



# police, roads & transport

Department of  
Police, Roads and Transport  
FREE STATE PROVINCE

**DEPARTMENT OF POLICE, ROADS AND TRANSPORT,  
FREE STATE**

**Tender No: PR&T/BID 03/2022/23**

**REQUEST TO ADVERTISEMENT AND APPOINTMENT OF A SERVICE PROVIDER  
TO PERFORM MONITORING SERVICES FOR CONTRACTED SUBSIDIZED BUS  
SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE  
DEPARTMENT OF POLICE, ROADS & TRANSPORT**

## **TENDER DOCUMENT**

July 2022

**Issued by:**

Department of Police, Roads & Transport

45 Charlotte Maxeke Street

Bloemfontein

9300

**Contact:**

Supply Chain Management

Telephone: 051 409 8891 / 8899

**Name of tenderer: .....**

**Tender amount: R.....**

SBD1



police, roads & transport  
Department of  
Police, Roads and Transport  
FREE STATE PROVINCE

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)</b>					
BID NUMBER:	PR&T/BID 03/2022/23	CLOSING DATE:	23/08/2022	CLOSING TIME:	11H00
DESCRIPTION	REQUEST TO ADVERTISEMENT AND APPOINTMENT OF A SERVICE PROVIDER TO PERFORM MONITORING SERVICES FOR CONTRACTED SUBSIDIZED BUS SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE DEPARTMENT OF POLICE, ROADS & TRANSPORT				
<b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>					

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX

SITUATED AT (STREET ADDRESS)

<b>DEPARTMENT OF POLICE, ROADS AND TRANSPORT</b>					
<b>45 PERM BUILDING, CHARLOTTE MAXEKE STREET</b>					
<b>TENDER BOX GROUND FLOOR (SECURITY ENTRANCE)</b>					
<b>BLOEMFONTEIN</b>					
<b>9323</b>					
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes			B-BBEE STATUS LEVEL SWORN AFFIDAVIT	<input type="checkbox"/> Yes
	<input type="checkbox"/> No				<input type="checkbox"/> No
IF YES, WHO WAS THE CERTIFICATE ISSUED BY?					
AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE	<input type="checkbox"/>	AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)			
	<input type="checkbox"/>	A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)			



CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX	<input type="checkbox"/>	A REGISTERED AUDITOR NAME:	
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs&amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b> <input type="checkbox"/>			
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW ]
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)			
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE (ALL INCLUSIVE)	
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>		<b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>	
DEPARTMENT/ PUBLIC ENTITY	DEPARTMENT OF POLICE, ROADS AND TRANSPORT	CONTACT PERSON	Ms. PMG Thabethe
CONTACT PERSON	Mr. T Makhetha Ms. W Makutoane Mr. T Sekwena	TELEPHONE NUMBER	066 360 8940
TELEPHONE NUMBER	051 409 8891/8899	FACSIMILE NUMBER	
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	Thabetheg@freetrans.gov.za
E-MAIL ADDRESS	Makutoanew@freetrans.gov.za SekwenaT@freetrans.gov.za		



## PART B

### TERMS AND CONDITIONS FOR BIDDING

<p><b>1. BID SUBMISSION:</b></p> <p>1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.</p> <p>1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED--(NOT TO BE RE-TYPED) OR ONLINE</p> <p>1.3. BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: ( BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.4. WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.</p> <p>1.5. 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 LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.</p>
<p><b>2. TAX COMPLIANCE REQUIREMENTS</b></p> <p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
<p><b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b></p>



3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

YES ☐ NO ☐

3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?

YES ☐ NO ☐

3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

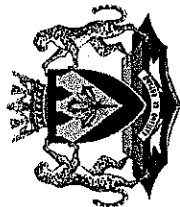
YES ☐ NO ☐

3.4. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?

