



cogta

Department:
Cooperative Governance and
Traditional Affairs
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



SUPPLY CHAIN MANAGEMENT

27 James Watt Crescent
Industrial Site,
Mafikeng, 2735
Private Bag X 2145, Mmabatho, 2735
Tel: +27 (0) 18 388 2892

House No. 1 Lowe Complex, Old Parliament, Mmabatho, 2735
Chief Directorate: Traditional Affairs, Private Bag X2005
Mmabatho, 2735
Tel: +27 (0) 18 388 4494 Fax: +27 (0) 86 651 7885

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA)

RFB NO.: COGTA 02/2022

**REQUEST FOR BIDS (RFB) FOR THE APPOINTMENT OF A SERVICE PROVIDER TO
CONDUCT DATA CLEANSING MANAGEMENT TO FIVE (5) SELECTED MUNICIPALITIES
WITHIN THE NORTH WEST PROVINCE FOR THE PERIOD OF 6 MONTHS.**

APRIL 2023

EMPLOYER:

**THE HEAD OF DEPARTMENT
DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
PRIVATE BAG X2145
MMABATHO
2735**

TENDERER : _____
CSD Nr : MAAA TCS PIN : _____

REQUEST FOR BIDS

RFB ISSUED : 28 April 2023

RFQ NUMBER : COGTA 02/2022

CLOSING DATE : 19 May 2023

CLOSING TIME : 11:00

REQUEST FOR BID (RFB) FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT DATA CLEANSING MANAGEMENT TO FIVE (5) SELECTED MUNICIPALITIES WITHIN THE NORTH WEST PROVINCE FOR THE PERIOD OF 6 MONTHS.

1. Kindly furnish the Department with a bid for services shown on the attached forms.
2. The conditions contained in the General Conditions of Contract (GCC) ANNEXURE A, and the attached bid forms, as well as any other conditions accompanying this request, are applicable.
3. No late bid will be considered. Bids received after the closing date and time are late and will as a rule not be acceptable for consideration.
4. Faxed, emailed bids will not be considered, only hand delivered bids deposited into the designated tender box before the closing date and time will be accepted.
5. It is the responsibility of the bidder to ensure that the company is registered on the National Treasury Central Suppliers Database as service providers.
6. Bid documents can be downloaded for free of charge on www.etenders.gov.za or be purchased from our offices at a cost of R200.00 each (non-refundable).

Bank Account : FNB

Account Name : NW – Cooperative Governance and Traditional Affairs

Account Number: 62811745978

Branch Code : 210244

Account Type : CHEQUE

Reference : COGTA 02/2022

7. The Department of Cooperative Governance and Traditional Affairs reserve the right to award any bid in whole or in part to one or more service providers and does not bind itself to award the lowest bidder.
8. All the documents accompanying this request must be completed in detail where applicable and sealed in an envelope clearly marked with the bid/tender number and placed in the bid box before the closing date and time. The bid box is situated at **CRAFT PRESS BUILDING (formerly known as CCP BUILDING), 27 JAMES WATT CRESCENT; INDUSTRIAL SITE, MAFIKENG, 2745.**

CONDITIONS TO BID

This bid is issued under the condition that the bidder should at any stage during production or execution or on completion of the bid be subjected to inspection. The premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by the representative of the Department of Cooperative Governance and Traditional Affairs or organisation acting on behalf of the State. The bidder also agrees that the financial standing may be examined as part of the inspection.

9. BID EVALUATION QUALIFICATION REQUIREMENTS

The bid will be evaluated in three stages as follows: -

STAGE 1 : Compliance and Responsiveness to the Administrative Requirements

The following should be returnable together with the request: -

- 8.1. Central Supplier Database (CSD) full report, if is a Joint Venture, it should appear as such on the CSD report
- 8.2. Valid SARS Tax PIN (Compliance Certificate from SARS)
- 8.3. B-BBEE Certificate or Sworn Affidavit (Valid at the time of closure of the request)
- 8.4. All SBD forms must be completed, signed and certified where applicable.
 - 8.4.1. SBD 1
 - 8.4.2. SBD 3.3
 - 8.4.3. SBD 4
 - 8.4.4. SBD 6.1

STATE 2 : Technical Functionality Requirements

Bidders passing compliance and responsiveness will thereafter be evaluated on Functionality as per the PPPFA.

Functionality

100 points

Minimum threshold to be attained by the bidder 70 points

STATE 3 : Preferential Point System

Bidders passing the minimum Functionality threshold will thereafter be evaluated on preferential point system as per the PPPFA.

The 80/20 preferential point system is applicable to this request.

The maximum points for this tender are allocated as follows: -

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

NOTE: -

- The validity period is ninety (90) days and is calculated as from the closing date of a request.

