

MPUMALANGA PROVINCIAL GOVERNMENT



DEPARTMENT OF PROVINCIAL TREASURY

BID NUMBER: TREA/026/26/MP

**APPOINTMENT OF A PANEL OF SERVICE
PROVIDER(S) FOR THE PROVISION OF
TRAVEL, ACCOMMODATION AND RELATED
SERVICES FOR MPUMALANGA PROVINCIAL
GOVERNMENT FOR A PERIOD OF FIVE (05)
YEARS WITH AN OPTION TO EXTEND FOR TWO
(02) YEARS**

ISSUED BY:

Department of Provincial Treasury
Private Bag X11205
Mbombela
1200

CSD SUPPLIER NUMBER: MAAA.....
NAME OF BIDDER:
TOTAL BID PRICE (all inclusive) :.....
(Also in words):
.....

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF PROVINCIAL TREASURY

BID NUMBER:	TREA/026/26/MP	CLOSING DATE:	11 SEPTEMBER 2026	CLOSING TIME:	12H00
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DESCRIPTION	APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS
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BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

MBOMBELA, Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, **PIET RETIEF**, No. 11 Measroch Street, Piet Retief Office, **KWAMHLANGA**, KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre **SECUNDA** No 5 Van Eck Street, Secunda (opposite Sasol Value Gas Garage) Secunda, 2280, **BUSHBUCKRIDGE**, Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), **MIDDELBURG**, Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, **MALELANE**, 24 Air Street, Malelane, **ELUKWATINI**, Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini 1192. **SIYABUSWA** Old Parliament Building, Building No.1, Job Skhosana Street, Siyabuswa 0472.

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

CONTACT PERSON	Ms. C Ruthven
TELEPHONE NUMBER	013 766 8714
FACSIMILE NUMBER	
E-MAIL ADDRESS	CHoon@mpg.gov.za

TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON	Mr. SJ Mpila
TELEPHONE NUMBER	013 766 8711
FACSIMILE NUMBER	
E-MAIL ADDRESS	SJMpila@mpg.gov.za

SUPPLIER INFORMATION

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?	☐ YES ☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?	☐ YES ☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?	☐ YES ☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?	☐ YES ☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.	

PART B TERMS AND CONDITIONS FOR BIDDING

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

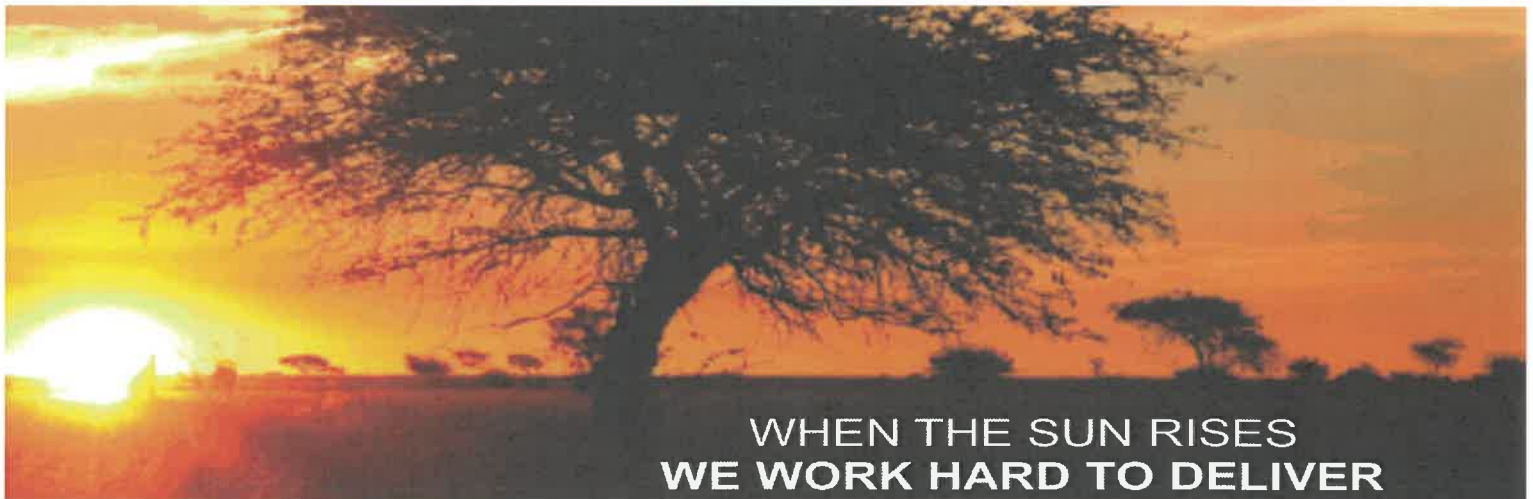
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DATE:

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provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



WHEN THE SUN RISES
WE WORK HARD TO DELIVER



APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

SECTION A: GENERAL SPECIFICATIONS/INFORMATION

1. PURPOSE

Appointment of a panel of service provider(s) for the provision of travel, accommodation and related services for the Mpumalanga Provincial Government for a period of Five (05) years with an option to extend for two (02) years

- 1.1. This transversal bid aims to establish a **cost-effective, efficient, and standardised travel-management solution** across all participating provincial departments and public entities. The transversal arrangement allows Provincial Treasury to coordinate travel and accommodation services under a unified framework that promotes accountability, compliance with the **Public Finance Management Act (PFMA)**, and value for money.
- 1.2. Through this RFP, the Mpumalanga Provincial Treasury—acting on behalf of all participating government institutions—seeks to appoint a panel of Travel Management Companies to render services that include (but are not limited to):
 - Road, Air transport, accommodation, car rental, and shuttle-service bookings.
 - after-hours and emergency support.
 - travel-risk management and reporting.
 - Conference Facilities
 - Transport Services
 - implementation of cost-containment measures in line with National Treasury Instruction Note 1A of 2024/25 and any amendments issued thereafter.
- 1.3. The appointment of service providers will ensure:
 - uniform application of travel policies.
 - streamlined financial management and reporting to Provincial Treasury.
 - compliance with PFMA, PPPFA (Act 5 of 2000), and Preferential Procurement Regulations 2022; and
 - enhanced oversight of travel-related expenditure in support of good governance and fiscal prudence.

2. BACKGROUND

- 2.1. The Mpumalanga Provincial Treasury implemented transversal contracts for Travel and Accommodation on **1 April 2017** to streamline all transport and accommodation-related services for participating provincial votes and entities.

3. OBJECTIVE OF SERVICE

The MPG's objectives in issuing this request are to:

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- Provide consistent, reliable, and high-quality travel-management services that maintain strong traveler satisfaction and compliance with service-level standards.
- Achieve measurable cost savings without compromising safety or quality.
- Ensure effective risk-management for all travel and accommodation arrangements.
- Facilitate efficient local and international travel and accommodation bookings for participating departments.
- Ensure the use of the most economical and accommodation options available.
- Support compliance with the latest National Treasury Cost-Containment Measures and relevant MPG travel policies.
- Submit quarterly performance and cost-saving reports to Provincial Treasury using the approved template.
- Mpumalanga Provincial Treasury **may provide** an Online Booking System for use by all appointed service providers **if such a system is available during the contract period.**

3.1. Travel Volumes/Services

The table below details the estimated number of transactions for a financial year for previous participating government institutions as per below table. It should be noted that detailed transactions are provided on the pricing schedule and services to be provided will include but not be limited to the following:

Service Category	Estimated Number of Transactions per annum
Air travel – Domestic	4 961
Air Travel - Regional & International	197
Car Rental – Domestic	703
Car Rental - Regional & International	101
Shuttle Services – Domestic	176
Accommodation – Domestic	50 511
Accommodation - Regional & International	197
Transfers – Domestic	197
Transfers - Regional & International	197
Bus/Coach bookings	5
Train - Regional & International	20
Visa assistance (provision of documents and advice)	147
Courier services for travel documentation	100
Conferences/Events	1 728
After Hours	1488
Parking	100
Insurance	18
Forex	197
Other services (document delivery, courier services for other documentation, flowers, corporate gifts, etc.)	200

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Figures above are indicative and assist bidders in preparing pricing schedules and capacity plans.

