

BID SPECIFICATION

INVITATION FOR BIDS

PROVISION OF BANKING SERVICES

BID NUMBER:	MTPA/20222023/FIN/01
NAME OF THE BIDDER	
TOTAL BID PRICE	R
CLOSING DATE:	10 OCTOBER 2022
CLOSING TIME:	11H00 AM
BID DOCUMENT DELIVERY	SUPPLY CHAIN MANAGEMENT UNIT PROCUREMENT OFFICE

ADDRESS:	HALLS' GATEWAY, MATAFFIN MTPA FINANCE BLOCK E MBOMBELA, 1200
BID VALIDITY PERIOD:	90 days (commencing from the advert Closing Date)
TECHNICAL RELATED QUERIES	pamela.maseko@mtpa.co.za 013 065 0884
SCM RELATED QUERIES	noxolo.mgwenya@mtpa.co.za 013 065 0886
DESCRIPTION OF THE BID	PROVISION OF BANKING SERVICES.

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

Bidders shall submit proposal responses in accordance with the prescribed manner of submissions as specified above. Bids received after the time stipulated shall not be considered.

Where applicable, the successful bidder will be required to fill in and sign a written Contract Form (SBD 7).

Bidders are not allowed to contact any other MTPA staff in the context of this BID other than the indicated officials under SBD 1 or as indicated above.

NB: No proposal shall be accepted by the MTPA if submitted in any manner other than as prescribed above.

PART A

INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MPUMALANGA TOURISM AND PARKS AGENCY					
BID NUMBER:	MTPA/20222023/FIN/01	CLOSING DATE:	11 OCTOBER 2022	CLOSING TIME:	11H00
DESCRIPTION	PROVISION OF BANKING SERVICES				
BID RESPONSE DOCUMENTS MUST BE SENT TO THE DESIGNATED EMAIL ADDRESS					
SUPPLY CHAIN MANAGEMENT UNIT, PROCUREMENT OFFICE HALLS' GATEWAY, MATAFFIN MTPA FINANCE BLOCK E, MBOMBELA, 1200					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Ms Noxolo Mgwanya		CONTACT PERSON	Ms Pamela Maseko	
TELEPHONE NUMBER	013 065 0886		TELEPHONE NUMBER	013 065 0884	
E-MAIL ADDRESS	Noxolo.mgwanya@mtpa.co.za		E-MAIL ADDRESS	Pamela.maseko@mtpa.co.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> 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:
<p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>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.</p> <p>1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.</p> <p>1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</p>
2. TAX COMPLIANCE REQUIREMENTS
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>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.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.</p> <p>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.</p> <p>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.”</p>

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 resolutions)

DATE:

1. PURPOSE

The purpose of this submission is to request approval from the CEO to commence the process of appointing a financial institution to manage the MTPA's Financial and Banking affairs. This tender is for the purpose of commercial banking institution within the borders of the Republic of South Africa to provide the banking services to the Mpumalanga Tourism and Parks Agency.

2. BACKGROUND

In terms of **Section 7(2) (a) (b)** of the Public Finance Management Act 1 of 1999 (as amended per Amendment act no 29 of 1999) states: "A department authorised to open a bank account only: -

2.1. *with a bank registered in South Africa and approved in writing by National Treasury; and*

2.2. *After any prescribed bidding procedures have been complied with."*

The Mpumalanga Tourism and Parks Agency wishes to appoint a banking institution to meet the needs of its treasury and operational activities.

It is important that bidders are able to demonstrate their competence to provide the basic commercial banking needs to the Mpumalanga Tourism and Parks Agency as well as working closely with the officials of the Mpumalanga Tourism and Parks Agency as banking requirements emanates.

The Mpumalanga Tourism Agency have a main account for daily activities of the Agency and set projects accounts. The main account for all daily activities to which all accounts should be swept electronically on a daily basis.

