



DEPARTMENT OF EMPLOYMENT AND LABOUR
**MINIMUM REQUIREMENTS CONTRACT
SECURITY SPECIFICATION**

LEBOWAKGOMO OLD GARAGE

DURATION: Six (6) Months.

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

2. DURATION AND CONDITIONS OF THE BID

2.1 DURATION

This agreement shall start upon the commencement date and shall endure for a period of **6 months** and automatically terminate on the termination date by effluxion of time, unless terminated earlier in terms of the provisions of the Service Level Agreement.

ITEM NO.	DESCRIPTION	
3.2	LEBOWAKGOMO OLD GARAGE	
3.2.1	Rendering of Security Services for a period of 6 months on the following premises: Lebowakgomo old garage.	
3.2.2	Item	Number
3.2.2.1	Security Officer-Grade C unarmed Day Shift (Monday to Sunday: 06h00-18h00)	2
	Security Officer-Grade C unarmed Night Shift (Monday to Sunday: 18h00-06h00)	2
3.2.3	Security aids	
3.2.3.1	(a) Portable hand held 2 way radios (to be programmed to successful bidder's frequency)	2
	(b) Firearms	Not required
	(c) Torches (Re-chargeable)	2
	(d) Handheld metal detector	2

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.****

	(e) Batons	2
	(f) Pocket books and pens (each per security officer)	4
	(g) Handcuffs	2
	(h) Serviceable cellular phones with sufficient airtime and camera	1
	(i) Pepper spray	2
	(j) Whistle	2
	(k) Occurrence book to be provided for the period of contract	1 at all times
	(l) Monitoring system: Patrol point (Install, manage and maintain Monitoring system)	4 points hourly

4. OPERATIONS

4.1 Private Security Industry Regulatory Authority

- 4.1.1 The organisation and owners must be registered in terms of the Private Security Industry Regulatory Act (Act 56 of 2001).

As proof thereof, certified copies of valid registration certificates must be attached with the bid

- 4.1.2 All Security officers employed by the service provider to render service must be registered as Security Officers in terms of The Private Security Industry Regulatory Act (Act 56 of 2001)

4.2 Supervision of Emergency Assistance

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

- 4.2.1 The bidder must have a well-established and equipped with (24) hour security control room
- 4.2.2 The bidder must furnish details of equipment which is available in the security control room.

NB: The Department holds the right to inspect such control room.

- 4.2.3 The Supervisor and Security Officers are prohibited from reading documents or records in offices or the unnecessary handling thereof. No information concerning the state activities may be furnished to the public or media by the successful bidder or any of his/her employees
- 4.2.4 **No visitors will be allowed in the guard room, on the premises or in the vicinity of the guard room**
- 4.2.5 **All security personnel, Directors and the Company itself shall be subjected to vetting**
- 4.2.6 **Supervisor visit required at least once per shift.**

5. GENERAL

- 5.1 The following general requirements apply:
 - 5.1.1 At all times Security Officers must present an acceptable image and appearance which implies, that they may not sit, lounge about, smoke, eat or drink while attending to employees of the Department and public
 - 5.1.2 The Supervisors and Security Officers must at all times present a professional dedicated attitude. A professional dedicated attitude approach shall imply, inter alia, that there shall be no unnecessary arguments with visitors / staff or discourteous behaviour towards them
 - 5.1.3 The Supervisors and Security Officers must be physically healthy and medically fit for the execution of their duties
 - 5.1.4 The Department retains the right to ascertain from the Private Security Industry Regulatory Authority as to whether the Supervisors and Security Officers are in

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

good standing with the Private Security Industry Regulatory Authority

5.2 Uniforms and identification

5.2.1 The successful bidder shall undertake to ensure that each member of his/her security personnel will at all times when on duty be fully equipped in respect of

(a) A neat and clearly identifiable uniform of the company, which will include matching rain coats and overcoats for personnel performing duties outside the building

(b) Appropriate personal protective equipment (PPE)

(c) A clear identification card of the company with the member's photo, name and employee number on it, worn conspicuously on his/her person at all times.