4. SCOPE OF WORK

The successful bidder/s will be required to provide travel management services. Deliverables under this section include without limitation, the following:

The appointed TMC(s) must provide comprehensive travel-management services covering—road, air, accommodation, conferencing, transportation, car rental, shuttle, and related logistics—both domestically and internationally.

Key deliverables include:

- Booking and coordination of all authorized travel for MPG officials, consultants, and delegates.
- Operating during business hours (07h45–17h00, Mon–Fri) and maintaining after-hours and emergency support.
- Managing supplier performance, service failures, and complaints.
- Maintaining confidentiality of traveler data and state information.
- Implementing controls to ensure full compliance with MPG Travel Policy and Treasury cost-containment measures.
- Providing quarterly and annual management reports as specified by Provincial Treasury.
- Supporting travelers with special-needs requirements.
- Ensuring smooth transition from incumbent providers through a detailed transition plan.

4.1 Participating Government Institutions

The Provincial Treasury is conducting the bid on behalf of Government Institutions in the Mpumalanga Province; the requirements for the provision of travel, accommodation and related services are applicable to all Provincial departments and Public Entities within the province. It must be noted that the said departments and public entities have an option to participate or not to participate in the contract.

5. EXPECTED PERFORMANCE FROM PROSPECTIVE SERVICE-PROVIDERS

5.1 Reservations

The Travel Management Company (TMC) will:

- a. Receive travel requests from travelers and/or travel bookers, respond with quotations (confirmations) and availability. Upon receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveler via the agreed communication medium.

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- b. always endeavor to make the most cost-effective travel arrangements based on the request from the traveler and/or travel booker.
- c. apprise themselves of all travel requirements for destinations to which travelers will be travelling and advise the Traveler of alternative plans that are more cost effective and more convenient where necessary.
- d. must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveler's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
- e. book parking facilities at the airports where required for the duration of the travel.
- f. respond timely and process all queries, requests, changes and cancellations timeously and accurately.
- g. Must be able to facilitate group bookings (e.g. for meetings, conferences, events, etc.)
- h. must issue all necessary travel documents, itineraries and vouchers timeously to traveler(s) prior to departure dates and times.
- i. advise the Traveler of all visa and inoculation requirements well in advance.
- j. assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
- k. facilitate any reservations that are not bookable on the Global Distribution System (GDS).
- l. facilitate the bookings that are generated through their own or third party Online Booking Tool (OBT) where it can be implemented.
- m. Visa applications will not be the responsibility of the TMC; however, the relevant information must be supplied to the traveler(s) where visas will be required.
- n. Negotiated airline fares, accommodation establishment rates, car rental rates, etc. that are negotiated directly or established by National Treasury or by the MPG are non-commissionable, where commissions are earned for the MPG bookings all these commissions should be returned to the MPG on a quarterly basis.
- o. Ensure confidentiality in respect of all travel arrangements and concerning all persons requested by the MPG.
- p. Timeous submission of proof that services have been satisfactorily delivered (invoices) as per the MPG's instructions.

5.2 Air Travel

- a. The TMC must be able to book full-service carriers as well as low-cost carriers.
- b. The TMC will book the most cost-effective airfares possible for domestic travel.
- c. For international flights, the airline which provides the most cost-effective and practical routings may be used.
- d. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the traveler (if applicable).
- e. Airline tickets must be delivered electronically (SMS and/or email format) to the traveler(s) and travel bookers promptly after booking before the departure times.

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- f. The TMC will also assist with the booking of charters for VIPs utilizing the existing transversal term contract where applicable as well as the sourcing of alternative service providers for other charter requirements.
- g. The TMC will be responsible for the tracking, management and reporting of unused e-tickets as per agreement with the participating government institution and provide a report on refund management once a quarter to the Provincial Treasury.
- h. The TMC must during their reporting period provide proof that bookings were made against the discounted rates on the published fares.
- i. Ensure that travelers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)
- j. Assist with lounge access if and when required.

5.3 Accommodation

- a. Obtain quotations within allowable Treasury cost ceilings.
- b. The TMC will obtain quotations from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveler
- c. This includes planning, booking, confirming and amending accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with the MPG's travel policy.
- d. MPG travelers are required to stay only at accommodation establishments with which the MPG has negotiated corporate rates. If no rate agreement exists at the destination, or if the contracted establishment is unable to accommodate the traveler, the Travel Management Company (TMC) must arrange suitable alternative accommodation. Such arrangements must ensure traveler convenience while adhering to approved cost containment measures and any directives issued from time to time by the National Treasury or the MPG.
- e. Accommodation vouchers shall be issued to all MPG travelers for every confirmed accommodation booking. The Travel Management Company (TMC) should ensure that invoices are submitted to the participating institution, preferably within the same month, but in any event no later than thirty (30) days from the date of completion of travel. Each invoice shall be accompanied by a copy of the original hotel accommodation charge or supporting documentation as proof of the expenditure incurred.
- f. The Travel Management Company (TMC) shall, during each reporting period, provide verifiable proof that all accommodation bookings were made within the maximum allowable rates prescribed in the National Treasury's Cost Containment Instructions, where applicable.
- g. The Travel Management Company (TMC) shall make every reasonable effort to negotiate and minimize accommodation cancellation costs. The TMC shall report such cancellation instances and related cost recoveries on a monthly basis to the relevant participating institution, and on a quarterly basis to the Provincial Treasury.

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5.4 Booking of venues and other facilities

- a. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
- b. In an event Departments cannot secure accommodation, conference bookings or venues of its own or via their procurement process, the TMC where practical will obtain three price comparisons from venues and establishments that provide the best available rate within the maximum allowable rate. This includes planning, booking, confirming, and amending of venue with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with the Departments Travel Policy.
- c. The TMC must ensure that the venues that are booked are fit for purpose. In a case where the venue is found unsuitable, the Departments reserve the right to request an alternative venue at no additional cost.
- d. The TMC must during their reporting period provide proof, where applicable, that the venues were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.

5.5 Car Rental and Shuttle Services

- a. The Travel Management Company (TMC) shall book vehicles in the approved category, in accordance with the participating institution's Travel Policy, using the appointed car rental service provider from the nearest rental location, such as an airport, hotel, or event venue.
- b. The travel consultant shall advise the traveler on the most suitable time and location for vehicle collection and return, taking into account the traveler's specific requirements and cost-effectiveness.
- c. The TMC shall ensure that all relevant information is communicated to travelers regarding rental vehicles, including but not limited to e-tolls, refueling, key management, rental agreements, damages, and accident procedures.
- d. For domestic and international travel, the TMC shall offer alternative ground transportation options to the traveler, which may include rail services, buses, or transfers, where such options are cost-effective and practical.
- e. The TMC shall book transfers in line with the participating institution's Travel Policy, using the appointed and/or approved alternative service providers. Transfers may include bus and coach services, where applicable.
- f. The TMC shall manage shuttle service providers on behalf of the MPG, ensuring that such providers comply with the prescribed minimum service and safety standards. The TMC shall also assist the MPG in negotiating competitive rates with shuttle companies to achieve cost efficiency.
- g. The TMC shall, during each reporting period, provide verifiable proof that negotiated or contracted rates were utilised for all bookings, where applicable, in accordance with the MPG's approved rates and National Treasury cost-containment measures.

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5.6 After Hours and Emergency Services

- a. The Travel Management Company (TMC) shall provide a consultant or a dedicated team of consultants to assist travelers with after-hours and emergency reservations, as well as amendments to existing travel plans.
- b. Dedicated consultants shall be available to provide after-hours and emergency assistance to VIP and Executive travelers, ensuring priority handling of their travel requirements.
- c. After-hours services shall be available from Monday to Friday outside official working hours (17:00 to 07:45), and on a twenty-four (24) hour basis during weekends and public holidays.
- d. The TMC shall maintain a call centre facility or provide an after-hours contact number accessible to all travelers, enabling them to make urgent travel changes or emergency bookings when required.
- e. The TMC shall establish and maintain a documented Standard Operating Procedure (SOP) for the management of after-hours and emergency services, outlining processes, responsibilities, and escalation protocols to ensure service continuity and accountability.

