



YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF LOCAL GOVERNMENT

| BID DOCUMENTS OBTAINABLE FROM | ADMINISTRATIVE ENQUIRIES | SPECIFICATION ENQUIRIES |
|---|--|--|
| Ms. C. Johnson (lg.finance@westerncape.gov.za) | Mr. A Seale (lg.finance@westerncape.gov.za) | Mr. M Brand & Mr. E Mangwengwende (lg.finance@westerncape.gov.za) |
| ADVERTISEMENT DATE | CLOSING DATE AND TIME | VALIDITY PERIOD |
| 16 July 2024 | 16 August 2024 | 60 days |

Bid Number: LG-02 2024-2025

TERMS OF REFERENCE

**APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO ROLL-OUT THE SUSTAINABLE
INFRASTRUCTURE DEVELOPMENT AND FINANCIAL FACILITY PROGRAMME (SIDAFF) IN THE
WESTERN CAPE PROVINCE UNTIL 31 MARCH 2026.**

Bid documents must be deposited on or before the closing time: The bid box is open 24 hours a day, 7 days a week. The onus is on the Bidder to ensure that the bid is deposited in the correct tender box on or before the closing date and time. The blue tender box clearly marked "Local Government" is situated in the foyer / passage of 80, St Georges Mall, Waldorf Building, Cape Town 8000.

Physical Address
Department of Local Government
Ground Floor, 80 St Georges Mall
Waldorf Building
Cape Town, 8000

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration. No Telegraphic, telex, facsimile or e-mailed bids will be accepted.

ALL BIDS MUST BE SUBMITTED IN A CLEARLY MARKED ENVELOPE WITH THE BIDDERS ADDRESS DETAILS ON THE BACK. ALL BIDS MUST BE ON THE OFFICIAL FORMS (NOT TO BE RE-TYPED) OR SEPARATED. FAILURE TO ADHERE TO THESE INSTRUCTIONS MAY RESULT IN THE BID BEING DISQUALIFIED.

THIS BID IS SUBJECT TO THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCBD 7.1) AND / SERVICE LEVEL AGREEMENT IF APPLICABLE.

CHAIRPERSON: BID SPECIFICATION COMMITTEE

DATE: 16/07/24

HEAD: SUPPLY CHAIN MANAGEMENT

DATE: 16/07/24

PROVINCIAL GOVERNMENT OF WESTERN CAPE

DEPARTMENT OF LOCAL GOVERNMENT

BID NUMBER: LG-02 2024- 2025

TERMS OF REFERENCE

APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO ROLL-OUT THE SUSTAINABLE INFRASTRUCTURE DEVELOPMENT AND FINANCIAL FACILITY PROGRAMME (SIDAFF) IN THE WESTERN CAPE PROVINCE UNTIL 31 MARCH 2026.

| ANNEXURE REFERENCE | TENDER DOCUMENT NAME | RETURNABLE DOCUMENT (INDICATE PAGE NUMBER) |
|---|--|---|
| A | FORM OF OFFER AND ACCEPTANCE (WCBD 1) | |
| B | PRICING SCHEDULE (WCBD 3.1) | |
| C | CONSOLIDATED DECLARATION OF INTEREST, BIDDER'S PAST SUPPLY CHAIN PRACTICES AND INDEPENDENT BID DETERMINATION (WCBD 4) | |
| D | PREFERENCE POINTS CLAIM FORM (WCBD 6.1) | |
| E | TERMS OF REFERENCE | |
| F | GENERAL CONDITIONS OF CONTRACT (GCC) | |
| G | B-BBEE CERTIFICATE | |
| H | PROVIDE THE MAAA CENTRAL SUPPLIER DATABASE (CSD) REPORT AND OR MAAA NUMBER | |
| PLEASE ENSURE THAT ALL OTHER RELEVANT SUPPORTING DOCUMENTS AS PER THE TERMS OF REFERENCE AND PRICING SCHEDULE (WCBD 3.1) ARE CLEARLY LABELLED AND INCLUDED IN YOUR PROPOSAL. | | |

NB: ALL BID DOCUMENTS (PROPOSALS) MUST BE ANNEXED AS INDICATED ABOVE.