3. SCOPE OF WORK

3.1 The proposed solutions to the required service should cater for the following areas:

- 3.1.1 Transactional and products banking services;
- 3.1.2 Electronic banking services;
- 3.1.3 Cash management services;
- 3.1.4 Foreign Exchange services; and
- 3.1.5 Implementation and training
- 3.1.6 Drop safes
- 3.1.7 Cash in-Transit Services
- 3.1.8 Real on-time Application for banking services updates on daily basis
- 3.1.9 Cashless System Services with integration to online booking system

3.2 The information to be provided by any prospective bidder, in line with the above mentioned areas, should also reflect on the following proposed solutions as well:

- 3.2.1 An effective and cost effective current account administration service;
- 3.2.2 Enhances business process for improved efficiencies, resulting in reduces costs;
- 3.2.3 Processes and controls to mitigate operational risk and fraud;
- 3.2.4 The ability to handle large volumes of transactions;
- 3.2.5 Provision of Sage Evolution General Accounts for the processing of payments and subsidiary accounts.

3.3 Expected performance from prospective bidders

The bidder must provide a full set of electronic fleet management services and other banking products and services to the Mpumalanga Tourism and Parks Agency in including the following:

- 3.3.1 Fuel Cards (Fleet card) and also specifically for aviation fuel purchases;
- 3.3.2 The bidder should provide the pricing information for cash deposit fees, cash management fees, stop payment fees, electronic transfer fees, interest received, fleet management product and other as applicable for the period it will be effective;
- 3.3.3 The bidder must supply information indicating procedures and authorisation requirements for cash deposits, withdrawals, stop payment instructions, foreign exchange transactions etc. With associated costs;
- 3.3.4 Demonstrate the ability to identify fraudulent transactions or fraudulently negotiated and rectification of such fraudulent actions at the earliest possible time;
- 3.3.5 Demonstrate the ability to investigate and recover losses arising from fraudulent negotiation by personnel from financial institutions;
- 3.3.6 Provide ongoing advice on fraud prevention and methods of detecting fraud;
- 3.3.7 Indicate whether it is capable of providing cash collection services from designated locations;
- 3.3.8 Provide any additional information iro cash collection services i.e. associated costs; using of third parties; frequency; insurance cover; reports; reconciliations etc;
- 3.3.9 Indicate whether it is capable of providing electronic card less transactions i.e. Instant Money Transfer;
- 3.3.10 Indicate whether it is capable to provide drop safe facilities, providing list of essential requirements to operate effectively in remote areas;
- 3.3.11 Indicate whether they do offer short term overdraft facility i.e. where the Agency still waiting for grant to be received;
- 3.3.12 Indicate whether they do have the merchant online services;

3.3.13 Provide the online electronic cards whenever needed by the Agency;

3.4 Electronic Banking Services

The services required by the Mpumalanga Tourism and Parks Agency include the daily sweeping of current accounts, electronic funds transfer, and deposit identification when payment is received or made electronically.

The bidder must indicate whether it:

- 3.4.1 Has multi-layered security enabling individual access to transfers and/or enquiries irrespective of physical location as well as audit trail capabilities;
- 3.4.2 It has the capacity to identify and offer modular cash management functionalities, e.g. bulk electronic debits could be offered separate from bulk electronic credits;
- 3.4.3 Will be able to operate as house banker if more than one banker is involved to facilitate the daily sweeping;
- 3.4.4 Have predetermined electronic payments set up with standard payment details for third party payments, internal transfers and regular suppliers;
- 3.4.5 Have ad hoc electronic payments for third party payments and internal transfers;
- 3.4.6 The bidder must be able to execute the electronic transfers of bank deposits for the credit of the Mpumalanga Tourism and Parks Agency from other banks at the same rate as per the bid;
- 3.4.7 the ability for stop payment facilities and recall accounts;
- 3.4.8 Can provide post-dated electronic transfer and payment service;
- 3.4.9 The Mpumalanga Tourism and Parks Agency in applying limits to transactions and accounts and the monitoring thereof;
- 3.4.10 Can provide electronic identification and reconciliation of counter deposits;
- 3.4.11 Bidders should be able to provide automatic downloading of bank statements and for which previous periods they are available;
- 3.4.12 The downloaded bank statements must have cut off dates i.e. from the 1st to 31st of January each, the February transactions should not be included.
- 3.4.13 Interface with other accounting software packages i.e. Sage 300 and Sage Evolution to facilitate salary and supplier payments. Be able to import electronic payment files/batches.
- 3.4.14 Has direct on-line function to enquire on the status of all relevant bank accounts from bidder as well as other financial institutions;
- 3.4.15 Bidders are expected to provide the deposit identification (identifier) with electronic transfers and deposits, the number and type of characters should also be supplied; i.e. using prefix deposit referencing.