5.7 Communication

- a. The Travel Management Company (TMC) may be requested to conduct workshops and training sessions for Travel Bookers of participating institutions within the MPG, subject to prior written authorization from the Provincial Treasury.
- b. All enquiries shall be investigated, and prompt, comprehensive feedback shall be provided in accordance with the timeframes and standards stipulated in the Service Level Agreement (SLA).
- c. To facilitate the resolution of queries and complaints, the TMC shall ensure that accurate and complete records are maintained for all communications and booking confirmations, including emails, purchase orders, vouchers, and any other relevant documentation.
- d. The TMC shall ensure effective and seamless communication among all stakeholders by linking the business traveler, travel coordinator, and the Travel Management Company in a single, integrated workflow that promotes efficiency and accountability.

5.8 Financial Management

- a. The Travel Management Company (TMC) shall implement the corporate rates negotiated by the Mpumalanga Provincial Government (MPG) with approved travel service providers, as well as any applicable discounted airfares or maximum allowable rates prescribed by the National Treasury.
- b. The TMC shall be responsible for managing all service provider accounts. This responsibility includes ensuring the timely receipt and verification of invoices and the submission of such invoices to the relevant MPG departments for payment within the agreed payment period.
- c. All savings achieved on travel expenditure shall be reported and substantiated with supporting documentation during quarterly performance and financial review sessions.
- d. The TMC shall ensure that service provider accounts are settled through a 30-day bill-back account facility. The TMC must ensure that invoices are received timeously from service

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- providers and submitted to the participating institutions for payment against the corresponding purchase order, preferably within the same month, but not later than thirty (30) days.
- e. In instances where prepayments are required for smaller Bed & Breakfast or Guest House establishments, the TMC shall process such payments as authorized. These prepayments may occasionally be required at short notice or for same-day bookings.
 - f. The TMC shall consolidate all travel supplier bill-back invoices to ensure accuracy, completeness, and audit readiness.
 - g. Where the Mpumalanga Provincial Government utilizes a travel lodge card facility, the TMC shall be responsible for processing payments related to air travel, accommodation, and ground transportation, and for consolidating all related transactions through the appointed corporate card vendor.
 - h. The TMC shall be responsible for consolidating all invoices and supporting documentation and submitting them to the MPG's Financial Department within the agreed reporting period (e.g., weekly). Each submission shall include the relevant Travel Authorization, Purchase Order, and other supporting documentation attached to the invoices reflected on the service provider bill-back report or corporate credit card statement.
 - i. The TMC shall ensure that all travel supplier accounts are settled timeously in accordance with approved financial management and payment procedures.

5.9 Technology, Management Information and Reporting

- a. The Travel Management Company (TMC) shall have the capability to consolidate all management information related to travel expenditure into a single, integrated source document supported by automated reporting tools to ensure efficiency, accuracy, and real-time monitoring.
- b. Mpumalanga Province may provide an Online Booking System that must be used by service providers. Service provider will be required to prove knowledge and ability of their personnel to use and implement such an online booking system.
- c. All management information and data input must be accurate.
- d. The TMC shall provide the Mpumalanga Provincial Government (MPG) with standardized quarterly reports in accordance with the Service Level Agreement (SLA). Reporting templates shall be provided by the MPG to the appointed TMC.
- e. All reports shall be accurate and submitted in accordance with MPG's specific requirements and agreed timelines. Information shall be provided at a transactional level, reflecting details such as the traveler's name, date of travel, and expenditure category (e.g., air travel, shuttle services, and accommodation).
- f. The Provincial Treasury or participating institutions may, from time to time, request the TMC to produce additional management or analytical reports as deemed necessary for performance evaluation, audit, or compliance purposes.
- g. All reports shall be available in an electronic format compatible with Microsoft Excel or other MPG-approved formats to facilitate data analysis and verification.
- h. Reports required under the Service Level Agreement shall be submitted on the agreed dates and may include, but are not limited to, the following:

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- **Travel**

- i. After hours' Report;
- ii. Compliments and complaints;
- iii. Consultant Productivity Report;
- iv. Long term accommodation and car rental;
- v. Extension of business travel to include leisure;
- vi. Upgrade of class of travel (air, accommodation and ground transportation);
- vii. Bookings outside Travel Policy.

- **Finance**

- i. Reconciliation of commissions/rebates or any volume driven incentives;
- ii. Creditor's ageing report;
- iii. Creditor's summary payments;
- iv. Daily invoices;
- v. No show report;
- vi. Cancellation report;
- vii. Receipt delivery report;
- viii. Refund Log;
- ix. Invoice Age Analysis.
- x. Outstanding orders report
- xi. Monthly statements on allocation of payments and outstanding invoices

- i. The TMC will implement all the necessary processes and programs to ensure that all the data is always secure and not accessible by any unauthorized parties.

5.10 Account Management

- e. An Account Management structure shall be established to address the needs and requirements of the Government Institution and to serve as a liaison for managing all matters related to the delivery of services under this contract.
- f. The Travel Management Company (TMC) shall appoint a dedicated Account or Business Manager who will be ultimately responsible for the overall management, performance, and compliance of the MPG's account.
- g. The TMC shall implement effective quality management processes to always ensure consistent service excellence and traveler satisfaction.
- h. A formal complaints management procedure shall be implemented to record, track, and resolve both compliments and complaints relating to the services rendered by the TMC and other appointed travel service providers. This process shall be managed in consultation with the Provincial Treasury.

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- i. The TMC shall ensure full compliance with and enforcement of the Mpumalanga Provincial Government's (MPG) Travel Policy in all bookings, processes, and reporting activities.
- j. The Service Level Agreement (SLA) shall be actively monitored and managed by the TMC, and customer satisfaction surveys shall be conducted to assess the TMC's performance. The survey results and performance analyses shall be discussed with the Provincial Treasury to ensure continuous improvement.
- k. The TMC shall facilitate workshops and/or training sessions for travelers and travel bookers to enhance understanding of travel processes, policy compliance, and system utilisation.
- l. During performance review meetings, the TMC shall present comprehensive reports detailing travel expenditure, SLA performance, and areas requiring improvement. The TMC shall develop and submit improvement plans and provide quarterly progress reports on implementation.

5.11 Value Added Services

The TMC must provide the following value-added services:

- a. Destination information for regional and international destinations:
 - Health warnings;
 - Weather forecasts;
 - Places of interest;
 - Visa information;
 - Travel alerts;
 - Location of hotels and restaurants including travel distances from venues;
 - Information including the cost of public transport;
 - Rules and procedures of the airports;
 - Business etiquette specific to the country;
 - Airline baggage policy; and
 - Supplier updates
 - Corporate Gifts, Flowers etc, as and when required.
- b. **Quarterly Reviews:**

The Travel Management Company (TMC) shall conduct and present comprehensive quarterly reviews covering all MPG travel activities for the preceding three-month period. These reports shall be presented to the MPG's Procurement and Finance Units as part of the formal performance management process and shall be evaluated in accordance with the agreed Service Level Standards.
- c. **Annual Reviews:**

An annual review shall be compiled and presented by the TMC to the MPG's Senior Executive Management. The report should provide a consolidated overview of travel

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expenditure, service performance, policy compliance, and identified opportunities for cost savings and operational improvements.

d. Scope of Reviews:

The quarterly and annual travel reviews shall, without limitation, include the following information:

- Detailed analysis of travel expenditure by category, institution, and service provider;
- Assessment of savings achieved through negotiated rates and cost-containment initiatives;
- Identification of non-compliance with MPG Travel Policy or Treasury Instructions, with corrective actions proposed;
- traveler and stakeholder satisfaction analysis;
- Supplier performance evaluation and service-delivery trends;
- Benchmarking and recommendations for continuous improvement

e. Minimum Reporting Standards:

The reporting requirements outlined in the **National Treasury Instruction 1A of 2024/25** (Cost Containment Measures related to Travel and Subsistence) serve as the **minimum standard** for the compilation of these travel review reports. The MPG may, from time to time, prescribe additional reporting elements as required for governance, audit, or performance management purposes.

f. Cost Management

The National Treasury's Cost Containment Measures and the Mpumalanga Provincial Government's (MPG) Travel Policy form the foundation for promoting a culture of cost savings, financial discipline, and value for money across all travel-related activities.