FOR MORE INFORMATION ON SPECIFICATIONS / TERMS OF REFERENCE CONTACT:-

Contact Person : Mr. J. Rickert
Telephone Number : 018 388 3530
E-mail address : jrickert@nwpg.gov.za

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

Contact Person : Mr. C.T. Mbombi / Mr. D.L. Smith
Telephone Number : 018 – 388 2947 / 018 – 388 2946
E-mail address : ctmbombi@nwpg.gov.za / dlsmith@nwpg.gov.za



Mr. C.T. MBOMBI
DIRECTOR: SUPPLY CHAIN MANAGEMENT
DATE: 28 / 04 / 2023

COMPULSORY BRIEFING SESSION

COGTA 02/2022: REQUEST FOR BID (RFB) FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT DATA CLEANSING MANAGEMENT TO FIVE (5) SELECTED MUNICIPALITIES WITHIN THE NORTH WEST PROVINCE FOR THE PERIOD OF 6 MONTHS.

ALL BIDDERS KINDLY NOTE THAT THE COMPULSORY BRIEFING SESSION WILL BE HELD ON:

DATE : 09 MAY 2023

TIME : 10H00 a.m

VENUE : OLD DISASTER MANAGEMENT BUILDING, 35 JAMES WATT CRESCENT STREET, INDUSTRIAL SITE, MAFIKENG, 2745

TENDERERS ARE REQUESTED TO BE SEATED AT 09H45

FOR FURTHER INFORMATION:-

**ENQUIRIES : Mr. J. Rickert
TEL : (018) 388 3530**

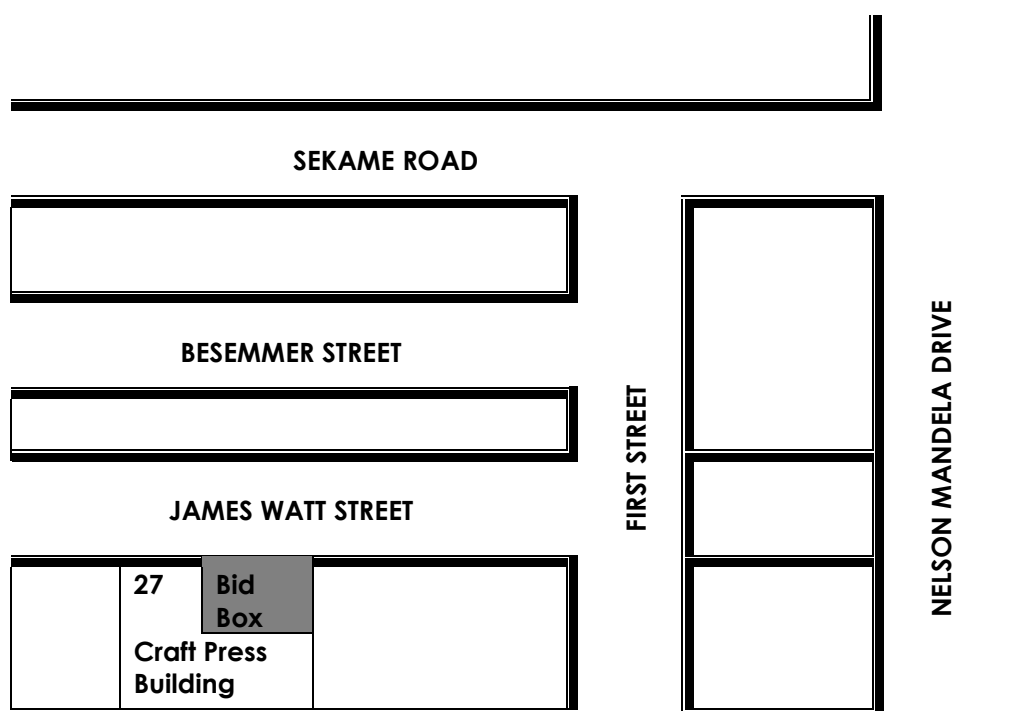
**BID RELATED : Mr. C.T. Mbombi
TEL : (018) 388 2947**

MAP TO BIDDER BOX

YOUR ARE HEREBY INVITED TO QUOTE TO THE DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

SUBMIT ALL BIDS ON THE OFFICIAL FORMS – DO NOT RETYPE

The bid documents may be deposited /placed in the bid box situated at **CRAFT PRESS BUILDING (formerly known as CCP BUILDING), 27 JAMES WATT CRESCENT; INDUSTRIAL SITE, MAFIKENG, 2745,** or Send it back via Email: **ctmbombi@nwpg.gov.za / dlsmith@nwpg.gov.za**



THE BID BOX WILL BE CLOSED AT 11H00 WHICH IS THE CLOSING TIME OF BIDS.

BIDDERS SHOULD ENSURE THAT BIDS ARE DELIVERED TIMEOUSLY TO THE CORRECT ADDRESS.