(d) Alternatively the valid identification card issued by the Private Security Industry Regulatory Authority

5.3 Records on Security personnel

5.3.1 Bidders must keep proper files as well as appropriate documents of all security personnel, who are employed for rendering the service to the Department available for inspection by representatives of the Department. The appropriate documents shall include, inter alia, the following; Scholastic, training, registration and medical certificates

5.4 Registers to be utilized and maintained

The successful bidder must ensure that the Occurrence Register, Asset register and Access Control Register / Forms, which are available on the site, is utilized and maintained as required:

All registers will be retained by the department at the end of the contract.

5.4.1 **Occurrence Register** - The purpose of this register is to keep record of all incidents, occurrences, or observations made by the Security Officer's whilst on duty for later reference

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

- (i) **Compulsory Entries:** All listed routine procedures such as patrols undertaken, handing over of shifts, etc., the procedures followed, by whom and the time of commencement. These entries must all be made clearly legible, in black ink
- (ii) All occurrence/events however important, slight or unusual, with reference to the correct time and relevant actions taken must be noted in a clearly legible black ink
- (iii) All security personnel activities - especially deviations in respect of the duty list - indicating particulars of the personnel and relevant times
- (iv) The issue and/or receipt of keys, indicating the time and by whom they were received and delivered
- (v) The unlocking/locking of doors/gates, indicating the time and by whom they were locked/unlocked
- (vi) The handing over of shifts, mentioning all names of all shift personnel and accompanying equipment and aids. In this case personnel taking over as well as personnel handing-over must sign the entries
- (vii) **Occurrence register - Read :** After handing-over of the shifts, the personnel who has come on shift must make an entry that he / she has read the occurrence register in order to acquaint himself / herself with events that occurred during the previous shift
- (viii) **All shifts by Supervisors and Management:** These entries must be done in legible red ink
- (ix) Officials of the Department shall pass on in writing, all additional requests in respect of the rendering of the service
- (x) Under no circumstances may an entry in the occurrence register be erased, painted out with correction fluid or totally deleted. It shall only be crossed out by a single line and initialled at the side

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

5.4.2 **Pocket Book**

(i) Apart from the occurrence book mentioned above the following registers shall be utilized by the Security Officers in rendering service to the Department of Employment and Labour.

Purpose: The purpose of the pocket book is to note down all incidents occurring or observations made by a security guard / officer during a turn of duty, for later reference.

Requirement: During their turns of duty all security personnel must have a pocket book on their possession

(ii) All occurrence / events, however important, slight or unusual, referring to the following:

1. Reporting on and off duty.
2. Nature of the incident.
3. Extent of occurrence or event.
4. The Security Officer should record any incident taking place during the execution of the duty.
5. Supervisor visiting the site should sign in the Security Officers pocket book to ensure that he / she visited the officers on site. Supervisor's entry should be in a red pen.

The pocket book also helps the Security Officer with his / her performance evaluation

5.4.3 **Shift Rosters** - Purpose: The purpose of the shift roster is to serve as proof, at all reasonable times that all personnel who should be on duty per shift, are indeed on duty

(i) Drawing up a shift roster: Daily, weekly, monthly shift roster of all security personnel must be drawn up by the successful bidder and kept on site where the service is rendered

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

(ii) Changes to the shift roster: Any changes to the shift roster shall be crossed out by a single line, initialled, dated and noted in the occurrence register

(iii) **Duty sheet** - The purpose of the duty sheet is to ensure that all security personnel on duty are familiar with their duties as required for the contract

(iv) The successful bidder must have a fully expounded duty sheet available at each duty point of the site

5.4.4 **Access control register:** The purpose of the access control register is to record all visitors entering the premises, all departmental officials without identification cards, register all officials working after hours. This register is also applied during weekends and public holidays, and the following information should be recorded:

- Date and time of visit and departure
- Surname and initials of the visitor
- Proof of Identification
- Car registration number if applicable
- Purpose of visit and person to be visited
- Contact Details of the visitor

The Security Officer on duty must ensure that all persons complete the register correctly. This means that the Security Officer ensures that the correct time and signature of the persons is entered correctly

Access to the building after hour must be checked and recorded correctly with full details of the officials.