- g. It is the responsibility of the Travel Management Company (TMC) and its consultants to consistently advise on and secure the most cost-effective travel options available. All costs must comply with the parameters set out in the National Treasury's and MPG's approved cost containment instructions and policies.
- h. The TMC shall play a pivotal role in delivering high-quality, travel-related services that effectively balance cost management, operational flexibility, and traveler satisfaction, while ensuring adherence to all applicable financial and procurement regulations.
- i. The TMC shall maintain comprehensive knowledge of relevant suppliers and their products to recommend the most suitable and cost-effective options in full compliance with the MPG's Travel Policy. The TMC shall ensure that travelers reach their destinations safely, comfortably, and on time, with minimal disruption and within approved budget limits.

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5.12 Office Management

- a. The Travel Management Company (TMC) ensure that a high standard of service is consistently delivered to all Mpumalanga Provincial Government (MPG) travelers. To achieve this, the TMC shall provide the MPG with suitable qualified and experienced personnel who possess the necessary expertise to perform, among others, the following functions:
- Senior Consultants
 - Junior Consultants
 - Finance Manager or Accountant with Admin Back Office staff (Creditors / Debtors/Finance Processors)
 - System Administrator (General Admin)
 - Travel Manager / Customer Manager

5.12 System Provision and Ownership

If available, the Online Booking System will be:

- **Owned, managed and administered** by the Mpumalanga Provincial Treasury; and
- Provided all appointed service providers for compulsory use in the execution of travel and accommodation bookings.

Service providers **must not supply their own booking system**, but must demonstrate that they can successfully:

- Adopt and operate a Provincial Treasury–owned system;
- Integrate their internal IT environment with Treasury requirements; and
- Ensure uninterrupted service delivery using OBS.

5.13 System Utilisation and Integration (If provided)

Where the OBS is made available by Provincial Treasury, it will interface with:

- **LOGIS** for requisition processing, commitment control and departmental workflow approvals;
- **BAS** for expenditure verification and financial audit trails;

If the system is provided, appointed service providers will be required to:

- **Utilise the Provincial Treasury OBS for all bookings;**
- Ensure their internal ICT environment is **compatible, secure**, and able to integrate with the OBS;
- Provide **trained personnel** or commitment to proficiency training;
- Maintain adequate **ICT security, internet stability, and POPIA compliance;**
- Participate in onboarding, testing and verification processes led by Provincial Treasury.

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5.14 Other services

The TMC will also be required to book conference venues as well as facilitate other related services such as:

- Corporate gifts / flowers etc.

5.15 Payments

- The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 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.
- All participating departments and public entities will ensure that invoices issued by the Travel Management Company (TMC) are paid within the approved National Treasury payment terms of 30 days from date of invoice as required by section 38(1)(f) of the PFMA
- Where a department or entity fails to settle outstanding amounts within the prescribed period, the TMC must formally notify the Provincial Treasury and the affected department or entity in writing.
- Should any department or entity accumulate overdue amounts exceeding 60 days, the TMC will be permitted to impose reasonable service restrictions on the department or entity, subject to written notice and approval by the Provincial Treasury, without affecting other compliant departments or entities.
- Should three (3) or more departments or entities accumulate outstanding amounts that are overdue for more than 60 days, and the combined overdue value exceeds the threshold by Provincial Treasury, the TMC may request an immediate suspension of the entire transversal travel and accommodation contract until all arrears are regularized.
- The Provincial Treasury reserves the right to temporarily halt the contract, require departments and entities to enter into payment arrangements, or reallocate responsibilities to ensure the financial sustainability of the service.
- Failure by departments and entities to comply with payment terms will be treated as a material breach of contract, and may result in escalation to the Accounting Officer, withholding of services, or future contractual remedies as permitted under the PFMA and Treasury regulations.

6. REQUIRED INFORMATION TO BE PROVIDED

6.1 All bidders are required to submit the following information and documentation:

- a. The most recent audited annual financial statements, signed by a registered auditor, to demonstrate the bidder's financial stability and capacity to deliver the required services.

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- b. A detailed description of the bidder's Information Technology (IT) systems and data-backup facilities, including system functionality, security controls, disaster recovery procedures, and business continuity measures.
- c. An outline of the bidder's client training programmes and training facilities, indicating how these programmes support end-user competence, policy compliance, and efficient utilization of travel management systems.
- d. A comprehensive fraud prevention plan, detailing how the bidder will assist the Provincial Treasury in detecting, preventing, and mitigating fraud or irregular expenditure, including the internal controls and monitoring mechanisms that will be implemented in this regard.

SECTION B- EVALUATION PROCESS AND CRITERIA

The Department shall evaluate bids in accordance with the Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000), and the Preferential Procurement Regulations 2022, as well as all applicable National Treasury Instructions and Provincial Supply Chain Management policies.

7. BID EVALUATION METHODS

7.1. Evaluation Approach

The bid shall be evaluated in three phases. The details of the evaluation phases are outlined below:

7.1.1 Phase I - Evaluation of Mandatory/Compulsory Returnable Documents

- All bids will first be assessed for compliance with the mandatory submission requirements and returnable documents listed in the bid data sheet.
- Bidders who meet the compulsory requirements will be evaluated further on functionality, followed by the application of the 80/20 or 90/10 preference point system for price and specific goals

7.1.2 Phase II – Functionality Evaluation

- Bids shall first be evaluated based on functionality, which will determine the bidder's technical capability, capacity, and ability to deliver the required services in accordance with the specifications.
- The functionality evaluation shall be scored out of 100 points.
- Only bidders who achieve the minimum qualifying score of 70 points (as

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specified in the bid data sheet) shall proceed to the next phase of evaluation.

- Bidders that fail to meet the minimum functionality threshold will be regarded as non-responsive and will not be considered for further evaluation.

7.1.3 Phase III – Preference Point System (Price and Specific Goals)

- Responsive bids that meet the functionality requirements will be evaluated in accordance with the 80/20 or 90/10 preference point system as prescribed in the Preferential Procurement Regulations, 2022:
- 80/90 points shall be allocated for price; and
- 20/10 points shall be allocated for specific goals, in alignment with the Provincial Treasury's approved preferential procurement objectives (e.g., promotion of women, youth, and persons with disabilities, and support for local and historically disadvantaged enterprises).
- The lowest acceptable tender will be used as the basis for determining price points.

8 VERIFICATION OF BIDDER INFORMATION

In accordance with National Treasury directives, all bidders are required to be registered on the Central Supplier Database (CSD) prior to submission of the bid. The Department will utilize the CSD to verify the following information:

- Company registration details
- Directorship, shareholding, trusteeship, and membership information
- Bank account verification
- Employment status of directors and shareholders in the public service
- Tax compliance status
- Identity information of directors and members
- The CSD report shall serve as an official source for validation of bidder information, and discrepancies identified may result in disqualification.

9 SUBMISSION OF RETURNABLE DOCUMENTS

Bidders must complete and submit all compulsory and supporting returnable documents in the prescribed template.

- 9.1 For the bidder's convenience, a checklist template shall be provided. Bidders must indicate clearly with "YES," "NO," or "N/A" whether each compulsory returnable document is attached. Failure to complete or attach all required documentation shall result in disqualification.