SUBMIT EACH BID IN A SEPARATE SEALED ENVELOPE

RESOLUTION OF DIRECTORS / MEMBERS (AUTHORITY TO SIGN THE BID)

RESOLUTION for completion by Directors (if the tenderer is a (Pty) Ltd or Ltd) or Members (if the tenderer is a CC)

NAME OF THE TENDERER: _____

Meeting held at _____ (Place) on the ____ day of _____ (Month) 20____ (Year)

RESOLVED THAT:-

1. The Tenderer submits a tender to the Department of Cooperative Governance and Traditional Affairs in respect of Bid No.: COGTA 02/2022 REQUEST FOR BID (RFB) FOR THE APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT DATA CLEANSING MANAGEMENT TO FIVE (5) SELECTED MUNICIPALITIES WITHIN THE NORTH WEST PROVINCE FOR THE PERIOD OF 6 MONTHS.

Mr / Mrs / Ms _____ in his/her capacity as _____ and who sign as follows:-

(SPECIMEN SIGNATURE)

be, and is hereby, authorized to sign the tender and any and all other documents and/or correspondence in connection with and relating to the tender, as well as to sign any contract and/or all documentation resulting from the award of the tender to the Tenderer.

Note: The resolution MUST be signed by all the Directors / Members of the Tenderer. Should the space provided below not be sufficient for all Directors / Members to sign, please attach a separate sheet to this schedule in the same format.

Nr	Name	Capacity	Signature
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____



cogta

Department:
Cooperative Governance and
Traditional Affairs
North West Provincial Government
REPUBLIC OF SOUTH AFRICA



MUNICIPAL FINANCE AND SUPPORT

2nd Floor West Wing, University Drive
Garona Building
Private Bag X 2145, Mmabatho, 2735
Tel: +27 (0) 18 388 2892

House No. 1 Lowe Complex, Old Parliament, Mmabatho, 2735
Chief Directorate: Traditional Affairs, Private Bag X2005
Mmabatho, 2735
Tel: +27 (0) 18 388 4494 Fax: +27 (0) 86 651 7885

TERMS OF REFERENCE FOR THE:

APPOINTMENT OF A SERVICE PROVIDER TO
CONDUCT DATA CLEANISING MANAGEMENT
FOR THE DEPARTMENT OF COOPERATIVE
GOVERNANCE AND TRADITIONAL AFFAIRS
(CoGTA) AT SELECTED 5 MUNICIPALITIES FOR
PERIOD OF SIX (6) MONTHS

BID NUMBER: CoGTA 02 / 2022

Head Office:

Craft Press Building

Physical Address : 27 James Watt Crescent
Mafikeng
Industrial Site

Technical Enquiries

Contact: Mr. Jerry Rickert
Office : 018 388 5525
: 083 413 0963

Email: jrickert@nwpg.gov.za

SCM and Bid Process

Contact: Ms. K. Mohumapele
018 388 4525

Email : kmohumapele-moaisi@nwpg.gov.za

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1. Purpose

- 1.1 The purpose of the Terms of Reference is for the Department of Cooperative Governance (Cogta) to procure the services of a knowledgeable, skilled, and experienced service provider for provision of data cleansing in selected municipalities for period of Six (6) months.
- 1.2 The focus of the data cleansing project is to support the selected municipalities to have accurate, consistent and complete data for billing. The municipalities largely depend on consumer data for billing, the cleaned and quality data can provide substantial revenue growth and bring efficiency in revenue management.

2. Introduction and background

- 2.1 Municipalities are required to raise rates and provide services such as water, electricity, refuse removal and other trading services. In the execution of these functions, data for billing become the central part of the revenue management.
- 2.2 Inaccurate and incomplete data is amongst the root causes for poor revenue collection and loss of revenue due to incorrect tariffs being charged and some consumers not billed. Additionally, the inaccurate data may lead to poor decision making, inefficiencies which may result in reworking efforts of validating and fixing data errors instead of focusing on core duties. Accurate, consistent and complete data for billing are some of the areas that requires attention in municipalities.
- 2.3 The appointed service provider will be expected to assist the selected municipalities to improve data management through data cleansing as per scope of work below to ensure municipalities have accurate and complete data for billing.

Legislation governing local government

- 2.4 Section 154 of the Constitution of the Republic of South Africa (1996) places an obligation on both national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs to perform their functions.
- 2.5 Section (95)(e) of the Municipal Systems Act (Act No. 32 of 2000) requires municipalities to ensure that people liable for payments receive regular and accurate accounts that indicate the basis for calculating the amounts due. Furthermore, section 96(a) of the Municipal Systems Act states that a municipality must collect all money that is due and payable to it, and any other applicable legislation.
- 2.6 Section 64(1) of the Municipal Finance Management Act (No 53 of 2003) state that the accounting officer of a municipality is responsible for the management of the revenue of the municipality. Section 62(a) further state that the accounting officer must take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy.
- 2.7 In accordance with the above prescripts, the department intends to support and strengthen municipalities' capacity to have accurate, integrated and regularly purified data that will be used to improve the accuracy and completeness of billing, and customer information. This will enable municipalities to re-establish their business integrity through improved billing and revenue collection; speedy debt resolution will contribute to building good customer relations.