- 3.4.16 Has the ability to supply information pertaining to unpaid Automatic Clearing Bureau (ACB) transactions;
- 3.4.17 Can sort information based on the deposit identification;
- 3.4.18 Can provide real-time cash management information to optimise the Mpumalanga Tourism and Parks Agency's funds management;
- 3.4.19 Has the ability to integrate with commercial procurement systems i.e. the Central Supplier Database (CSD) for verification of payments processed against account holder details at the bank
- 3.4.20 Has the ability to transact electronically via the bank with suppliers of goods and services as and when required;
- 3.4.21 Immediately inform the MTPA in writing of unusual, suspicious or duplicated transactions;
- 3.4.22 Supply costs per transaction for Electronic Account Payments(EAP), Stop Payments(SP), recall accounts, downloading of bank statements both provisional and history;
- 3.4.23 Automated notification when system is offline
- 3.4.24 If the system is down/offline due to bank problem, what will be an alternative without the MTPA incurring any other costs;
- 3.4.25 Level of assistance available for urgent manual transfers or payments;
- 3.4.26 The electronic system should have the ability to inform realising agents via email and messaging to release funds on the system.
- 3.4.27 It is expected off the bidders to facilitate the secure and timeous movement of funds.
- 3.4.28 Bidders must be able to transmit confirmations either electronically i.e. emails.

3.4.1.1 Merchant online services

	Reserves	Number of speed Currently points machines in reserves	Number of Speed points machines proposing	Comments
1	Blyde Nature Reserve	11	10	MTN Simcards prefarrably
2	Potholes	2	4	MTN Simcards preferably
3	God's Window	1	2	MTN Simcards preferably
4	Three Rondawels	1	2	MTN Simcards preferably
5	Swadini	0	1	MTN Simcards preferably

6	Pinnacle	0	1	MTN Simcards preferably
7	Manyeleti Nature Reserve	6	6	MTN Simcards preferably
8	Head Office	3	3	MTN Simcards preferably
9	SS Skhonana Nature Reserve	3	1	MTN Simcards preferably
10	Andover Nature Reserve	3	2	MTN Simcards preferably
11	Loskop Nature Reserve	4	2	MTN Simcards preferably
12	Barberton Nature Reserve	1	1	MTN Simcards preferably
13	Verloren Vallei Nature Reserve	1	1	MTN Simcards preferably
14	Nooitgedaght Nature Reserve	2	1	MTN Simcards preferably
15	Mabusa Nature reserve	1	1	MTN Simcards preferably
16	Songimvelo Nature Reserve	2	1	MTN Simcards preferably
17	Kromdraai Nature Reserve	2	1	MTN Simcards preferably
18	Mdala Nature Reserve	0	1	MTN Simcards preferably
19	Mkhombo Nature Reserve	0	1	MTN Simcards preferably
20	Ohrigstaad Dam Nature Reserve	0	2	MTN Simcards preferably
21	Sterkspruit	0	1	MTN Simcards preferably
	Total of Machines	39	35	NETWORK IS THE PROBLEM FROM ALL THE RESERVES

3.5 Interest calculations, practices, conventions, reconciliations, and retro-entries

The bid must provide information regarding interest calculations to demonstrate:

- 3.5.1 On what day interest is calculated for which period;
- 3.5.2 When and how interest is capitalised;
- 3.5.3 What ability/ electronic report does the bidder have to facilitate the reconciliation of interest calculations by the Mpumalanga Tourism and Parks Agency;
- 3.5.4 How are retro-entries handled in terms of interest calculations and how they'll be managed and recorded;
- 3.5.5 Proposed debit and credit interest rates applicable to balances; and

- 3.5.6 The bidder must also provide indication as to the timeframes for the transactions to be effected, e.g. when it is effected intra-day and when it is effected over night or the next day. The bidder must also provide information as to what types of transactions are permitted as previous day's value and which are not and the associated consequences.