YES ☐ NO ☐

IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.**



police, roads & transport

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## SCHEDULE OF QUANTITIES

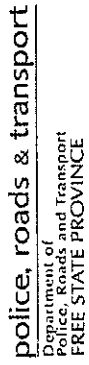
Proposal for Monitoring and supervision of passenger transport services for the department of Police, Roads and Transport for a period of three years: **Itumele Bus Lines (IBL)**

ITEM	DESCRIPTION	UNIT	QUANTITY	RATE	YEAR 1	YEAR 2	YEAR 3	TOTAL
A. Representative	Time Charges per month	Hour	48					
a)	Travelling expense		-					
b)	Normal visits per month	Number	1					
	Special visits	Visits	1					
	Subsistence	Provisional sum						
c)	Other							
	i) Miscellaneous		1					
	ii)							
B. Site and monitoring	Salaries	Month	1					
a)	i) Senior Inspector		8					
	ii) Monitors		1					
	iii) Administrator							
b)	Traveling expenses	Kilometers	7 500					
c)	Communication costs	Maximum total of R500.00	-					
d)	Duplicates and printing of operators invoices per month	1000 copies Maximum	-					
e)	Overhead costs	Month						
f)	Other (Specify)							
	i)							
	ii)							
				SUB-TOTAL B				
					Sub Total C: (A + B)			
					Sub – Total D: (VAT 15%)			
					TOTAL CLAIMED AMOUNT (D + C) PER MONTH			

PUBLIC TRANSPORT DIRECTORATE

P.O. Box 9769, Bloemfontein 9300

Anchor House Building, 3<sup>rd</sup> Floor, No. 63 Cnr of Nelson Mandela and East Burger Street, BLOEMFONTEIN Tel: (051) 403 7474 Email: pmgthabethe@hotmail.com



Proposal for Monitoring and supervision of passenger transport services for the department of Police, Roads and Transport for a period of three years: **Maluti Bus Services (MBS)**

[illegible]

PUBLIC TRANSPORT DIRECTORATE

P O Box 9769, BLOEMFONTEIN, 9300

Ancher House Building, 3<sup>rd</sup> Floor, No. 63 Cur of Nelson Mandela and East Burger Street, BLOEMFONTEIN Tel: (051) 403 7474 Email: pmg@habethc@hotmail.com



## **REQUEST TO ADVERTISEMENT AND APPOINTMENT OF A SERVICE PROVIDER TO PERFORM MONITORING SERVICES FOR CONTRACTED SUBSIDIZED BUS SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE DEPARTMENT OF POLICE, ROADS & TRANSPORT**

### **1.1 FUNCTIONS OF THE SMF**

#### **SCOPE OF WORK WILL BE AS FOLLOWS:**

The main functions of the SMF would include amongst other aspects the following:

- Physical monitoring of the bus services
- Monitoring of bus services through RFID systems
- Imposing of penalties for non-performance
- Assistance with the effective management of the contract, such as the possible cancellation and/or addition of trips to the schedule; and
- Evaluation and approval of monthly payment claims

The SMF must also handle all aspects of the administration of the contract, and as such can be seen as an extension of the Department but must be just to all parties concerned.

### **1.2 SPECIFICS OF PROJECT**

#### **1.2.1 PARTIES INVOLVED**

There are three parties involved in the monitoring of the contract services. These are (a) The Employer (in this case the Department of Police, Roads & Transport), (b) the Operator (the bus company with which the contract has been concluded) and (c) the Supervisory and Monitoring firm (hereinafter referred to as the SMF).

#### **1.2.2 REPORTING ARRANGEMENTS**

The SMF will be liable to the Accounting Officer: Police, Roads & Transport but will report to the Programme manager responsible for Transport Operations and to the Director responsible for Public Transport, Services & Systems by delegation.





### **1.2.3 ROLE & FUNCTION OF EACH PARTY**

#### **a) EMPLOYER**

The main functions of the Employer regarding the monitoring services are to:

- Contract management and monitoring of the SMF & Operator;
- Evaluate the accuracy of the reports provided;
- Pay the subsidy according to the payment certificate as certified by the SMF;
- Consider and approve/disapprove any proposal from the SMF;
- Attend all meetings;

#### **b) OPERATOR**

The Operator has the following functions:

- Attend all meetings
- Submit monthly statistical reports compiled from the electronic ticketing equipment;
- Compile and submit monthly payment claim forms to the SMF for verification and approval;
- Compile passenger complaints reports;
- Report all serious accidents;
- Compile and present timetables for those time periods that require non-standard services;
- Discuss penalties with SMF;
- Report on the progress with the implementation of RDP proposals

#### **c) SUPERVISORY MONITORING FIRM**

The role and function of the SMF is to supervise and monitor the services and to handle all aspects of the administration of the contract. As such the SMF normally can be expected to need the following personnel to fulfill the monitoring function:

- Representative (this is a person authorized by the Employer to act on its behalf in the monitoring of the services)
- Deputy Representatives (this is a person who may be appointed by the SMF to perform all functions as required by the Representative and/or the Employer);
- Monitor/s (these are personnel appointed by the SMF to perform the actual monitoring functions as needed).