5.4.5 **Asset register:** The purpose of asset register is to keep record of all asset movements, by recording the serial numbers, model and make of the assets including time, date the asset was moved from and into the premises

5.5 (i) **Two-way radios and cellular phone** - The purpose of the two-way radio

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

phone is to ensure that there is immediate communication between the various duty points on the site and with the successful bidder's control room

(ii) Hand held 2 way radios and **cellular phones**: The hand held radios and **cellular phone** must be in good working condition at all times and they must be handed to the Security Officer patrolling the site for immediate communication with the base station.

5.6 Contact with Departmental Representative

(i) The Site Manager or Supervisor must immediately report any abnormal and or noteworthy incident to the Departmental Representative.

(ii) A meeting, where formal discussions can be held between the Departmental Representative and Successful Bidders Supervisor / Manager or Successful bidder himself / herself, must be held at least once a month. The Department will keep the minutes of the meeting.

(iii) The successful bidders shall furnish a monthly and quarterly report of the security service, incidents, etc. which transpired in the previous month to the responsible manager or delegated official in the Department of Labour

5.7 Maximum shift hours

No security personnel may be allowed to work a daily shift longer than (12) twelve hours.

5.8 Lost articles

Definition: Lost articles found at the site and of which the ownership could not immediately be established.

All lost articles must immediately be handed in at the security control room on site for safekeeping and recorded in the occurrence register. Thereafter it must be handed to the Departmental Representative.

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT LEBOWAKGOMO OLD GARAGE.**

PHASE 1: MANDATORY REQUIREMENTS

2. EVALUATION AND SELECTION CRITERIA

2.1 The Department of Employment and Labour, Provincial Office: Limpopo, has set minimum standards (Phases)

that a bidder needs to meet in order to be evaluated and selected as a successful bidder. The minimum

standards consist of the following:

PHASES	DESCRIPTION	APPLICABLE FOR THIS BID
Phase 1	Administrative Pre-qualification requirements	YES
Phase 3	Evaluation on Price and Specific Goals	YES

N.B: The bidder must qualify for each phase to be eligible to proceed to the next stage of the evaluation.

2.1.1 PHASE 1 - ADMINISTRATIVE PRE-QUALIFICATION REQUIREMENTS

If the Bidder failed to comply with any of the administrative pre-qualification requirements, or if Department of Employment, is unable to verify whether the pre-qualification requirements are met, then the Department reserves the right to:

- Reject the bid and not evaluate it, or
- Accept the bid for evaluation, on condition that the bidder must submit within seven (7) working days, any supplementary information to achieve full compliance, provided that the supplementary information is administrative and not substantive in nature.

(a) Bidders must be registered with the Central Supplier Database (CSD), and must have a corresponding commodity with the advertised Bid. If the relevant commodity is not registered on CSD the bid will be disqualified. Service providers are required to attach their latest detailed CSD report upon submission of their bid.

(b) Rates per security guards must be in terms of 2025 PSIRA pricing schedule all applicable taxes included. Failure to which the bid will be disqualified.

(c) The total bidding price must be written correctly and in full on all required SBD forms.

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT LEBOWAKGOMO OLD GARAGE.**

- (d) The bidder must submit a detailed quotation (pricing schedule), using own template on a company letter head, whereby all pricing is clearly visible, well broken down and accurately calculated with correct totals. Failure to do so, will invalidate the bid.
- (e) Bidders must ensure that the quotation total price is **FIRM** throughout the duration of the contract by indicating so, on Standard Bidding Document 3 (SBD3). Failure to do so, will invalidate the bid.
- (f) Bidders must ensure that the attached pricing schedule is complete, whereby all pricing is clearly visible, well broken down and accurately calculated with correct totals. Failure to do so, will invalidate the bid.
- (g) Bidders must ensure that amounts and total amounts on the own quotation (pricing schedule template), SBD1, SBD3 and Departmental Pricing Schedule are accurately calculated with correct totals and totals do not differ across all the mentioned documents in this line
- (h) Bidders must submit completed and signed Standard Bidding Documents (SBD forms).
- (i) Bidders must submit certified ID copies of company members and shareholders at the point of submission.
- (j) A resolution letter from the Board of Directors for authority of signatory with the ID number of the appointee must be submitted with the bid (certified copy of ID of authorized appointee must be attached).
- (k) No late bids shall be accepted.
- (l) Bids should be held valid for a period of **90 days** from the closing date of the advert.
- (m) Bidders must attach a CK

