of compliance with specifications.

**16.4.** Any disputes arising will be resolved as per USAASA's procurement policies.

**16.5.** Non-performance may result in contract termination.

### **17. SUBMISSION REQUIREMENTS**

**17.1.** Proposals must be submitted in electronic format (PDF) and include:

17.1.1. Company profile and proof of experience.

17.1.2. Completed and signed bid documents.

17.1.3. Technical proposal

17.1.4. A pricing schedule.

17.1.5. Approach and Methodology

17.1.6. Reference letters from previous clients

17.1.7. Any other related information

### **18. ENQUIRIES**

**18.1.** For any enquiries, please contact the Supply Chain Management Unit:

**18.2.** Electronic documents to be submitted to [SCM@usaasa.org.za](mailto:SCM@usaasa.org.za)

18.2.1. Bidding enquiries, [SCM@usaasa.org.za](mailto:SCM@usaasa.org.za) and/or 011- 564 1600

18.2.2. Technical Enquiries, Langanani Matamela: [Langanani.Matamela@usaasa.org.za](mailto:Langanani.Matamela@usaasa.org.za)  
and/or 011- 5641600

18.2.3. Closing date: 03 June 2026 @ 16:00

### 19. DECLARATION OF INTEREST

The bidder hereby declares the following:

We confirm that

\_\_\_\_\_ (Bidder's  
Name) will: –

- a. Act honestly, fairly, and with due skill, care, and diligence, in the interests of USAASA
- b. Employ effectively the resources, procedures, and appropriate technological systems for the proper performance of the services;
- c. Act with circumspection and treat USAASA fairly in a situation of conflicting interests;
- d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
- e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with USAASA;
- f. Avoid fraudulent and misleading advertising, canvassing and marketing;
- g. Conduct business activities with transparency and consistently uphold the interests and needs of USAASA as a client before any other consideration; and
- h. Ensure that any information acquired by the bidder(s) from USAASA will not be used or disclosed unless the written consent of the client has been obtained to do so.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name of Signatory: \_\_\_\_\_

Designation: \_\_\_\_\_

FOR AND ON BEHALF OF: \_\_\_\_\_

(Bidding Company's Name)

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## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

**3 DECLARATION**

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

.....  
Signature Date

.....  
Position Name of bidder

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

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

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

**1. GENERAL CONDITIONS**

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

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

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

*(delete whichever is not applicable for this tender).*

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
<b>PRICE</b>	80
<b>SPECIFIC GOALS</b>	20
<b>Total points for Price and SPECIFIC GOALS</b>	100

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$Ps = 80 \left( 1 - \frac{Pt - Pmin}{Pmin} \right) \text{ or } Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

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

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

**3.2.1. POINTS AWARDED FOR PRICE**

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

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

Where

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

**4. POINTS AWARDED FOR SPECIFIC GOALS**

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Black Ownership		20		

NB: Preferential points for black ownership will be awarded as follows:

Black Ownership	% of Preferential points
Bidder with 100% black ownership	100%
Bidder with 51% to 99% black ownership	50%
Bidder with less than 51% black ownership	0%

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
<b>SIGNATURE(S) OF TENDERER(S)</b>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....
	.....

**GOVERNMENT PROCUREMENT  
GENERAL CONDITIONS OF CONTRACT**

**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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- 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

(c) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

#### **14. Spare parts**

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

#### **15. Warranty**

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

**24. Anti-dumping and countervailing duties and rights**

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

**25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of liability**

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.