### **1.3 TASKS**

The main tasks are listed in Section 3.1 but the exact tasks to be performed depend on the detail of the signed contract documentation between the Operator and the Department and their might be slight variations between the existing three contracts. The duration of the required monitoring services also obviously depends on the duration of the existing contracts.

Firms should provide details regarding tasks to be performed, as well as the types of monitoring to be undertaken when bidding.

### **1.4 PARTICULARS OF PROPOSAL**

#### **1.4.1 GENERAL**

Apart from the other requirements contained in this document that firms must comply with, submitted proposals have to contain the following:

- a) Technical Proposal
- b) Financial Proposal
- c) Past Applicable Experience

#### **1.4.2 TECHNICAL PROPOSAL**

The technical proposal must deal with and comply with the following, but should not necessarily be restricted to the aspects dealt with below:

##### **a) GENERAL OVERVIEW OF PUBLIC TRANSPORT IN THE PROVINCE**

A general overview should be provided regarding public transport in the province and in particular the role of subsidized contracts. This must be included to indicate knowledge of local conditions and a grasp of the importance of public transport.

##### **b) GENERAL STRUCTURE OF OPERATIONS**

The proposal should deal with the provincial role and responsibilities of the firm, and the envisaged role of the Department.



#### **c) METHODOLOGY**

Firms should provide details of the proposed methodology that they intend to follow. Detail of the types of monitoring and tasks to be performed should be provided, the monitoring should provide for the use of systems solutions (radio frequency identification (RFID) and integrated sensing technologies such as global positioning system (GPS), general packet radio service (GPRS) and geographic information system (GIS)) and the requisite ITC resources and skills that will enable the Department to have an oversight view or access to the monitoring tools used during the duration of the SMF contract, all this should be considered in a cost effective and efficient manner for the Department. Motivations should where necessary be provided for the proposed methodology.

#### **d) PROJECT TEAM**

Interested parties should have a thorough knowledge of the subsidized service contract system as well as bus operations in particular. A working understanding of the current contracts and operational areas will be advantageous. Knowledge of additional system-based monitoring tools for example, Satellite Monitoring, Electronic Vehicle Monitoring System etc.

Particulars should be provided regarding the proposed project team as well as any other resources that are deemed additional motivation why the particular firm or project team will be able to undertake the project successfully. CV's must be provided of all project members.

The province retains the right to request that specific individuals or firms be included in the project team if it is of the opinion that certain essential experience or capacity is lacking in the proposed team.

#### **e) PRELIMINARY WORK PROGRAMME**

A work programme should be included indicating timeframes for implication of the different elements after awarding of the contract



## **1.5 PROCUREMENT**

### **1.5.1 METHOD OF INVITATION**

Competitive bids will be advertised in the Government Tender Bulletin, e-Tender Publication Portal and on the institution's website, in terms of Treasury Regulations 16A. 6.3 (c), and SCM instruction No. 02 of 2021 – 22 Paragraph 3.3

### **1.6 TENDER DOCUMENT**

Bidders are requested to submit a signed original completed Bid Document (SBD's). A Bid Document must be completed with a black inked pen.