MANDATORY REQUIREMENTS (Failure to attach the required documents will invalidate the bid)

- Csd Report
- SBD 3, SBD4 and SBD 6.1
- Psira Company
- Psira Director
- Psira Letter Of Good Standing

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT LEBOWAKGOMO OLD GARAGE.**

- Certified ID Copies for the Company Director/s
- CK (COMPANY REGISTRATION DOCUMENT)

PHASE 2: EVALUATION ON PRICE AND SPECIFIC GOALS

According to the Preferential Procurement Regulations, 2022. The applicable preference point system for this tender is the **80/20** preference point system. The points for Price and Specific Goals will be consolidated as follows:

	POINTS
Price	80
Specific Goals	20
Total points for Price and Specific Goals	100

POINTS AWARDED FOR PRICE: THE 80/20 PREFERENCE POINT SYSTEM:

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

$$Ps = 80(1 - (Pt - Pmin) / (Pmin))$$

Where:

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

POINTS AWARDED FOR SPECIFIC GOALS:

A maximum of 20 points is allocated for Specific goals for the tender and points claimed are indicated per Table 1 below:

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, where 100% ownership receives the maximum points and any ownership less than that is allocated the apportioned (pro rata) points calculated accordingly from that maximum.

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT LEBOWAKGOMO OLD GARAGE.**

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Percentage Ownership of Equity (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
100% WOMEN owned business (calculated)	5		
100% SMME'S/ EME with an Annual turnover of less than R10M (calculated)	6		
100% HDI (calculated)	4		
100% DISABILITY (calculated)	3		
LOCALITY Attach latest municipal bill (within 3 months) or valid lease agreement, as proof of business residency within the Lepelle-Nkumi Local Municipality.	2		
Total points	20		

Note to tenderers: The tenderer must indicate the percentage/points they are claiming for each Specific Goal and indicate the total (Tenderer to complete all areas coloured in grey).

Tenderers who wish to claim points in terms of table 1 above must provide proof for each point claimed as guided below:

- **Women:** Attach a copy of Identity Document (ID) and company registration document.
- **Promotion of SMME's:** Attach copy of detailed Central Suppliers Database (CSD) report indicating annual turnover of Ten Million Rand (R10 000 000-00) or less.
- **HDI:** Attach a copy of Identity Document (ID) and company registration document.
- **Disabled:** Attach a certified copy or original Doctors letter confirming the disability.
- **Locality:** Attach latest municipal bill (within 3 months) or valid lease agreement, as proof of business residency within the Lepelle-Nkumi Local Municipality.

**SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT LEBOWAKGOMO OLD GARAGE.**

3. OTHER CONDITIONS AND LEGISLATIVE REQUIREMENTS

3.1 Bidders must comply with the following Legislative and Regulatory Requirements

- a) Basic Conditions of Employment Act, 75 of 1997.
- b) Sectoral Determination 6 and National Bargaining Council for the Private Security Sector.
- c) Occupational Health Safety Act, 85 of 1993.
- d) Compensation for Occupational Injuries and Diseases Act, 130 of 1993.
- e) Unemployment Insurance Contributions Act, No. 4 of 2002.
- f) Unemployment Insurance Act, no. 63 of 2001.
- g) National Minimum Wage Act no. 9 of 2018.
- h) Labour Relations Act, 66 of 1997
- i) Employment Service Act, no 4 of 2014
- j) Employment Equity Act 55 of 1998

3.2 LIABILITY

3.2.1 The service provider indemnifies the State herewith from any claim from a third party and all costs or legal expenses in regard to such a claim for loss or damage resulting from the death, injuries or ailment of any person, or the damage of property of the service provider or any other person, that may result from or be related to, the execution of this contract.