This review outlines all compulsory, supporting, and technical/financial returnable documents required to ensure compliance with the Public Finance Management Act (PFMA), Preferential

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Procurement Policy Framework Act (PPFA), National Treasury Regulations, and other applicable frameworks governing travel and accommodation tenders. Each document listed below plays a critical role in verifying bidder eligibility, governance, financial stability, and technical capacity.

9.2 Compulsory Returnable Documents

Document / Form	Purpose / Compliance Requirement	Submitted (Yes / No /N/A)
Invitation to Bid (SBD 1)	Confirms bidder's offer and acceptance of bid terms. Must be fully completed and signed.	
Pricing Schedule and Declaration (Annexure A, Template 1 & 2)	Demonstrates cost proposal and pricing compliance. Unsigned pricing schedules invalidate the bid.	
Bidder Disclosure Form (SBD4)	Ensures declaration of interests, relationships with officials, and prevention of conflicts of interest.	
Bidders Preference Point Claim Form SBD 6.1	Preference points claim form in Terms of the Preferential Procurement Regulations 2022	
Company Registration Documents (CIPRO / CIPC)	Confirms bidder's legal entity, directors, and registration status.	
Proof of VAT Registration	Applicable where the bidder is VAT registered. Ensures SARS compliance.	
Central Supplier Database (CSD) Report	Confirms active registration, tax status, banking details, and state employee verification.	
Proof of Attendance at Compulsory Briefing Session	Verifies participation in mandatory briefing session as part of bid conditions.	
Certified Copies of Directors' IDs / Passports	Verifies ownership and directorship, not older than 3 months from closing date.	
Joint Venture / Consortium Agreement	A copy of an agreement and a resolution by each party if the bidders are in a joint venture/consortium/partnership. If the bidder is not in a joint venture/consortium/partnership.	
Valid IATA and ASATA Licenses (Certified Copies)	Verifies travel agency accreditation and compliance with international standards.	
Three Years Audited Financial Statements	Three Years Audited financial statements to demonstrate financial viability and sustainability of the service provider.	
Valid relevant COIDA certificate.	To prove legal compliance and to protect employers from workplace injury lawsuits.	

All returnable documents listed above must be submitted in accordance with the bid instructions and verified for validity, completeness, and authenticity. Missing or incomplete compulsory documents will lead to automatic disqualification.

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N.B: BIDDERS WHO FAIL TO ATTACH ANY OF THE COMPULSORY DOCUMENTS AS LISTED ABOVE WILL BE DISQUALIFIED.

10 FUNCTIONALITY EVALUATION CRITERIA

The first stage will evaluate functionality according to the criteria listed in the table below:

Criteria	Evaluation Guidelines / Description	Scoring Scale	Weight
LOCALITY	Established travel management business within Mpumalanga Province. Proof of physical address, lease agreement, municipal account, or tribal authority permission to occupy. Attach payroll to verify proof of local staff employment	15 Points = Physical presence in Mpumalanga and 07 local employees 10 Points = Office in Mpumalanga with 04 to 06 local employees 05 Points = 01 to 04 employees and a Business located in or outside Mpumalanga	15
STAFFING AND QUALIFICATIONS	Personnel Does the company have the required resources to successfully perform the scope of work: • Key Accounts Manager – minimum 8 years' experience and relevant Degree or equivalent NQF level in Business Administration, or Sales, or Marketing, or Tourism Management • Senior Consultant – minimum 5 years' experience and a diploma or equivalent NQF level in Tourism Management or Travel and Tourism • Intermediate Consultant – minimum 3 years' experience and a diploma or equivalent NQF level in Tourism Management or Travel and Tourism • Junior Consultant – minimum 1 year experience and a diploma or	7-10 staff with NQF 7 Degree or /Advanced Diploma in Tourism and Hospitality Management qualifications or Equivalent (15 Points) 4 – 6 staff with NQF 6 Diploma in Tourism and Hospitality Management qualifications or Equivalent (10 points) 1- 3 staff with NQF 5 Higher Certificate in Tourism or Equivalent (5 Points) 0 = 0 No relevant qualifications	15

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Criteria	Evaluation Guidelines / Description	Scoring Scale	Weight
	equivalent NQF level in Tourism Management or Travel and Tourism • Finance Manager – minimum 5 years' experience and a relevant Degree or equivalent NQF level in Finance Qualifier: Signed CVs, and certified copies of qualifications for all personnel. Provide details of staff allocated to the MPG contract, with signed consent. Must demonstrate the presence of skilled personnel with travel management expertise (NQF 5–8 or equivalent).		
RESERVATIONS AND BOOKING CAPABILITY	Demonstrate capacity to manage all travel reservations (flights, accommodation, vehicle hire, conferences, etc.). Provide examples of complex itineraries and booking confirmations showing integration of systems and accuracy of travel logistics. <u>NB: Provide detailed methodology on reservations and bookings</u>	30 = Excellent (integrated automated systems) 20 = Very Good 15 = Good 10 = Average 0 = Poor	30
AFTER-HOURS AND EMERGENCY SUPPORT	Provide evidence of reliable 24/7/365 after-hours and emergency travel support. Include Standard Operating Procedures (SOPs) detailing access methods, location, staffing, and response time.	10 = Excellent 5 = Very Good 3 = Good 2 = Average 0 = Poor	10
FINANCIAL MANAGEMENT	Does the company demonstrate sufficient financial stability and capacity to successfully perform the required services: • Property Accommodation Services • Car Hire Services • Flights and Air Travel Bookings Qualifier: A signed letter from a Financial Service Provider	0 Points = No letter from a Financial Service Provider (FSP). 10 Points = A letter from the FSP confirming a credit facility of at least R 3 million, in relation to this bid; or 10 Points = A letter from the FSP confirming cash flow of at	10

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Criteria	Evaluation Guidelines / Description	Scoring Scale	Weight
	(FSP). The FSP should be registered with the Financial Sector Conduct Authority. The letter should be: • In the FSP's letterhead • Indicate the value of the credit facility and the period which the credit facility is valid, or • Indicate the positive cash flow forecast for 12 months. Provide recent proof of bank rating for financial sustainability not older than three months.	least R 3 million in relation to this bid NB: In supporting the above, any bidder with a bank rating must reflect a rand value that is aligned with the requirements above 10 = A & B 03 = C 01 = D 00 = E	
TRACK RECORD AND EXPERIENCE	Demonstrate years of uninterrupted experience in providing travel management services to government or large institutions. Attach recent appointment letters, purchase orders not older than six (06) years, and most recently dated and signed reference letters.	≥8 years = 20 pts 6–8 years = 15 pts 3–5 years = 10 pts 1–2 years = 5 pts	20
			100%

Bidders must achieve a minimum of **70 points** overall functionality to qualify for further evaluation under the price and preference stage.

11.1. Evaluation Process – Stage 2: Price and Specific Goals

Bids that fail to achieve a **minimum score of seventy (70) points out of a possible one hundred (100)** for functionality **shall not be eligible for further consideration** and will be regarded as **non-responsive**.

Bids meeting the minimum functionality threshold will proceed to the **second stage of evaluation**, which involves the assessment of **price** and **specific goals**, in accordance with the **Preferential Procurement Regulations, 2022**, issued under the **Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)**.

During this stage, the **80/20/ or 90/10 preference point system** will apply as follows:

- **80/90 points** will be allocated for **price**; and
- **20/10 points** will be allocated for **specific goals** as determined by the Mpumalanga Provincial Government and in line with the Preferential Procurement Regulations, 2022.

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The **lowest acceptable tender** will be used as the basis for calculating price points in accordance with the prescribed formula. Bidders are required to provide **sufficient supporting information and documentation** to enable the Bid Evaluation Committee (BEC) to accurately assess and score their submissions against all applicable criteria.