## **1.7 EVALUATION**

### **1.7.1 EVALUATION CRITERIA**

**The Bids will be evaluated on Four (04)-stage process as follows**

- 1.7.1.1 Stage 1:** Attendance of tender briefing meeting and Assessment of Mandatory Requirements
- 1.7.1.2 Stage 2:** Pre-qualification for Preferential Procurement
- 1.7.1.3 Stage 3:** Functionality – 40 points (if applicable)
- 1.7.1.4 Stage 4:** 80/20 preference points system (Price = 80 Points and BBBEE = 20 points)

### **STAGE 1 ATTENDANCE OF BRIEFING SESSION AND ASSESSMENT OF MANDATORY REQUIREMENTS**

- ✓ A tender briefing session will be held as per the details below and failure of the service provider to attend a briefing meeting will be disqualified:

Venue: Medfontein Building, 3<sup>rd</sup> Floor Boardroom, Room 316  
Date: 12<sup>th</sup> August 2022  
Time: 10H00AM

The following officials must be conducted for any clarity seeking questions, prior, during, and post briefing meeting:

Technical enquiries: Ms. PMG Thabethe  
Email address: [Thabetheg@freetrans.gov.za](mailto:Thabetheg@freetrans.gov.za),  
Contact Number: 066 380 8940



SCM enquiries: Mr. T Sekwena @ (051) 409 8891 / Ms. W. Makutoane @ 051 409 8899

Email address: [SekwenaT@freetrans.gov.za](mailto:SekwenaT@freetrans.gov.za), [MakutoaneW@freetrans.gov.za](mailto:MakutoaneW@freetrans.gov.za);

**Mandatory requirements will be assessed as follows and bidders who fail to meet any of the below requirements will be disqualified.**

- ✓ A valid Tax Clearance Certificate, or a unique security Personal Identification number (PIN) issued by the South African Revenue Services (where Consortium / Joint Venture / Sub- Contractors are involved, each party to the association must submit a separate Valid Tax Clearance Certificate or a unique security personal Identification number).
- ✓ Bidders must return all completed and duly signed standard bidding documents (SBD) and attached all returnable documents, all documents must be completed with a black ink non-erasable pen.
- ✓ Bidders must be registered on the centralised supplier database-CSD print out must be attached or Bidders must provide a CSD registration number (MAAA.....)
- ✓ **In the case of a Joint Venture the Bidder must attach:**
  - A joint venture agreement duly signed by both parties, and
  - Certificate of Authority for Signature (Power of Attorney).

## **STAGE 2 PRE-QUALIFICATION FOR PREFERENTIAL PROCUREMENT**

- ✓ B-BBEE Contributor Level 1
- ✓ EME or QSE (Signed latest Financial statement certified by an Accountant or Auditor must be attached together with a Certified copy of Companies and Intellectual Property Commission (CIPC)/ Shareholding certificate, failure to attach will lead to disqualification).

*NB: Service provider who are not in the category of EME/QSE will be disqualified*



### STAGE 3 FUNCTIONALITY – 40 POINTS

Scoring points will be as follows:

Functionality	Allocation criteria	Points	Score
<b>Approach &amp; Methodology</b> Project Management & Organisation Methodology (Include use of Systems radio frequency identification (RFID), integrated sensing technologies such as global positioning system (GPS), general packet radio service (GPRS), geographic information system (GIS), Electronic Vehicle Monitoring System & skills transfer)	5 + years = 15 3 – 5 years = 10 1 – 3 years = 5 6 – 12 months = 0	15	
<b>Capability to carry-out the work</b> Team Leader (Qualifications in transport management or transport engineering, Experience and ECSA compliance)	10 and above = 5 8 - 9 = 4 5 - 7 = 3 1 - 4 = 2	5	
Team Balance (CV of a key personnel be included)	10 and above = 5 8 - 9 = 4 5 - 7 = 3 1 - 4 = 2	5	
<b>Previous Similar Projects</b> Company's years of experience in transport monitoring services	5 and above = 10 3 – 4 = 7 1 – 2 = 5;	10	
<b>Locality</b> Free State Based	Free State based = 5 Not Free State based = 2	5	
<b>TOTAL</b>		<b>40</b>	

**NB: Bidders must achieve the minimum of [60% (24 points)] of the functionality points in order to be considered for further evaluation on price and BBBEE.**

**STAGE 3.1** All service providers who passed functionality [60% (24 points)] will be requested to submit the samples of each item(s) for quality assessment. Further, the samples will be required to be submitted within two (2) weeks from the date of the request. Service providers will be expected to submit samples of all item(s) to be procured during the contract period!!