PART A INVITATION TO BID

ZERO-TOLERANCE TO FRAUD, THEFT AND CORRUPTION (ANTI-FRAUD, THEFT AND CORRUPTION)

THE WCG IS COMMITTED TO GOVERN ETHICALLY AND TO COMPLY FULLY WITH ANTI-FRAUD, THEFT AND CORRUPTION LAWS AND TO CONTINUOUSLY CONDUCT ITSELF WITH INTEGRITY AND WITH PROPER REGARD FOR ETHICAL PRACTICES.

THE WCG HAS A ZERO TOLERANCE APPROACH TO ACTS OF FRAUD, THEFT AND CORRUPTION BY ITS OFFICIALS AND ANY SERVICE PROVIDER CONDUCTING BUSINESS WITH THE WCG.

THE WCG EXPECTS ALL ITS OFFICIALS AND ANYONE ACTING ON ITS BEHALF TO COMPLY WITH THESE PRINCIPLES TO ACT IN THE BEST INTEREST OF THE WCG AND THE PUBLIC AT ALL TIMES.

THE WCG IS COMMITTED TO PROTECTING PUBLIC REVENUE, EXPENDITURE, ASSETS AND REPUTATION FROM ANY ATTEMPT BY ANY PERSON TO GAIN FINANCIAL OR OTHER BENEFIT IN AN UNLAWFUL, DISHONEST OR UNETHICAL MANNER.

INCIDENTS AND SUSPICIOUS ACTIVITIES WILL BE THOROUGHLY INVESTIGATED AND WHERE CRIMINAL ACTIVITY IS CONFIRMED, RESPONSIBLE PARTIES WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

| | | | | | |
|-------------|-----------------|---------------|----------------|---------------|----------|
| BID NUMBER: | LG-02 2024-2025 | CLOSING DATE: | 16 AUGUST 2024 | CLOSING TIME: | 11:00 AM |
|-------------|-----------------|---------------|----------------|---------------|----------|

| | |
|-------------|---|
| DESCRIPTION | APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO ROLL-OUT THE SUSTAINABLE INFRASTRUCTURE DEVELOPMENT AND FINANCIAL FACILITY PROGRAMME (SIDAFF) IN THE WESTERN CAPE PROVINCE UNTIL 31 MARCH 2026. |
|-------------|---|

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

DEPARTMENT OF LOCAL GOVERNMENT

BLUE TENDER BOX CLEARLY MARKED "LOCAL GOVERNMENT"

SITUATED IN THE FOYER / PASSAGE, GROUND FLOOR, 80 ST GEORGES MALL, WALDORF BUILDING, CAPE TOWN

8000

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

| | | | |
|------------------|--------------------------------|------------------|---------------------------------|
| CONTACT PERSON | MR A SEALE/ MS C JOHNSON | CONTACT PERSONS | MR M BRAND & MR E MANGWENGWENDE |
| TELEPHONE NUMBER | N/A | TELEPHONE NUMBER | N/A |
| FACSIMILE NUMBER | N/A | FACSIMILE NUMBER | N/A |
| E-MAIL ADDRESS | LG.FINANCE@WESTERNSCAPE.GOV.ZA | E-MAIL ADDRESS | LG.FINANCE@WESTERNSCAPE.GOV.ZA |

TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

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: | AND | CENTRAL SUPPLIER DATABASE No: MAAA |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE | [TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No | | B-BBEE STATUS LEVEL SWORN AFFIDAVIT |
| IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACREDITATION SYSTEM (SANAS) | [TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs & QSEs) MUST BE SUBMITTED TOGETHER WITH A COMPLETED 6.1 IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]

| | | | |
|---|--|--|--|
| ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS/ SERVICES/ WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF] | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW] |
|---|--|--|--|

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

| | |
|--|--|
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| DOES THE ENTITY HAVE A BRANCH IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | <input type="checkbox"/> YES <input type="checkbox"/> 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, 2022, 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 (WCBD7).**

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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE WITH TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE AND CSD NUMBER AS MENTIONED IN 2.3 ABOVE.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

.....