3. Problem statement

- 3.1 Escalating municipal debt is a major threat to the financial sustainability of the municipalities. Inaccurate and incomplete data is a significant contributing factor to deficiencies in billing, which

- Investigate incorrect billing codes and ensure that tariff are levied according to correct land use and customer category which includes government, business, residents etc.
- Investigate and reconcile migrated data to eliminate inaccurate records.
- Capacity building- provide training to municipal staff and transfer skills during the implementation of the project on revenue management reforms.
- Determine the accuracy, consistency and completeness of data and debtors' age analysis.
- Identify and make recommendation on other key areas that may affect the integrity of data and/ revenue management.
- Assist with the development of effective internal controls to perform the reconciliations of accounting records for all sources of revenue.

4.2 Methodology

The service is based on the as-is assessment report, which is expected to entail detailed project plans and methodologies clearly specifying output targets and milestones, required specifications, systems development and implementation and maintenance. The credibility of the entire process is paramount and quality assurance is key. The recommended actions must be based on a sound understanding of the legal framework and of organisational review/design. All risks and implications must be highlighted.

4.3 List of the selected municipalities

No	Municipality	District	Province
1.	Kgetleng	Bojanala Platinum	North West
2.	Tswaing	Ngaka Modiri Molema	North West
3.	Ditsobotla	Ngaka Modiri Molema	North West
4.	Mamusa	Dr Ruth Segomotsi Mompoti	North West
5.	Maquassi hills	Dr Kenneth Kaunda	North West

4.4 Municipalities estimated number of properties per category

Categories of properties	Kgetleng rivier	Tswaing	Ditsobotla	Mamusa	Maquassi Hills
a. Residential	11596	5408	19 694	15 224	25 874
b. Industrial	93	18	54	4	121
c. Business and Commercial	565	181	611	326	443
d. Mining	-	-	6	-	-
e. Agricultural	2547	3086	3 052	1810	2 644
f. State owned and used for public service purposes	173	323	107	67	134
g. Public Service Infrastructure	5	176	75	57	121
h. Properties owned by Public Benefit Organisation and used for specified public benefit activities	23	13	6	-	106
i Multiple purpose, subjected to section 9	48	-	-	-	-
j. any other category of property as may be determine by minister by notice in the Gazette	121	3073	3062	-	193
Total	15 123	12 278	26 715	17 488	29 636

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Phase 1: Compliance with minimum requirements of bid

- (i) All bids duly lodged will be evaluated to determine compliance with requirements and conditions of the bid. All proposals that do not comply with the requirements/conditions of the bid will be disqualified.
- (ii) All bids that comply with the administrative requirements/conditions of the bid will be evaluated in two stages - **First Stage**: Functionality will be assessed as per Scorecard and then **Second Stage**: The qualifying bidders in the **First Stage** will be evaluated further on price and Specific Goals using **80/20** preference point system as prescribed in Preferential Procurement Policy Framework Act 2000, Preferential Procurement Regulation 2022 and approved CoGTA Supply Chain Management Policy.

STAGE 1

SCORECARD FOR FUNCTIONALITY

- a) The following criteria will be applied for functionality to assess all the bidders who complied with minimum requirements:

Technical / Functional Requirements		Weight
TEAM CAPACITY OF THE PROJECT MEMBERS		
The service provider should demonstrate the competencies, acumen, attributes, aptitudes and institutional leadership capability of the team to carry out the all relevant work outputs that relate to the comprehensive and demonstrate correctness, accuracy and completeness in the Municipal Own Revenue Date Cleansing project.		
Senior Staff / Lead Team – with the following qualifications.		
Auditing / Accounting discipline – Qualification in Internal Audit / Bcom Accounting/ Financial Accounting, attach copy of qualification. It will essential for the prospective service provider to have and demonstrate effective general management capability.		5
o NQF 8 and above / Chartered Accountant as per attach proof	5	
o NQF 7 and above as per attach proof	4	
o NQF 6 and above as per attach proof	3	
o NQF 5 and above as per attach proof	2	
o NQF 4 and above as per attach proof	1	5
IT Knowledge and Capability – Qualification in IT /		
o NQF 8 and above as per attach proof	5	
o NQF 7 and above as per attach proof	4	
o NQF 6 and above as per attach proof	3	
o NQF 5 and above as per attach proof	2	10
o NQF 4 and above as per attach proof	1	
LEVEL OF EXPERIENCE, KNOWLEDGE AND TECHNICAL CAPABILITIES, AND OF THE PROJECT TEAM ON MUNICIPAL REVENUE AND DEBT MANAGEMENT		
Experience of the Senior Staff / Lead Team		
Experience, Knowledge and technical capabilities of the Auditing Discipline, attach CV		
o 10+ Years of experience as per attach CV	5	
o 7 – 9 Years of experience as per attach CV	4	
o 5 – 6 Years of experience as per attach CV	3	
o 3 – 4 Years of experience as per attach CV	2	
o 2- Years of experience as per attach CV	1	