#### STAGE 4 80/20 PREFERENCE POINTS SYSTEM (PRICE AND BBEE)

The Bid will be evaluated on an 80/20: Preferences point system process divided as follows:

- Price : 80
- BBEE : 20

The maximum points for price are 80. These points will be for the Total Bid Offer. The points for price will be calculated according to clause 6, item 1 of the PPPFA (Effective from April 2017) as follows:

$$P_s = 80 \left[ 1 - \frac{P_t - P_{\min}}{P_{\min}} \right]$$

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Rand value of tender under consideration

$P_{\min}$  = Rand value of lowest acceptable tender

#### B-BBEE Status Level: 20

- Points will be awarded to bidders for attaining the B –BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points ( 80/20 )
1	20
2	18
3	14
4	12
5	8
6	6
7	4
8	2
Non-complaint Contributor	0



**NB:** Bidders must submit a valid original (or certified copy) B-BBEE Status Level Verification Certificate substantiating the B-BBEE rating or Certified Sworn Affidavit obtained from DTI/ CIPC. Failure to submit will lead to forfeiture of BBBEE points.

#### **1.8 CONDITION OF ACCEPTANCE:**

- ✓ All bidders who responded to the bid document will be evaluated;
- ✓ Recommended bidders will be invited for interview and presentation of samples as per stage three of evaluation;
- ✓ The Department reserves the right to appoint more than one service provider;
- ✓ Bidders who use **tippex** will be disqualified;
- ✓ Any cancellation in the document not counter signed will result in a disqualification;
- ✓ Failure to declare the bidder's interest in the SBD 4 provided in the document is regarded as misrepresentation of facts. In case such a bidder is awarded a contract based on the incorrect information provided, the contract will be cancelled, and that the bidder will be restricted from doing business with the Public Sector;
- ✓ A bid from any bidder or its directors/partners whose name appears on the National Treasury Database of Restricted/ Blacklisted suppliers will not be considered;
- ✓ Bidders who have public sector (national, provincial, public entities and local government) officials as directors/shareholders/partners shall be disqualified;
- ✓ 180 Days validity period;
- ✓ Escalation of price will not be applicable to this tender (Fixed Prices), therefore, service providers must ensure that, the price offered are for Three years;
- ✓ Bidders who falsify any information will be disqualified.
- ✓ Submission of a Companies & Intellectual Property Commission (CIPC).
- ✓ Submit certified copies identity documents of all active members/shareholders of the company and the document must be certified by SAPS/ Commissioner of oath.
- ✓ Municipal services (water, sanitation, rates and electricity) clearance certificate or Lease Agreement with a Current Bill of Account not owing more than (90) days.
- ✓ Appointed Service provider (s) will be expected to take full measurements (Sizes) of all employees prior manufacturing of any item(s) commence. Failure of the Service provider to adhere to this condition and this act leads to provision of the wrong uniform sizes, Department will not be liable to pay any claims as result of this. The service provider will be expected to re-produce the correct sizes at their own cost.
- ✓ Sub-standard Item(s) will not be accepted.
- ✓ Bidders who did not meet all the conditions of acceptance of the bid will be disqualified.





## **1.9 CLOSING DATE, TIME AND VENUE FOR SUBMISSION**

The Bid document must be placed in a sealed envelope. The title **"REQUEST TO ADVERTISEMENT AND APPOINTMENT OF A SERVICE PROVIDER TO PERFORM MONITORING SERVICES FOR CONTRACTED SUBSIDIZED BUS SERVICES FOR A PERIOD OF THIRTY-SIX (36) MONTHS FOR THE DEPARTMENT OF POLICE, ROADS & TRANSPORT"** must be clearly written or typed on the envelopes.

**The envelopes must be deposited in the Tender Box on the following address:**

Department of Police, Roads & Transport Free State  
45 Charlotte Maxeke Street, (Old Maitland Street)  
Perm Building,  
Ground Floor,  
Bloemfontein 9300.

**Closing date for Bid documents is 11h00 on the 23<sup>rd</sup> August 2022**



### PRICING SCHEDULE – FIRM PRICE (PURCHASES)

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT**

Name of bidder.....	Bid number: PR&T/BID 03/2022/23
Closing Time 11:00	Closing date: 23 AUGUST 2022.