DATE:

.....



TERMS OF REFERENCE

**APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO
ROLL-OUT THE SUSTAINABLE INFRASTRUCTURE DEVELOPMENT
AND FINANCIAL FACILITY PROGRAMME (SIDAFF) IN THE
WESTERN CAPE PROVINCE UNTIL 31 MARCH 2026.**

i. LIST OF ACRONYMS

AFD: Agence Française de Développement

BE-I: Branch; E-Innovation via its Transversal ICT Programme Management Unit

DLG: Department of Local Government

DFI(s): Development Finance Institution(s)

GCC: General Conditions of Contract

GTAC: Government Technical Advisory Services

MFMA: Municipal Financial Management Act

MPPP: Municipal Public-Private Partnership

MSA: Municipal System Act, 2000 (Act, 32 of 2000)

IPP: Independent Power Producer

IWP: Independent Water Producer

PFMA: Public Financial Management Act, 2003

PPP: Public-Private Partnership

PT: Provincial Treasury

PMU: Project Management Unit

RFP: Request For Proposal

SCC: Special Conditions of Contract

SLA: Service Level Agreement

SIDAFF: Sustainable Infrastructure Development and Finance Facility

WCG: Western Cape Government

ii. DEFINITIONS

Bankability: Bankability means a project meets the requirements of the financier in order for them to provide capital for the project. The financial profits (returns) likely to be yielded by investment in a project will be more heavily weighted by the private sector, compared with public sector and multilateral donor funders. A project is

bankable, whether from public or private sources, when its risk-return profile meets investors' criteria and can secure financing to implement the project. The lending market and the appetite from lenders can vary over time, due to a host of factors. These include legal and regulatory matters, global interest rate regimes, and capital market conditions. As such, bringing lenders' feedback on board can be very useful to make the project bankable. Through sound market exercises, important feedback from the lender community can feed into the project preparation phase and shape the risk allocation matrix in a market-acceptable manner.

Catalytic project: a project of significant scale (i.e. its reach) and scope (i.e. impact on employment, services, economic and social investment, and/or municipal revenue, ESG, SDGs), thereby displaying some or all of the following characteristics:

- It makes a substantial impact;
- It provides leverage and/or creates multiplier effects;
- It has the power to radically activate development (social, economic or both);
- It significantly impacts spatial form;
- It creates jobs, and increase land value;
- contributes to the achievement of the vision and goals of the Province and National Government; and
- DFI specific sector mandates and requirements
- Must be on the Integrated Development Plan (IDP), Capital Expenditure Framework (CEF) and endorsed by Council.

Concept note: a pre-grant proposal and application document that is about two or three pages in length providing key details about a project. A concept note is a short expression of a project idea put on paper to a donor/financier. It is generally used to propose a project to a donor/financier before submitting a full application. A concept note does not directly ask for funding, instead it is to ascertain donor interest and start a discussion. Ideally, this discussion will later help the applying organisation (SIDAFF Grant Facility) to develop a more detailed proposal which is most likely to get funded.

Creditworthy: a well-managed and fiscally disciplined municipality. Any municipality, large or small, rich or poor, that manages its finances well can be creditworthy, and can borrow at an appropriate scale. Such municipalities should be able to borrow private sector capital for infrastructure investment at an appropriately priced credit. The intergovernmental fiscal framework, including redistributive transfers such as the equitable share, is intended to ensure that all municipalities have the resources to provide basic services and finance essential infrastructure. If the municipality's finances or management may be such that it is not creditworthy, it may nevertheless be able to borrow for specific revenue-generating projects, provided that, it agrees to ring-fence the revenues and/or management in a way that gives investors the confidence to lend.