11.2. Price and Preference Point Evaluation (80/20 or 90/10 System)

A. Functionality Conversion Formula

The formula to be applied for converting the functionality scores to percentages is as follows:

$$Ps = 80/90 \times (1 - (Pt - Pmin) / Pmin) \quad \text{Ps} = 80/90 \times (1 - (Pt - Pmin) / Pmin)$$

Where:

- **Ps** = Points scored for comparative price of the bid or offer under consideration
- **Pt** = Comparative price of the bid or offer under consideration
- **Pmin** = Comparative price of the lowest acceptable bid or offer

B. Functionality Scoring and Minimum Threshold

- Each member of the Bid Evaluation Committee (BEC) shall independently allocate points for each functionality criterion as listed in the functionality evaluation table.
- The assessment of functionality shall be based on the approved evaluation criteria, and a **minimum threshold of 70 points out of 100** must be achieved for a bid to qualify for further evaluation.
- All bidders who obtain a functionality score of **70 points or more** shall proceed to **Phase II** of the evaluation process.
- Bids that fail to meet the **minimum threshold of 70 points** shall be regarded as **non-responsive** and shall **not be considered further**.

C. Price / Financial Evaluation and Specific Goals

- Only **price or financial bids submitted in South African Rand (ZAR)** shall be considered.
- The Department reserves the right to negotiate rates and prices submitted by bidders, where appropriate and in line with applicable legislation.
- Responsive bids shall be evaluated in accordance with the **80/20 or 90/10 preference point system**, where:
 - **80/90 points** are allocated for **price**; and
 - **20/10 points** are allocated for **specific goals**, as prescribed in the **Preferential Procurement Regulations, 2022**.
- The **lowest acceptable tender** shall obtain the **maximum points for price**, while other bids with higher prices shall obtain proportionally lower points according to the formula stated above.

D. Calculation of Final Points

- The final points used to determine the ranking of bids and the preferred bidder shall be calculated as follows:

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- $$Ps = 80/90 \times (1 - (Pt - Pmin) / Pmin)$$

$$Ps = 80/90 \times (1 - (Pt - Pmin) / Pmin)$$
- **Where:**
 - **Ps** = Points scored for comparative price of the bid under consideration
 - **Pt** = Comparative price of the bid under consideration
 - **Pmin** = Comparative price of the lowest acceptable bid
- **Note:** Preference claim forms are included as part of the **Standard Bidding Documents (SBD)** and must be fully completed and submitted with the bid.

E. Allocation of Specific Goal Points

A maximum of **20 or 10 points** may be awarded to a bidder for the achievement of **specific goals** identified in the tender, in accordance with the **Preferential Procurement Regulations, 2022**.

F. Award of Contract

Subject to **Section 2(1)(f)** of the **Preferential Procurement Policy Framework Act**, the contract shall be awarded to bidders that achieve the **highest total points** (price plus specific goals) and whose offer is both **acceptable** and **cost-effective** for the Department.

Description of Specific Goal	Weighting (80/20 or 90/10 System)	Points
Enterprises that are at least 51% owned by historically disadvantaged persons, including Black persons as defined in the Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003).	80/20 or 90/10	2/1 Points
Enterprises that are at least 51% women-owned.	80/20 or 90/10	10/5 Points
Enterprises that are at least 51% owned by persons with disabilities.	80/20 or 90/10	2/1 Point
Enterprises that are at least 51% youth-owned.	80/20 or 90/10	6/3 Point
Total		20/10 Points

Note:

- Bidders must attach certified documentary proof to substantiate ownership claims for the allocation of points.
- Failure to submit valid proof of ownership or shareholding documentation will result in the forfeiture of points under the applicable specific goal.
- Verification will be conducted in line with the BBBEE Act and the Preferential Procurement Regulations, 2022.

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12. SECTION C: SPECIAL CONDITIONS

12.1 Special Conditions of Contract

The **Special Conditions of Contract (SCC)** are **supplementary** to the **General Conditions of Contract (GCC)** issued by the **National Treasury**.

In the event of any conflict between the provisions of the Special Conditions of Contract and the General Conditions of Contract, the **General Conditions of Contract shall prevail**.

The Department reserves the right to **disqualify any bidder** who engages in, or has previously engaged in, any of the following conduct:

12.2 Disqualification Grounds

a. Collusive or Anti-Competitive Conduct

Engaging in any form of collusive tendering, anti-competitive behavior, or similar conduct, including but not limited to, collusion with another bidder in respect of the subject matter of this bid.

b. Unlawful Assistance

Seeking or obtaining assistance—other than that officially provided by a government entity—from any employee, advisor, or representative of a government entity to gain an unlawful or unfair advantage in relation to procurement or services to be provided to the Department.

c. Offering Inducements or Gratuities

Making or offering any gift, gratuity, payment, reward, favour, or other inducement, whether lawful or unlawful, to any official, director, employee, or representative of the Department.

d. Accepting Inducements or Benefits

Accepting any gift, payment, reward, or benefit that provides or may provide financial gain, advantage, or preferential treatment in connection with procurement or services related to the Department.

e. Improper Payments or Fees

Paying or agreeing to pay any person any fee, commission, percentage, brokerage, gift, or other consideration that is contingent upon, or results from, the award of a tender, contract, right, or entitlement related to procurement or service delivery to the Department.

f. Previous Convictions or Fraudulent Activity

Having been found guilty in a court of law for fraud, forgery, corruption, or any other criminal act related to public procurement, or having previously engaged in any matter referred to above.

12.3 Intellectual Property and System Ownership

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MISREPRESENTATION DURING THE LIFE CYCLE OF THE CONTRACT

- a. The bidder is hereby advised that the terms, representations, and undertakings contained in its bid submission shall be incorporated by reference into any contract or agreement subsequently concluded with the Mpumalanga Provincial Government (MPG). The MPG will rely upon the contents of the bidder's submission as a material representation when making an award and entering into a formal contract or Service Level Agreement (SLA) with the successful bidder.
- b. It follows, therefore, that any misrepresentation, omission, or false declaration within the bidder's submission shall constitute grounds for the termination of the contract or Service Level Agreement and may give rise to a claim for damages or recovery of losses by the MPG against the bidder. In the event of a conflict or inconsistency between the bidder's proposal and the final Service Level Agreement concluded between the parties, the provisions of the Service Level Agreement shall prevail.

13 INDEMNITY

- a. In the event that a bidder or contractor **breaches any term or condition** of this bid or the resulting contract, and such breach causes the **Department to incur costs, losses, or damages** — including, but not limited to, costs associated with **investigations, enforcement of intellectual property rights, legal proceedings, or breaches of confidentiality obligations** — the **contractor shall fully indemnify and hold the Department harmless** against all such losses, damages, expenses, or liabilities incurred as a direct or indirect result of that breach.
- b. The bidder acknowledges and agrees that participation in this **bidding process is entirely at the bidder's own cost and risk**. The Department shall not under any circumstances be liable for any **expenses, losses, or damages** suffered by the bidder, whether directly or indirectly, because of participation in the bid process, the preparation or submission of the bid, or any subsequent discussions, clarifications, or negotiations.

14. CONFLICT OF INTEREST, CORRUPTION AND FRAUD

- a. Mpumalanga Provincial Government (MPG) reserves its right to disqualify any bidder or cancel the contract of any successful bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognized stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognized stock exchange), directors or members of senior management, whether in respect of any government institution or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity") (as per National Treasury instruction note 4 of 2016/17 on minimum specification requirement for travel management services and annexures)

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- i. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- ii. seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- iii. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the MPG's officers, directors, employees, advisors or other representatives;
- iv. makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
- v. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
- vi. pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
- vii. has in the past engaged in any matter referred to above; or
- viii. has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

15. PRECEDENCE

This document shall prevail over any form of information that may have been provided during any briefing session (whether oral or written) unless such written information expressly amends the contents of this document.

16. VALIDITY PERIOD

The validity period of the bid is **120 days**. Any time or date in this bid is subject to change at the discretion of the Mpumalanga Provincial Treasury. The bidder(s) accepts that if the Department extends the deadline for submission (i.e. closing date) for any reason, the terms and conditions of this bid shall apply equally to the extended period.