3.6 Reporting, Audit Trails and Queries

The bidder must:

- 3.6.1 Give indication on their ability to provide daily and monthly cash management reports and statements;
- 3.6.2 Provide information as to what audit trails will be available, in what form daily and ad hoc queries will be addressed. Response time to supply statements should be stated;
- 3.6.3 Indicate whether it can provide break down of information of the bank charges and costs to allow the Mpumalanga Tourism and Parks Agency to reconcile with bided prices;
- 3.6.4 Indicate any additional costs that are incurred with the supply of the information;
- 3.6.5 Indicate the period of historic information available; and
- 3.6.6 Demonstrate executive reporting facilities to assist in the control and monitoring of accounts and exceptions reporting for amounts that exceed a specific limit and an unusual pattern of spending.

3.7 Technical equipment

The bidder must supply a technical specification for the requirements to enable the Mpumalanga Tourism and Parks Agency to utilise the electronic services and products. If the bidder makes the equipment available free of charge, it must be indicated as such.

3.8 General

Particulars of other products/services that may be provided, for example:

- 3.8.1 The facilities to assist with the account payments to be done at any of their branches or Auto-teller machine;
- 3.8.2 The provision of credit cards for expenditure purposes (supply annual fees/pricing associated thereto, interest on outstanding amounts older than 30 days if applicable);
- 3.8.3 The provision and management of fuel and maintenance cards, aviation fuel card and/or fleet management system, should the bank have a complete fleet management system available the specifications thereof should be included in the proposal as well as the costs. The fuel and maintenance and aviation card report would be required monthly per card and the bank would need to be able to inform the MTPA of the following:
- 3.8.3.1 Generation of exceptions reports;
- 3.8.3.2 Online purchases with fully functional network coverage on all sites

3.8.3.3 Fully operational speed points with no down time inconveniences

3.8.3.4 Systems should not allow any irregular activity of fuel purchases;

3.8.3.5 Protection of use of old cards; and

3.8.3.6 The fuel and maintenance and aviation card report must be electronically submitted.

3.8.4 The utilisation and provision of speed point payment methods and what rate would be charged;

3.8.5 Generation of weekly/monthly report to assist with reconciliations. This must include detail and summary breakdown per day per merchant number;

3.8.6 Foreign exchange and charges relating to the purchases thereof.

3.9 Specific requirements and issues

3.9.1 Short-term facilities required

The bidder needs to indicate what the pricing will be if the Mpumalanga Tourism and Parks Agency requires a guarantee from the bank as well as the fees for the amendment and cancellation of the said guarantees by bank. Indicate the quarterly administration commission.

In the circumstances, it may be appropriate for the bidder to quote rates linked to prime or South African Futures Exchange (SAFEX). Bidders may also consider bidding different rates for different levels of facilities used and/or balances.

3.9.2 Custodian Services

The bidder must indicate the custodian services and costs it can offer. Other safe custody services for material other than financial scrip must also be included in this section.

3.9.3 Settlement Agent

The bidder must indicate whether it is an official settlement agent of the Bond Exchange of South Africa.

3.9.4 Service level agreements

3.9.4.1 The bidder must provide a pro forma copy of a service level agreement, which will allow the Mpumalanga Tourism and Parks Agency to monitor the performance under the contract and have remedies available to allow the Mpumalanga Tourism and Parks Agency to terminate the agreement.

3.9.4.2 The service level agreement must also indicate how costs and services are evaluated and adjusted on a regular basis. The quoted prices will be subject to a maximum annual increase of

Consumer Price Index (CPI) (MU) based on the proposed level of service. Where bidders provide for a smaller adjustment, this should clearly be indicated in this manner.

3.9.5 Security procedures and insurance

The bidder must provide the information as to what:

- 3.9.5.1 Security procedures are followed to prevent fraudulent practices in terms of e-commerce/electronic banking, cash, etc.
- 3.9.5.2 Insurance arrangements are in place or should be put in place as part of the bid to protect the Mpumalanga Tourism and Parks Agency against any loss, and at what cost; and
- 3.9.5.3 Detail relating to in-house forensic services regarding the above should also be provided as well as any possible prices attached to these.