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also lead to poor performance in implementation of credit control, debt collection as well as indigent management. The following are some of the data management deficiencies that municipalities are currently faced with:

- Discrepancies between valuation roll and billing systems
- Debtors not being billed in accordance with land use and correct tariffs
- Anomalies e.g. duplicate accounts, missing information, billing of indigents and deceased
- Loss of revenue as a result of inaccurate and incomplete billing
- Data that is inaccurate and not updated regularly distort the entire revenue management chain.
- The human error mistakes, poorly designed recording systems and discrepancies in processing of collected data and importing data that is not verified.
- Queries and dissatisfaction by consumers as a result of inaccurate billing/ incorrect customer information, which lead to delay in paying of municipal services.

3.2 Data management is an important link in the redemptive process. It is the function of ensuring that the information on which the municipal billing system is based is accurate and up to date. Accurate and diligent billing is not only basic to sound accounting practice but is also absolutely essential to the financial well-being, and therefore viability, of all municipalities, since it achieves two critical objectives: the maximisation of revenue potential and the prevention of losses resulting from incorrect or inadequate information.

4. Scope of assignment

4.1 Scope of the assignment is to conduct data management in the selected municipalities with the aim of improving revenue management, billing and prevention of losses resulting from incorrect or inadequate data. The service provider are expected to assess the state of data management for billing within each of the municipalities guided by municipal revenue related policies and local government legislations, identify key anomalies that require correction, develop an implementation plan and assist municipalities with the implementation.

The key activities of data management process will include, but not limited to the following areas:

- Align revenue value chain processes that impact on the credibility of customer information for accurate and complete billing
- Update key customer information with the assistance of municipality's staff,
- Update customer information using municipal records and other source of information which includes but not limited to deed search, information from surveyor general and bureau checks
- Investigate and identify, customers' details which appear be incomplete, duplicate accounts, duplicate identity document number and Erf numbers and missing information,
- Investigate and identify incorrect billing i.e billing of indigents and deceased accounts
- Verify all billing data in relation to ownership data (e.g. accuracy of ID numbers, Erf numbers, physical and postal addresses, etc.).
- Investigate all debtors by type and reclassify debtors that are incorrectly identified on the billing system
- Verify account status (active/inactive)
- Correctly categories each account according to the correct and responsible debtors
- Identification of duplicated customer profile/accounts
- Reconcile organ of state debts for all state facilities
- Perform valuation roll reconciliation against the billing system
- Perform valuation roll reconciliation to link the correct property to the rightful owner

5. Deliverables

The project deliverables are as follows:

Phase 1: Assess Status Quo

- 5.1 Development of an As-Is Assessment report- The service provider will be required to conduct an assessment of the current situation regarding the data integrity of the municipality; conduct an assessment of the current processes performance levels in terms of service provision, billing, data management, reporting and revenue management processes.

Phase 2: Implementation of Data Cleansing Project

- 5.2 Development of Project Plans - The service provider will develop a project plan outlining the desired outcomes and timelines for the project (i.e. a schedule of deliverables and key milestones).
- 5.3 Development of Municipal Specific Project Plans - The service provider will develop municipal specific project plans outlining the desired outcomes and timelines for the project based on the as-is assessment report (diagnostic report) / risk analysis report for each municipality taking into account the differences in municipalities.
- 5.4 Development of an Implementation Strategy - The service provider will develop an implementation strategy for the broad project plan.
- 5.5 Conduct data analysis - The service provider will be required to conduct an analysis of the municipal data of which the outcomes of the process should be to highlight the gaps for inclusion in the as-is assessment. These include, but are not limited to:
- 5.5.1 Review of master data for billing, monthly billing runs for all service charges, debtors' ledger, indigent registers, property valuation roll, municipal GIS and cadastral details and prepaid system data download,
 - 5.5.2 Reconciliation of billing system with GIS/cadastral information and the property valuation roll or service master data for electricity or water services;
- 5.5.3 Review the debtor's ledger for long outstanding debt and linking up with the
- unallocated receipts;
 - 5.5.4 Identification of possible data quality issues i.e. missing data; and
 - 5.5.5 Identification of discrepancies within the policies, procedures and by-laws and where applicable provide recommendations for review and/ implementation
- 5.6 Building Capacity and Resources in User Business Units – These include:
The service provider will be required to work with the relevant officials within the municipality as well as provide short to medium term training on the procedures and methodologies adopted to conduct data management. The service provider should provide evidence that skills have been transferred and that training has taken place.
- 5.7 Close Out - on completion of the project, the service provider is required to provide a comprehensive close out report on the project as a deliverable and present this to the project steering committee.