17. DEFAULTERS AND RESTRICTED SUPPLIERS

The bid shall not be awarded to a bidder(s) whose name or any of his/her company members, directors, partners or trustees are regarded as defaulters and/or appear on the Register of Defaulters or List of Restricted Suppliers.

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18. LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be considered and where practical, will be returned unopened to the bidder(s).

19. DURATION OF CONTRACT

The contract shall run for a period of Five (05) years with an option to extend for two (02) years subject to performance and budget availability.

20. CONTRACT PRICE ADJUSTMENT

Contract price adjustments will be done annually as per fixed pre-negotiated prices. No price adjustments will be allowed during the 1st year of the contract period, it will only be considered on the anniversary of the contract. Price adjustment will be in line with CPIX.

21. ROTATION

- a. In accordance with the principles of **fairness, transparency, equity, and cost-effectiveness** as prescribed in **Section 217 of the Constitution**, and in line with the **National Treasury Supply Chain Management Framework**, the Department shall apply a **rotation system** in the allocation of travel and accommodation services under this transversal contract.
- b. The **rotation of service providers** will be implemented to ensure that all qualifying and contracted Travel Management Companies (TMCs) are afforded **equal opportunity** to provide services, subject to their performance, capacity, and availability at the time of booking.
- c. The Department reserves the right to **deviate from rotation schedule** in cases of:
 - Urgent or emergency travel;
 - Specialized or high-security travel requirements;
 - Lack of available accommodation or flights through the rotated provider; or
 - Service failure by the initially rotated provider.

22. RIGHTS RESERVED

The Mpumalanga Provincial Treasury (MPT), acting on behalf of the Mpumalanga Provincial Government (MPG), reserves the following rights in relation to this bid and any resultant contract:

22.1 Rejection of Unsatisfactory Submissions

MPT reserves the right to reject an award in respect of any category or service area where the evaluation panel determines that the bid responses are unsubstantial, incomplete, or fail to meet the required standards.

22.2 Appointment of Service Providers

APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

MPT at its sole discretion and subject to evaluation outcomes, intends to appoint a maximum of six Travel Management Companies for a period of five years (60 months). The highest functionality scoring acceptable bidders will be recommended for appointment, subject to all meeting the stated evaluation requirements.

22.3 Evaluation Methodology

The Evaluation of separate functionality cut-off recommended the following predetermined admission methodology:

Stage 1 - Administrative and mandatory compliance: assess only the compulsory requirements disclosed in the specifications.

Stage 2 - Functionality: score each compliant applicant against the published functionality criteria, weights and evidence requirements.

Stage 3 - Minimum threshold: applicants scoring below 70 are excluded. The 70 points threshold remains fixed and may not be increased after closing.

Stage 4 - Ranking: every applicant scoring 70 or more is ranked from the highest to the lowest total functionality score.

Stage 5 - Maximum panel size: subject to the predetermined tie rule below, only the six highest-ranked qualifying applicants are listed. Passing 70 means eligibility for ranking; it does not create an automatic right to a panel position.

Stage 6 - Commercial negotiation: after the six panel members have been formally approved/listed, negotiate the transaction/service rate schedule through one consistent, auditable process. The negotiation does not re-score functionality and may not change the ranking of the six panel members.

Stage 7 - Panel operation: panel listing itself does not guarantee a minimum value, number of transactions, department, rotation share or revenue. Any source of actual requirements must follow the legally applicable procurement method and the published panel rules.

22.3 Lowest Bid Not Binding

MPT is not bound to accept the lowest-priced bid. The Department reserves the right to make an award based on value for money, functionality, quality, and compliance with Treasury regulations.

22.4 Right to Cancel the Bid

MPT reserves the right to cancel this bid process or any part thereof at any stage, prior to or after award, without incurring any obligation towards the bidders. It also reserves a right NOT to appoint any service provider if it deems fit that the bid is non-responsive.

22.5 Right to Negotiate

MPT reserves the right to enter negotiations on price and other contract terms with the recommended or appointed bidder(s), provided that such negotiations are conducted within the framework of the Preferential Procurement Regulations, 2022 and applicable National Treasury guidelines. In an event where there is no consensus the Mpumalanga Provincial Treasury will present a final market-related offer to all recommended bidders.

APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

22.6 Termination for Underperformance

MPT reserves the right to terminate the contract with any service provider who fails to perform in accordance with the terms and conditions of the agreement, the Service Level Agreement (SLA), or prescribed performance standards.

22.7 Bidder's Responsibility

The onus rests with the bidder to provide complete, accurate, and verifiable information in its submission. Failure to do so may result in the disqualification of the bid or the termination of the contract at a later stage.

22.4 PRICE NEGOTIATION AND STANDARDIZATION OF RATES

- In accordance with the Public Finance Management Act (PFMA), Treasury Regulations, and Preferential Procurement Regulations, 2022, the Mpumalanga Provincial Treasury (MPT) reserves the right to negotiate prices with all or any of the appointed service providers after the evaluation process has been concluded but before the final award is made, to ensure value for money and cost containment in line with National Treasury guidelines.
- Where multiple service providers are appointed under the same category of service (for example, Travel Management Companies providing similar travel and accommodation services), the Department may establish a standardized or benchmark rate structure.
- This may include the standardization of service fees, management fees, transaction costs, or booking charges, as applicable.
- The standard price will serve as the maximum allowable rate for the category of service to ensure uniformity and fairness across all appointed service providers.
- The negotiation process will be conducted in a transparent and auditable manner, and each participating bidder will be afforded an equal opportunity to engage in negotiations on pricing within the bounds of the procurement prescripts.
- The standardized rates agreed upon through negotiation will be recorded in writing and will form part of the contractual terms and Service Level Agreement (SLA) signed between the Mpumalanga Provincial Government and each appointed service provider.

22.5 PREVENTION OF ABNORMALLY LOW BIDS AND PRICE MANIPULATION

- The Mpumalanga Provincial Treasury (MPT) is committed to ensuring fair competition and value for money in all procurement processes. To prevent unsustainable or abnormally low bids, all pricing proposals will be subjected to a reasonableness and feasibility analysis as part of the evaluation process.

APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

- A bid will be considered abnormally low if the price offered appears to be unrealistic, unsustainable, or inconsistent with market-related pricing and cost structures applicable to the category of service being procured.
- In cases where a bid is identified as abnormally low, the Bid Evaluation Committee (BEC) will:
- Conduct a detailed price reasonableness analysis, comparing the bid price to the average market rate, other responsive bids, and historic data for similar services;
- Require the bidder to submit written clarification or justification of the proposed pricing structure within a specified time frame; and
- Evaluate whether the low price is a result of legitimate operational efficiency or constitutes predatory or unsustainable pricing intended to distort competition.
- The Department further reserves the right to:
- Reject any bid that is determined to be abnormally low and poses a risk of non-performance or poor quality delivery;
- Require the bidder to submit a cost breakdown to substantiate all elements of the proposed price (Labour, management fees, commissions, etc.);
- Negotiate revised pricing prior to award to align with fair market values; and
- Include performance guarantees or penalties in the contract to mitigate risk of service failure arising from unsustainably low pricing.
- In cases where multiple service providers are appointed, the standardization of rates (Clause 12.8) shall be used as an additional mechanism to prevent undercutting and ensure equitable, realistic, and sustainable pricing across the appointed suppliers.

Bidders are required to attend a compulsory briefing session at:

No	DISTRICT	TOWNS/ PLACE	DATE	TIME	VENUE
1	Ehlanzeni	Mbombela	25 August 2026	10h00	Ehlanzeni District Municipality Disaster Management Centre Hall 8 Van Niekerk Street, Mbombela (Nelspruit), 1200

APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

25. CONTACT PERSON FOR TECHNICAL ENQUIRIES

Please direct any enquiries in relation to these specifications/Terms of Reference (TORs) to the following person/s:

Ms. Conja Hoon
(013) 766 8714
CHoon@mpg.gov.za

I fully understand and accept in full, the contents of the special conditions contained in this bid document and authorized to sign and accept these conditions.