Fact Sheets: a short document comprising of particular information about a specific project.

Feasibility: Feasibility studies are normally conducted to justify investments in infrastructure projects. Despite the vital importance of feasibility studies in supporting decisions related to public spending on infrastructure projects, there are no attempts to evaluate such studies after construction of facilities. Project feasibility assessments cover, among other studies, market and demand assessment, technical options, normative estimates of capital and operating costs, potential revenue streams and an initial analysis of financing options for the project.

Financing Modalities: Include project funding for example through (but not limited to):

- Direct financing, when made directly to borrowers;
- intermediary financial institutions, identified by the arranger bank;
- through co-financing, when there are other participants in the financing, besides the arranger bank;
- syndication, when the arranger bank participates in financing with other financial institutions, either as a structurer, joint structurer, co-structuring or participant;

- Reimbursable, non-reimbursable or contingent recovery financial cooperation when authorized by the Board of Directors of the borrower's representatives in accordance with Bank policies and regulations; and
- Other defined in National Treasury's borrowing policy.

Grant Facility: The SIDAFF Grant Facility is a platform used as a means of developing bankable and investment-ready projects. Under the Grant Facility, technical and/or financial support is provided to beneficiary municipalities. Such support may encompass a wide range of project preparation activities, but not limited to:

- undertaking project feasibility studies,
- performing value-for-money analysis,
- developing procurement documents and grant agreements,
- undertaking social and environmental studies,
- creating awareness among the stakeholders, and
- undertaking any other studies deemed necessary per infrastructure sector as well as per specific donor/financier requirements.

Grant proposals and applications: a request to donors/financiers to jointly participate in a non-profit programme, for grant funding for developing bankable and investment-ready projects.

Investor Pack: Supporting set of documents/information which informs a potential investor about the bankability of a project.

Operate the Grant Facility: This entails raising grant funding by applying to DFIs and other donors, managing the grant facility as well as disbursing the funds towards project preparation by appointing and managing professional service providers to take the projects from feasibility to bankability. This will culminate in a pipeline of bankable projects as well as Investor Packs to each of the beneficiary municipalities which the municipality will use to commence procurement of the capital to finance the implementation of the same projects.

Transaction Advisory Services (TAS): Transaction support involves transaction planning, feasibility analysis, procurement and institutionalization. TAS provides

support throughout the project lifecycle from project conception and registration to transaction process support as well as legal and financial advice.

1. INVITATION TO BID AND PURPOSE

The Department seeks to appoint a Professional Service Provider (PSP) to roll-out the SIDAFF Programme; which includes selection of more catalytic projects, raising grant funding, managing the grant facility, as well as disbursing the funds towards project preparation by appointing professional service providers to take the projects from feasibility to bankability. The output of project preparation will culminate in a pipeline of bankable projects as well as Investor Packs to each of the beneficiary municipalities that the municipality will use to commence procurement of the capital to finance the implementation of the bankable projects via the developed financing modality (document will be provided to the successful bidder) set up for this purpose. Thereafter, the Professional Service Provider (PSP) will then be required to operationalise the same; expand the existing modality to include smaller, poor, and rural municipalities who are creditworthy; develop a methodology to enable DFIs to transform the non-creditworthy municipalities to become creditworthy; operationalise the expanded financing modalities. The successful bidder will be referred to as the Project Preparation Unit and Grant Facility (PPU&GF).

2. BACKGROUND

The Department of Local Government (DLG) is the lead Department responsible for the planning and implementation of the Sustainable Infrastructure Development and Financial Facility (SIDAFF) programme, supported by the French Government through the Agence Française de Développement (AFD), and the Provincial Treasury. The programme is currently in Phase 2, which aims to create a framework to access donor/grant funding for project preparation of catalytic municipal infrastructure projects (i.e., taking projects from feasibility to bankability and identifying suitable financing mechanisms).