6. Skills and knowledge requirements

Service provider must have:

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- 6.1 Extensive knowledge, skill and evident understanding of the municipal business process and revenue management,
- 6.2 Understanding and knowledge of legislations and regulations governing local government;
- 6.3 In-depth knowledge of financial management, able to demonstrate knowledge and understanding of relevant structures processes and protocols applicable to revenue management, data management and billing processes.
- 6.4 Expertise and experience of at least five project in implementing similar projects within local government. Bidders should demonstrate their experience and achievements in implementing revenue management operations, reforms, and performance improvement initiatives. However, emphasis should be placed on the focus areas outlined in the terms of reference.
- 6.5 Bidders must also provide supporting evidence of the team of consultants to undertake the project.
- 6.6 Analytical, diagnostic, transformation, report writing, presentation, and project management and facilitation skills.

7. Timeframe

- 7.1 The contract with the successful service provider will be for the period of six (6) months to complete.
- 7.2 The project will commence in 2022/23 financial year, upon the date of signing of the Service Level Agreement (SLA) between the Cogta and the service provider.

8. PERFORMANCE MEASUREMENT/ REPORTING

- 8.1 The successful service provider will be required to report progress for the project to the Municipality, Cogta Project Team and Project Steering Committee monthly in a form of a word version report and PowerPoint presentation. Progress will be monitored according to the agreed schedule and details contained in the project plan.
- 8.2 Project Steering Committee will manage, monitor and oversee the project. This committee will monitor the progress and ensure that services are rendered timeously and render a quality assurance function.
- 8.3 To facilitate the performance of Service provider and monitor their scope of work, the Cogta will enter into a Service Level Agreement (SLA) that will govern the relationship between Cogta and the service provider. The SLA will include project assignments that will address each of the project deliverable.
- 8.4 Payments will only be processed on the basis of the achievement of deliverables as per the implementation plan and/or project plan and related performed project tasks.

9. Form of proposal

- 9.1 Bidders must include a detailed work-plan/methodology and disclosed rate per hour per resource and failure to submit the detailed work-plan with implementation plan according to the deliverables (as per the proposal) together with the bid will result in the bidder's bid being viewed as invalid and therefore rejected.

The following information must be included in the work plan:

- (a) Project implementation Plan that indicates the following:
 - Clearly defined milestones that are 100% aligned to each of the key objectives as well as each of the expected outputs/ deliverables as outlined in the scope of work.
 - Well defined timelines for each of the activities and deliverables.
 - Allocation of Human Resources and hours for each of the activities and deliverables.

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- (b) Proposed Governance Arrangements to support project implementation which may include but not limited to:
- The establishment of a project steering committee.
 - The establishment of a project management team inclusive of the service provider and the Cogta team.
- (c) Skills Transfer Plan developed in line with the Terms of Reference.
- (d) Previous and current similar contracts awarded to the bidder as well as client references.
- Failure to include the above stated information together with the bid document on the closing date and time will invalidate the bid.

10. Bid Prices

- 10.1 Bidders must express prices for their services in South African currency (Rand). All prices must be inclusive of Value Added Tax and costs to be incurred that are necessary for the execution and completion of the contract in accordance with the bid document. Prices will remain firm for the duration of the contract.
- 10.2 The department will allocate municipalities to the successful bidders who will form the panel, due to the differentiated nature of the project; the billable fees must only be quoted in hourly rates.
- 10.3 The actual number of hours and the number of staff per category will be determined and agreed to with the project team. These will then be contracted with the specific bidder for a specific municipality during phase two of the project after having taken into account the specific circumstances of the respective municipalities.
- 10.4 The rates per hour must be quoted and will be evaluated according to the following four categories aligned to National Treasury and DPSA hourly rate for consultants:
- | | |
|--------------------------------------|------------------------|
| ▪ Project Director – DPSA level 14 | R (Rate per hour) |
| ▪ Team Leader – DPSA level 13 | R (Rate per hour) |
| ▪ Project Manager – DPSA level 11/12 | R (Rate per hour) |
| ▪ Consultant- DPSA level 9/10 | R.....(Rate per hour) |
- 10.5 The billable fees / rates for this will be assessed in relation to the National Treasury and DPSA guide on hourly fee rate for consultants. It is expected of the bidders to quote their fees within these prescribed parameters. Price for all bids will be evaluated based on rate per hour per consultant in terms of part 2 of Bid Evaluation Criteria (paragraph 11).
- 10.6 Disbursements- recoverable costs will be reimbursed at the rate determined by the contract rates, and the agreed process plan. Disbursement will be capped at 10 percent per invoice aligned to deliverable/s.