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

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

- |   |  |                                   |
|---|--|-----------------------------------|
| - | Required by:                                     | .....                             |
| - | At:  | .....                             |
| - | Brand and model                                  | .....                             |
| - | Country of origin                                | .....                             |
| - | Does the offer comply with the specification(s)? | *YES/NO                           |
| - | If not to specification, indicate deviation(s)   | .....                             |
| - | Period required for delivery                     | .....<br>*Delivery: Firm/not firm |
| - | Delivery basis                                   | .....                             |

Note: All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

\*Delete if not applicable



**ANNEXURE B**  
**SBD 4**  
**BIDDER'S DISCLOSURE**

**1. PURPOSE OF THE FORM**

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

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

**2. Bidder's declaration**

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

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

Full Name	Identity Number	Name of State institution

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

\_\_\_\_\_

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



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

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

### 3 DECLARATION

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

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

---

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



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

.....  
Position

.....  
Name of bidder



## SBD 6.1

### PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

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

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

#### 1. GENERAL CONDITIONS

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

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

1.2

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

1.3 Points for this bid shall be awarded for:

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

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

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

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

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



manner required by the purchaser.

## 2. DEFINITIONS

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

## 3. POINTS AWARDED FOR PRICE

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

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

80/20                      or                      90/10

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

Where

- $P_s$  = Points scored for price of bid under consideration
- $P_t$  = Price of bid under consideration
- $P_{\min}$  = Price of lowest acceptable bid



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

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

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

#### 5. BID DECLARATION

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

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

- 6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)  
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

#### 7. SUB-CONTRACTING

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

(Tick applicable box)

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

- 7.1.1 If yes, indicate:

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

(Tick applicable box)





YES		NO	
-----	--	----	--

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

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

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

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

8.2 VAT \_\_\_\_\_ registration  
number:.....

8.3 Company \_\_\_\_\_ registration  
number:.....

8.4 **TYPE OF COMPANY/ FIRM**

- ☐ Partnership/Joint Venture / Consortium  
☐ One person business/sole propriety  
☐ Close corporation  
☐ Company  
☐ (Pty) Limited  
[TICK APPLICABLE BOX]

8.5 **DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....  
.....  
.....

8.6 **COMPANY CLASSIFICATION**

- ☐ Manufacturer  
☐ Supplier  
☐ Professional service provider  
☐ Other service providers, e.g. transporter, etc.  
[TICK APPLICABLE BOX]



- 8.7 Total number of years the company/firm has been in business:.....
- 8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:
- i) The information furnished is true and correct;
  - ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
  - iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
  - iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
    - (a) disqualify the person from the bidding process;
    - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
    - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
    - (d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
    - (e) forward the matter for criminal prosecution.

WITNESSES

1. ....
2. ....

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

DATE: .....

ADDRESS .....

CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 2 and 3 ABOVE IS CORRECT.  
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME SHOULD THIS  
DECLARATION PROVE TO BE FALSE.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of bidder

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**GOVERNMENT PROCUREMENT**  
**GENERAL CONDITIONS OF CONTRACT**  
**July 2010**

**NOTES**

The purpose of this document is to:

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

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

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

## **TABLE OF CLAUSES**

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](http://www.treasury.gov.za)

## **4. Standards**

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

## **5. Use of contract documents and information; inspection.**

- 5.1 The supplier shall not, without the purchaser’s prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

- 5.2 The supplier shall not, without the purchaser’s prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.

- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier’s performance under the contract if so required by the purchaser.

- 5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

## **6. Patent rights**

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



**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

**9. Packing**

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

**10. Delivery and documents**

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

**11. Insurance**

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

**12. Transportation**

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

**13. Incidental services**

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

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

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

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

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

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

#### **15. Warranty**

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

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

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

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

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

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

**16. Payment**

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

**18. Contract amendments**

- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

**19. Assignment**

- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

**20. Subcontracts**

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

**21. Delays in the supplier's performance**

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

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

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

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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.
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	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.
<b>32. Taxes and duties</b>	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.
<b>33. National Industrial Participation Programme (NIP)</b>	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.
<b>34. Prohibition of Restrictive practices</b>	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)