3.3 COMPENSATION OF DAMAGES

3.3.1 The service provider will be held liable for any damage or theft that may be caused, to the premises or contents, by his/her employees or be due to their neglect, whether in the normal execution of their duties or otherwise, and a claim for indemnification can accordingly be imposed by the State against the service provider.

3.3.2 The contractor must arrange the necessary insurance policy for public liability with a reputable insurance company and submit documentary proof that such policy is in effect, in the name of the service provider.

3.4 MODERATION PROCESS

3.4.1 Parties to this agreement confirm that it has been agreed that no dispute forthcoming from this agreement will be laid before the court. Any dispute arising in respect of any matter in connection with this agreement, or the validity or meaning or execution thereof must be settled through moderation in accordance with the procedures and ways stipulated hereunder and failing which arbitration will be persuaded.

7. SUBMISSION OF BID DOCUMENTS

7.1 Document must be submitted physically in a sealed envelope to:

The Department of Employment and Labour
Provincial Office: Limpopo

SPECIFICATION FOR RENDERING OF SECURITY SERVICES FOR A PERIOD OF SIX MONTHS
AT **LEBOWAKGOMO OLD GARAGE.**

42a Schoeman Street
Polokwane

7.2 Bids must be submitted to the correct physical address and within the stipulated date and time as specified in Standard Bidding Document (SBD1), Section A, "Invitation to Bid" cover page.

7.3 Bids must be submitted as one (1) original document (pack).

8. CLOSURE DETAILS OF BID

8.1 Closing date and time of this bid is the **27 October 2025 @ 11h00am.**

8.2 No bid document will be accepted after the specified date and time.

9. CONTACT DETAILS FOR BID ENQUIRIES

9.1 Enquiries must be directed via e-mail and will only be responded to at the briefing session, thereafter no enquiries will be entertained.

9.2 Enquiries may be directed as follows:

- Via email to: LPtenders@LABOUR.gov.za

10. STANDARD BID DOCUMENT (SBD) FORMS FOR COMPLETION BY TENDERER

10.2 Standard Bid Document (SBD) 3.1 – Pricing Schedule for Firm Prices (Purchases)

10.3 Standard Bid Document (SBD) 4 – Bidder's Disclosure

10.4 Standard Bid Document (SBD) 6.1 – Preferential Points Claim Form in terms of the Preferential Procurement Regulations of 2022.

Note: All Standard Bid Document (SBD) forms are attached at the end of this document and need to be fully completed by the bidder.

11. GENERAL CONDITIONS OF CONTRACT

11.1 The General Conditions of Contract for Government Procurement need to be read in its entirety and understood fully when submitting a bid.

Note: The General Conditions of Contract are attached at the end of this document.

Signature: 

Date: 16/10/2025

PRICING SCHEDULE
(**MANDATORY-COMPLETE IN FULL**)

SBD 3 DEOL

NAME OF BIDDER:

CLOSING TIME: **11:00AM**

CLOSING DATE: **27/10/2025**

OFFER TO BE VALID FOR **60 DAYS** FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
-	1. Required by:	
-	At:	
	2. Bidders are required to indicate a total price based on the total contract period and including all expenses inclusive of all applicable taxes for the service.	R.....
	3. is the offer in-line with the PSIRA Regulations?	*YES/NO
	4. Does offer comply with specification?	*YES/NO
		TOTAL: R.....
	5. Period required for commencement with project after acceptance of bid	
	6. Are the rates quoted firm for the full period of contract?	*YES/NO

PRICING SCHEDULE BREAKDOWN AS FOLLOWS:

GRAND TOTAL INCLUDING VAT:

Total bid price must be inclusive of all projections as it must be firm for the duration of the contract

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.

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

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

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

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

.....	
Signature	Date
.....	
Position	Name of bidder

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

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

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

1. GENERAL CONDITIONS

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

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

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

(delete whichever is not applicable for this tender).

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

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

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

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

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

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

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.

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:	
	
	
	

Annexure A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)

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

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

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

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

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

**26. Termination
for insolvency**

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

**27. Settlement of
Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of
liability**

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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