3.9.6 Authorisations

The bidder must provide the list of resolutions, decisions for which approval must be obtained and other authorisation requirements, e.g. two signatories.

3.9.7 Contract period

The preferred contract period is for five (5) years with a possibility of a 5 years renewal/extension on good performance .

3.9.8 Demonstrating financial stability and viability of Bid

Bids must demonstrate in written submissions the financial stability of their organisations for detailed evaluation; they must also provide ownership and shareholding details in the bid document.

3.9.9 Training and hand-over

The bidder must be able to demonstrate the ability to handle the hand-over and implementation of the services through accepted project management principles, resource capacity and demonstrate capability with expected time frames. The bidder should detail their experience in handling similar accounts and indicate the expected time frame for a successful handover and full implementation as new bankers of the Mpumalanga Tourism and Parks Agency.

If there are additional costs associated with the hand-over and training, it should be clearly marked as such. The bidder must indicate what training:

- 3.9.9.1 will be provided to use the electronic banking systems and any upgrade in the future;

- 3.9.9.2 will be provided for any unfamiliar service or facility offered by the bidder; and
- 3.9.9.3 indicate if update training is provided to signatories and operators of the electronic banking system.

3.9.10 Systems Developments

Systems and procedures will develop and change during the term of the contract. Bidders must indicate their ability and willingness to participate in assisting with these developments.

3.9.11 Additional benefit systems

The bidder should indicate whether there will be any additional benefits derived from obtaining the bid by providing banking facilities and services to the MTPA that are available in the market.

3.9.12 Payment Association of South Africa

The bidder must provide proof that it is a member of the Association.

3.9.13 Exposure to other Public Sector entities

The Bid must supply information as to their current Public Sector clients and the extent of risk exposure.

3.10 Appointment of Service Provider

The successful bidder will be required to enter into a written agreement with the Mpumalanga Tourism and Parks Agency, based on the contents of this document, the accepted bid, as well as the letter of acceptance.

3.11 Completion of Bid

Functionality and cost will be major factors in determining the suitability of the bidder regarding the various aspects of the commercial banking services provided.

Bidders may decide to bid in any method that enables cost comparisons to be made. In other words, the bidder may bid by item or may bid on a lump sum basis monthly or annually. Responses to functionality and prices must be set out on a separate schedule and referenced to the specified requirements. As far as possible, the bid must provide all information in an electronic format as well.

3.11.1 Validity of Bid

The bid will be valid for 90 days after the closing date.

3.11.2 Current set-up

The following information is given to assist and provide a guideline to the bidder to determine its ability to handle the volume and the complexity of the work.

3.11.2.1 Mpumalanga Tourism and Parks Agency

3.11.2.2 Different bankers

3.11.2.3 Centralized cash management

3.11.2.4 Project Management Accounts

Table: 1 – List of all MTPA bank accounts currently held and statistics relating thereto (estimates) (continued)

Identification and short description of account	Number of 3 rd party electronic funds transfer payments on a monthly basis (Paid and received)	Highest value transaction	Total value of 3 rd party electronic funds transfer payments on a monthly basis (Paid and Received)	Number of cash transactions on a monthly basis	Number of operators on the account
Operational Account	5,000	±15mil	±3mil	3,000	9
Salaries Account	0	0	0	0	0
Mpakeni Resource Account	0	0	0	0	0
Mzinti Control Account	0	0	0	0	0
HRD account	5	±100k	±100k	5	9
SANBI account	0	0	0	0	0
Loskop account – DEA	0	±150k	±150k	5	9
Mahushe Shongwe account - DEA	5	±150k	±100k	5	9
Mthethomusha – DEA	0	±150k	±150k	5	9

Identification and short description of account	Number of 3 rd party electronic funds transfer payments on a monthly basis (Paid and received)	Highest value transaction	Total value of 3 rd party electronic funds transfer payments on a monthly basis (Paid and Received)	Number of cash transactions on a monthly basis	Number of operators on the account
Universal Accessibility Account	0	±100k	±100k	2	9
Alien Invasive Species	0	±10k	±10k	5	9
Hospitality Youth Training Programme	0	±5mil	0	120	9
Youth Environmental Service	0	±100k	±100k	3	9
Tourism Monitors	0	±100k	±100k	2	9