11. BID EVALUATION CRITERIA

- 11.1 All bids duly lodged will be evaluated to determine compliance with bid requirements and conditions. Bids with obvious deviations from the bid requirements/conditions of bid and not acceptable to the evaluation committee will be eliminated from the evaluation process i.e. will not be shortlisted. All compliant bid proposals submitted will be evaluated in accordance with the 80/20 principle and the evaluation criteria should be as follows:

The system comprises the following elements:

- | | | |
|-------|---------------------|-----|
| (i) | Functionality..... | 100 |
| (ii) | Price..... | 80 |
| (iii) | Specific Goals..... | 20 |

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Experience of the IT / IT Discipline, attach CV			10
o 10+ Years of experience as per attach CV		5	
o 7 – 9 Years of experience as per attach CV		4	
o 5 – 6 Years of experience as per attach CV		3	
o 3 – 4 Years of experience as per attach CV		2	
o 2- Years of experience as per attach CV		1	
EXPERIENCE / TRACK RECORD ON PREVIOUS ASSIGNMENTS ON MUNICIPAL OWN REVENUE DATA CLEANSING PROJECTS			50
This refers to the service provider's demonstrate experience in conducting and completing similar projects in the past years as supported by contactable reference letters from previous client. (Name of the organization in their letterhead and contact details, Number of positions / employees involved in the study)			
o Five reference letters of the project completed in the past five years		5	
o Four reference letters of the project completed in the past five years		4	
o Three reference letters of the project completed in the past five years		3	
o Two reference letters of the project completed in the past five years		2	
o One reference letters of the project completed in the past five years		1	
THE METHODOLOGY AND APPROACH ON MUNICIPAL OWN REVENUE DATA CLEANSING TO ENHANCE AND STRENGTHEN THE MUNICIPAL OWN REVENUE BILLING CYCLE -			10
o Besides meeting the "good" rating, the important issues are approached in an innovative and efficient way, indicating that the Tenderer has outstanding knowledge of state-of-the-art approaches. The approach paper details ways to improve the Contract project outcomes and quality of the output.		5	
o In addition to being responsive, the proposal anticipates risks that are pertinent to the investigation process and proffers plausible measures to mitigate or arrest the risks that could thwart delivery on the project objectives.		4	
o The approach is specifically tailored to address the specific project objectives and requirements and is sufficiently flexible to accommodate changes that may occur during execution. The quality plan is specifically tailored to the critical.		3	
o The approach is generic and not tailored to address the specific project objectives and requirements. The approach does not adequately deal with the critical characteristics of the project. The quality is too generic.		2	
o The approach and/or methodology are poor / is unlikely to satisfy project objectives and requirements. Certain aspects of the Scope of Work have been misunderstood and do not deal with the critical aspects of the project.		1	
SKILLS TRANSFER			10
▪ The Coaching and mentoring on the revenue management work outputs and training		5	
▪ The number of Municipal Officials from within the Division – Revenue and Debt Management of the Municipality that will be included in the Project Team			
▪ The methodology and approach that will be implemented, management and institutionalized to enhance and strengthen acumen, attributes, apitudes and institutional leadership capability of the relevant Municipal Officials with reference Data Cleansing and Management			
▪ The institutional and management initiatives that will be implemented, managed and institutionalized with empowering the relevant Municipal Officials on monitoring and evaluation of the Municipal Own Revenue Data, eg the relevant Municipal Officials will continuously monitor and evaluate the current, medium and long term Revenue			

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Management Data on their IT System i.e. the correctness and accuracy of the Municipal Billing and Customer Revenue Data.		
The institutional and management initiatives to enhance and strengthen the Preventative and Detective Control System to prevent the current, medium and long term risks, threats and their associated weaknesses and deficiencies and include Municipal Revenue Data integrity and credibility		
TOTAL POINTS		100

- a) The average score is calculated for each bid by adding the individual scores awarded by the members of the Bid Evaluation Committee and dividing the total by the number of members. Bids that do not achieve a minimum score of **70** (out of 100 for functionality) will not be shortlisted
- b) Bids will be rated in respect of each criterion on a scale of **1–5** i.e. **1 = Poor, 2 = Acceptable, 3 = Good, 4 = Very good and 5 = Excellent**. The maximum possible score that can be achieved for functionality is 100.
- c) The percentage scored by a bidder for functionality will be calculated as follows:
Total score achieved for functionality X 100 Maximum possible score that can be achieved
- d) Points for price will be calculated only for shortlisted bidder/s as per following formula:

IN EVALUATING THE TECHNICAL INFORMATION CONTAINED IN THE BID, THE EVALUATION COMMITTEE WILL BE GUIDED BY THE FOLLOWING:

- Bidder's understanding of the brief** – The bid provides a clear indication that the bidder fully understands the purpose and scope of the work and the bidder's own roles and functions in this regard. (Methodology)
- Capability and experience** – The bid provides a clear indication that the bidder's team comprises people with the necessary qualifications, experience, skills, knowledge and required to ensure the efficient and effective generation of the required deliverables to the highest standards of quality.
- Track Record** – The bid provides clear information on previous, relevant projects that confirm that the bidder has the required experience and success track record in the area of general project management and management related projects.

STAGE 2

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

Where

- P_s = Points scored for competitive price of bid or offer under consideration;
 P_t = Competitive price of bid or offer under consideration; and
 $P_{\min}$ = Competitive price of lowest acceptable bid or offer

The maximum possible score that can be achieved for price is 80 points.