**SIGNATURE OF BIDDER
OR AUTHORISED PERSON**

DATE

26. SECTION D: PRICING SCHEDULE

PRICE SCHEDULE – TRAVEL & ACCOMMODATION

Bidders must complete the pricing schedule below as per the unit of measure indicated (in Rand value per transaction or percentage service fee per transaction)

**APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR
MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND**

No	Transaction Type	Unit per Transaction	Unit Price (Excl VAT)	Unit Price (Inc VAT)	Total Price (Incl VAT)
1	Air Travel: Domestic	Per Ticket			
2	Air Travel: Regional	Per Ticket			
3	Air Travel: International	Percentage Per Transaction			
4	Vehicle Rental: Domestic	Per Transaction			
5	Vehicle Rental: Regional	Per Transaction			
6	Vehicle Rental: International	Percentage Per Transaction			
7	Shuttle Service (per car): Domestic	Per Transaction			
8	Shuttle Service (per car): Regional	Per Transaction			
9	Shuttle Service (per car): International	Percentage Per Transaction			
10	Accommodation: Domestic	Per Transaction			
11	Accommodation: Regional	Per Transaction			
12	Accommodation: International	Percentage Per Transaction			
13	Bundle Transaction Fee: Air Travel, Accommodation, Vehicle (Domestic)	Per Transaction			
14	Bundle Transaction Fee: Air Travel, Accommodation, Vehicle (Regional)	Per Transaction			
15	Bundle Transaction Fee: Air Travel, Accommodation, Vehicle (International)	Percentage Per Transaction			
16	Insurance Transactional Fees: Regional	Per Transaction			
17	Insurance Transactional Fees: International	Percentage Per Transaction			
18	Bus /Minibus Transaction Fees: Domestic	Per Transaction			
19	Bus /Minibus Transaction Fees: Regional	Per Transaction			
20	Bus /Minibus Transaction Fees: International	Percentage Per Transaction			
21	Accommodation - Long Stay (>10 – <50 Nights)	Percentage Per Transaction			
22	Accommodation - Long Stay (>50 – <100 Nights)	Percentage Per Transaction			
23	Accommodation - Long Stay (>100 Nights)	Percentage Per Transaction			
24	Group Accommodation – Domestic Group Accommodation (>10 travelers)	Percentage Per Transaction			
25	Group Accommodation – Regional Group Accommodation (>10 & <50 travelers)	Percentage Per Transaction			
26	Group Accommodation – International Group Accommodation (>50 & <100 travelers)	Percentage Per Transaction			
27	Conference Management – Domestic Group Conference (>10 & 50 delegates)	Percentage Per Transaction			

APPOINTMENT OF A PANEL OF SERVICE PROVIDER(S) FOR THE PROVISION OF TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF FIVE (05) YEARS WITH AN OPTION TO EXTEND FOR TWO (02) YEARS

No	Transaction Type	Unit per Transaction	Unit Price (Excl VAT)	Unit Price (Inc VAT)	Total Price (Incl VAT)
28	Conference Management – Domestic Group Conference (>50 & <100 delegates)	Percentage Per Transaction			
29	Conference Management – Domestic Group Conference (>100 delegates)	Percentage Per Transaction			
30	Conference Management – International Group Conference (>10 & <50 delegates)	Percentage Per Transaction			
31	Conference Management – International Group Conference (>50 & <100 delegates)	Percentage Per Transaction			
32	Conference Management – International Group Conference (>100 delegates)	Percentage Per Transaction			
33	Conference Management – Event Management (Planning & Coordination)	Percentage Per Transaction			
34	Conference Management – Meeting Facilitator & Equipment Hire Handling Fee)	Percentage Per Transaction			
35	Visa & Currency – Visa Application & Processing	Per Application			
36	Visa & Currency – Foreign Exchange Handling Fee	Per Transaction			
37	Parking Transaction Fee	Per Transaction			
38	Changes and Cancellation Fee – Late cancellation Fee	Per Transaction			
39	After Hours Fee – For Bookings after hours (Services between 16h15 & 7h45)	Per Transaction			
40	Corporate Gifts, Flowers etc. Less than R1000 per transaction value	Per Transaction			
41	Corporate Gifts, Flowers etc. Between R1000 & R5000 per transaction value	Per Transaction			
TOTAL			R	R	R

**SIGNATURE OF BIDDER
OR AUTHORISED PERSON**

DATE



TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate**Purpose**Select the applicable option Tenders ☐ Good standing ☐

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name (Initials & Surname or registered name)	
Trading name (if applicable)	
ID/Passport no	Company/Close Corp. registered no
Income Tax ref no	PAYE ref no 7
VAT registration no 4	SDL ref no L
Customs code	UIF ref no U
Telephone no	Fax no
E-mail address	
Physical address	
Postal address	

Particulars of representative (Public Officer/Trustee/Partner)

Surname	
First names	
ID/Passport no	Income Tax ref no
Telephone no	Fax no
E-mail address	
Physical address	

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
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Audit

Are you currently aware of any Audit investigation against you/the company? YES NO

If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

--

Signature of representative/agent Date

Name of representative/agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

--

Signature of applicant/Public Officer Date

Name of applicant/Public Officer

Notes:

- It is a serious offence to make a false declaration.
- Section 75 of the Income Tax Act, 1962, states: Any person who
 - fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
 - without just cause shown by him, refuses or neglects to-
 - furnish, produce or make available any information, documents or things;
 - reply to or answer truly and fully, any questions put to him ...

As and when required in terms of this Act ... shall be guilty of an offence ...
- SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
- Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

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

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

SBD4

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

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

- a) The applicable preference point system for this tender is the 80/20 or 90/10 preference point system.
- b) 80/20 or 90/10 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	POINTS
PRICE	80	90
SPECIFIC GOALS	20	10
Total points for Price and SPECIFIC GOALS	100	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 either of a tenderer, 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.
- 1.7 Bidders who wish to claim points in terms of table 4.2 below need to provide proof for each point claimed as guided below:
- Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBBEE Act)– **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
 - Enterprises that are at least 51% women-owned - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**
 - Enterprises that are at least 51% owned by disabled persons – **attach doctor's letter confirming the disability**
 - Enterprises with at least a 51% ownership by Youth - **attach certified copy of identity document (ID) and company registration document / CSD report to show/ substantiate percentage ownership equity.**

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:

80/20	or	90/10
-------	----	-------

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

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:

80/20	or	90/10	
$Ps = 80 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right) \text{ or}$		$Ps = 90 \left(1 + \frac{Pt - P_{max}}{P_{max}} \right)$	

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

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	Percentage ownership equity (To be completed by the tenderer)	Number of points allocated (80/20 system)	Number of points claimed (80/20 system) (To be completed by the tenderer)	Number of points allocated (90/10 system)	Number of points claimed (90/10 system) (To be completed by the tenderer)
I. Enterprises that are at least 51% that have historically disadvantaged persons such as Black persons (as defined by BBEE Act)		02 points		01 point	
II. Enterprises that are at least 51% women-owned		10 points		05 points	
III. Enterprises that are at least 51% owned by disabled persons		02 points		01 point	
IV. Enterprises with at least a 51% ownership by Youth		06 points		03 points	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

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

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	
DATE:	
ADDRESS:	
	
	
	
	

THE NATIONAL TREASURY

Republic of South Africa



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.

TABLE OF CLAUSES

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2. Application
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8. Inspections, tests and analysis
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27. Settlement of disputes
28. Limitation of liability
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30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

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| 16. Payment | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in 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> |
| 17. Prices | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p> |
| 18. Contract amendments | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p> |
| 19. Assignment | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p> |
| 20. Subcontracts | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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> |
| 21. Delays in the supplier's performance | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule 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 Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

Js General Conditions of Contract (revised July 2010)