TABLE 2: MTPA Financial Statistics (2020/2021)

Details	Total
Annual income including Grants (2020/21)	R408m
Annual expenditure (goods and services)	R132m
Annual compensation to employees	R299m
Total Assets (31.03.2021 – audited)	R645m
Total Liabilities (31.03.2021 – audited)	R60m
Net assets and liabilities (31.03.2021)	R645m

4 TIME FRAMES

Bid Documents should be accompanied by the requested documentation in the Tender Document. A submission of bid is neither an automatic appointment nor a guarantee for appointment.

5 CRITERIA

A preferential point system shall apply in accordance with the procedure for evaluation of tenders as stated in the MTPA's Supply Chain Management Policy where the 80/20 point system shall be applicable. Service Providers should submit their proposals with the following compulsory documents:

Bids that do not meet the minimum participation goals stipulated in the General Conditions of the Contract will be disqualified, which includes the following:

- Company Registration Documents;
- Valid Tax Compliance Status (TCS Pin to be supplied)
- Registered with the Payment Association of South Africa
- Company Profile
- Valid BEE Certificate or a sworn Affidavit.

5.1 Evaluation of Bid offers

The procedure for the evaluation of the offers will be 80/20 as stipulated above, which will be calculated as follows:

FUNCTIONALITY

Evaluation Criteria	Points scoring(maximum allocation)
Quality of services including support, training, transfer of knowledge; Specific portfolio manager –government accounts or SMME banking so that when we have status meeting to discuss with the bank, there must be a person assigned to our portfolio.	10
Extended services that they can offer –benefits for banking with them	10
Experience in similar assignments-government accounts, and proven track record of managing the fund	10
Cost breakdown including benefits from the services, including retainer fee if any.	10
Total	40

The threshold for functional evaluation is set at 60% and bidders scoring above the 60% threshold will be further evaluated for price.

Price: 80%

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

Where:

P_s = points scored for competitive price of bid under consideration

P_t = comparative price of bid under consideration

P_{\min} = comparative price of lowest acceptable bid

PREFERENCE POINTS

BEE STATUS LEVEL OF CONTRIBUTOR	20
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-compliant	0

6 BUDGET

No additional financial implication expected. Standard fees applies.

7 SUBMISSION OF PROPOSALS

All proposals and supporting documents must be clearly marked “**Financial Banking Institution**” and submitted to The Senior Manager Supply Chain Administration, Office of the Chief Financial Officer, Private Bag X11338, Nelspruit, 1200 or hand delivered to Block E (E4) at MTPA Office Complex, N4 National Road, Hall’s Gateway, Mataffin; by no later than the specified date on the tender Bulletin

Late proposals, telefax or emailed proposals will not be accepted.

8. APPOINTMENT OF SERVICE PROVIDERS

Please note that the final decision and successful appointment will be made by the MTPA and no correspondence will be entered into thereafter. The MTPA reserves the right to ultimately decide not to appoint any service provider in terms of this request for proposals.

The successful applicant must be ready and available to commence work immediately on appointment.

9. LEGAL IMPLICATION

The appointed service provider/s will be subject to signing of a contract

10. ENQUIRIES

Please note that clarification of the brief or any other enquiries can be directed as follows:

Technical enquiries

Ms. Pamela Maseko

Accountant Cash and Bank

013 065 0884

Supply Chain enquiries

Ms Noxolo Mgwenya

Demand Officer

(013) 065 0886

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest 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 with any person who is employed by the procuring institution?

YES/NO

2.2.1 If so, furnish particulars:

.....

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.

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 consortium¹ will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

¹ 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.

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

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

I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON 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 2017

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

NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated to **exceed/not exceed** R50 000 000 (all applicable taxes included) and therefore the **80** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

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

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1. B-BBEE Statulevel certificate issued by an authorized body or person;
 - 2. A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3. Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

$$P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

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

5. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: =(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations,2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME	QSE
	√	√
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		

OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One person business/sole propriety
- Close corporation
- Company
- (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- Manufacturer
- Supplier
- Professional service provider
- Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.7 Total number of years the company/firm has been in business:.....