12. Awarding of Bid

12.1 Phase 3: Price and Specific Goals

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12. 2 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

12.2.3 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:

12.2.4

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.)

No	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)
1	Mandatory specific goal	
	The promotion of enterprise owned by black people [Black People Ownership ($\geq 51\%$ own by blacks)]	10
2	Other specific goals	
	The promotion of enterprises owned by people who are women. [Women Ownership ($\geq 30\%$ own by women)]	3
	The promotion of enterprises owned by people with disabilities. [Disability Ownership ($\geq 2\%$ own by person living with disability)]	1
	The promotion of enterprises owned by people living in rural or underdeveloped areas or townships of North West Province.	2
3	Mandatory specific goal of B-BBEE Level of Contributor	Maximum 4 points
	B-BBEE status level of contributor level 1	4
	B-BBEE status level of contributor level 2	2
	B-BBEE status level of contributor level 3 – 8	1
	Non-compliant contributor	0

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NB. Confirmation of claimed Specific Goals will be against Central Supplier Database (CSD) Report or CIPC or SANAS BBBEE Certificate.

12.2.5

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.

13. Briefing session

A compulsory briefing session will be held as **stated on the cover page of the bid document**. Bids from suppliers/service provider who did not attend the compulsory briefing session will be disqualified.

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PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)							
BID NUMBER:	COGTA 02/2022	CLOSING DATE:	19 MAY 2023	CLOSING TIME:	11H00		
DESCRIPTION	REQUEST FOR BID FOR THE APPOINTMENT OF SERVICE PROVIDER TO CONDUCT DATA CLEANSING MANAGEMENT TO FIVE (5) SELECTED MUNICIPALITIES WITHIN THE NORTH WEST PROVINCE FOR THE PERIOD OF 6 MONTHS.						
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)							
CRAFT PRESS BUILDING (CCP)							
27 JAMES WATT CRESCENT							
INDUSTRIAL SITE							
MAHIKENG							
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO				TECHNICAL ENQUIRIES MAY BE DIRECTED TO:			
CONTACT PERSON	Mr. Casper Mbombi			CONTACT PERSON	Mr. Jerry Rickert		
TELEPHONE NUMBER	018 388 2947			TELEPHONE NUMBER	018 388 3530		
FACSIMILE NUMBER	086 549 0900			FACSIMILE NUMBER			
E-MAIL ADDRESS	ctmbombi@nwpg.gov.za			E-MAIL ADDRESS	jrickert@nwpg.gov.za		
SUPPLIER INFORMATION							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE		NUMBER				
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE		NUMBER				
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA		
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ 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?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER PART B:3]		
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS							
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO			
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO			
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO			
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO			
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ NO			
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.							

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO.:

CLOSING TIME 11:00

CLOSING DATE.....

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)
------------	-------------	--

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....

3. PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

4. PERSON AND POSITION

HOURLY RATE DAILY RATE

.....	R-----	-----
.....	R-----	-----
.....	R-----	-----
.....	R-----	-----
.....	R-----	-----

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

.....	R-----	----- days
.....	R-----	----- days
.....	R-----	----- days
.....	R-----	----- days

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			R.....
.....			R.....
.....			R.....
.....			R.....

TOTAL: R.....

** "all applicable taxes" includes value- added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies.

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....			R.....
.....			R.....
.....			R.....
.....			R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid
7. Estimated man-days for completion of project
8. Are the rates quoted firm for the full period of contract? *YES/NO
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.
.....
.....
.....

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

..... SIGNATURE(S) OF BIDDERS(S) NAME OF THE BIDDER(S) DATE
--

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

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.

2.2.1 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

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 **80/20** preference point system.

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:

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

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:

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
 - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.
(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
The promotion of enterprise owned by black people. [Ownership (≥ 51% own by blacks)]	10	
The promotion of enterprise owned by people who are women. [Ownership (≥ 30% own by women)]	3	
The promotion of enterprise owned by people with disabilities. [Disability Ownership (≥ 2% own by people living with disabilities)]	1	
The promotion of enterprise owned by people living in rural or underdeveloped areas or townships of North West Province.	2	
Specific Goal of B-BBEE Level of Contributor Maximum 4 points		
B-BBEE status level of contributor (Level 1)	4	
B-BBEE status level of contributor (Level 2)	2	
B-BBEE status level of contributor (Level 3 – 8)	1	
Non-compliant contributor	0	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

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

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

Annexure A

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
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)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

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

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

	1.25	“Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
2. Application	2.1	These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
	2.2	Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
	2.3	Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. General	3.1	Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
	3.2	With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
4. Standards	4.1	The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
5. Use of contract documents and information; inspection.	5.1	The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
	5.2	The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
	5.3	Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.
	5.4	The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
6. Patent rights	6.1	The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
7. Performance	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.

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

available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

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

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

Js General Conditions of Contract (revised July 2010)