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in

paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
 - (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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.

WITNESSES

1.

2.

.....
SIGNATURE(S) OF BIDDERS(S)

DATE:

ADDRESS

.....

.....

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2011, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

- 1.1. Preferential Procurement Regulations, 2011 (Regulation 9) makes provision for the promotion of local production and content.
- 1.2. Regulation 9.(1) prescribes that in the case of designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered.
- 1.3. Where necessary, for bids referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.
- 1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where

x is the imported content in Rand

y is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on [http://www.thedti.gov.za/industrial development/ip.jsp](http://www.thedti.gov.za/industrial%20development/ip.jsp) at no cost.

1.6 A bid may be disqualified if –

- (a) this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation; and
- (b) the bidder fails to declare that the Local Content Declaration Templates (Annex C, D and E) have been audited and certified as correct.

2. Definitions

- 2.1. **“bid”** includes written price quotations, advertised competitive bids or proposals;
- 2.2. **“bid price”** price offered by the bidder, excluding value added tax (VAT);
- 2.3. **“contract”** means the agreement that results from the acceptance of a bid by an organ of state;
- 2.4. **“designated sector”** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
- 2.5. **“duly sign”** means a Declaration Certificate for Local Content that has been signed by the Chief Financial Officer or other legally responsible person nominated in writing by the Chief Executive, or senior member / person with management responsibility (close corporation, partnership or individual).
- 2.6. **“imported content”** means that portion of the bid price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad (this includes labour or intellectual property costs), plus freight and other direct importation costs, such as landing costs, dock duties, import duty, sales duty or other similar tax or duty at the South African port of entry;
- 2.7. **“local content”** means that portion of the bid price which is not included in the imported content, provided that local manufacture does take place;
- 2.8. **“stipulated minimum threshold”** means that portion of local production and content as determined by the Department of Trade and Industry; and

2.9. “**sub-contract**” means the primary contractor’s assigning, leasing, making out work to, or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.

3. **The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:**

<u>Description of services, works or goods</u>	<u>Stipulated minimum threshold</u>
_____	_____ %
_____	_____ %
_____	_____ %

4. Does any portion of the services, works or goods offered have any imported content?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

4.1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za.

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	Rates of exchange
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

5. Were the Local Content Declaration Templates (Annex C, D and E) audited and certified as correct?

(Tick applicable box)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

5.1. If yes, provide the following particulars:

(a) Full name of auditor:

- (b) Practice number:
- (c) Telephone and cell number:
- (d) Email address:

(Documentary proof regarding the declaration will, when required, be submitted to the satisfaction of the Accounting Officer / Accounting Authority)

6. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO.

ISSUED BY:
NB

1. The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.
2. Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, (full names),
do hereby declare, in my capacity as
of(name of bidder
entity), the following:

- (a) The facts contained herein are within my own personal knowledge.
- (b) I have satisfied myself that:
 - (i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and
 - (ii) the declaration templates have been audited and certified to be correct.
- (c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R

Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above. The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

- (d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.
- (e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 13 of the Preferential Procurement Regulations, 2011 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000).

SIGNATURE: _____ **DATE:** _____

WITNESS No. 1 _____ **DATE:** _____

WITNESS No. 2 _____ **DATE:** _____

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
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General Conditions of Contract

1. Definitions

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

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

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
- 2. Application**
- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
- 3. General**
- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
- 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**
- 7.1 Within thirty (30) days of receipt of the notification of contract award,

security

the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

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

8. Inspections, tests and analyses

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

cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incidental services

13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties,

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

may have against the supplier under the contract.

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

available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the

envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
 - (ii) the date of commencement of the restriction
 - (iii) the period of restriction; and
 - (iv) the reasons for the restriction.

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

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

24. Anti-dumping and countervailing duties and rights

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

- 25. Force Majeure**
- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
- 26. Termination for insolvency**
- 26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
- 27. Settlement of Disputes**
- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.
- 28. Limitation of liability**
- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

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