The Sustainable Infrastructure Development and Financial Facility Programme (SIDAFF) was conceived to offer funding solutions to catalytic infrastructure projects in intermediate cities in the Western Cape. This includes taking projects from feasibility to bankability and for them to be funded on a long-term and competitively priced basis using a blended finance approach (i.e., combining concessional with commercial based finance), which is an approach that accesses the debt capital markets and development finance institutions as laid out in National Treasury's new borrowing policy framework (Policy Framework for Municipal Borrowing, 2017 Update).

The service provider is required to perform two main functions, namely, project management and transaction advisory services. The deliverables will be a pipeline of bankable projects as well as Investor Packs to each of the beneficiary municipalities that the same municipalities will use to commence procurement of the capital to finance the implementation of the projects. The services will also include expansion of the current Financing Modality to include other municipalities that have not been catered for by the current one as well assist municipalities both project management and transaction advisory services in setting up the municipal entity that will conduct business on behalf of the municipalities.

The SIDAFF programme is currently being managed by GreenCape Sector Development Agency, procured and appointed by AFD as the Project Management Unit (PMU) for the execution of phases 1 and 2 of the programme.

Phase 1 of the SIDAFF programme was completed which aimed to:

- Create an enabling environment for Infrastructure financing through the SIDAFF programme;
- Consolidate a pipeline of projects and programmes into one database;
- Identify the most catalytic projects and programmes, and
- Enable a process to take these prioritised projects and programmes from feasibility to bankability.

Phase 2 of the SIDAFF programme is underway which entails the following deliverables:

- Project management and administration (Project Management Committee, Steering Committee, Project meetings, Synergies with other provincial programmes;
- Repeat phase 1 shortlisting/ evaluations for further 20 projects;
- Develop a grant framework to take projects from feasibility to bankability;
- Develop alternative financing models/mechanisms for financing implementation of projects (cluster of projects);
- Operationalisation of the Grant Facility by:
 - raising grant funding,
 - managing the facility,
 - disbursing the funds towards project preparation by appointing professional service providers to take the projects from feasibility to bankability.

The main objectives of the appointment of the professional service provider is to produce a pipeline of bankable projects; produce Investor Packs to each of the beneficiary municipalities that the municipality will use to commence procurement of the capital to finance the implementation of the same projects: expand on the current financing modality, provide both project management and transaction advisory services during the setting up and operation of the municipal entity. The actual activities are described in the relevant sections below.

3. CONTRACT TERM AND TERMINATION

- 3.1.** This Agreement shall commence on the date of acceptance of appointment and the contract agreement will terminate on 31 March 2026, unless the Parties have agreed to extend the duration of the Agreement in writing, or it is terminated by either Party in writing.
- 3.2.** The Department may cancel the agreement or temporarily suspend all or part of the services by giving 30 days' notice to the successful bidder, who shall immediately

make arrangements to stop the performance of the services and minimise further expenditure, provided that the successful bidder shall there upon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

4. COMPULSORY BRIEFING SESSION

- 4.1 A virtual compulsory information session will be held on the Microsoft Teams online platform on **30 July 2024 at 10h30**. The session will be open at the afore-mentioned stated time. Attendees will be allowed access to the meeting from 10h30 with the Chairperson closing access at 11h00 whereafter the session will commence.
- 4.2 Prospective service providers must indicate their intention of attending the compulsory virtual briefing session by sending an email to lg.finance@westerncape.gov.za with the reference number: **LG-02 2024-2025 stated in the subject line of such emails before or on 26 July 2024 by 16h00 latest**. No requests will be considered after this cut-off date and time. The said email should clearly state the prospective service provider's representatives full name, official email address, and contact number.
- 4.3 Only representatives of service providers received as per point 4.2 on or before the before-mentioned due date will be invited and allowed access to the compulsory virtual briefing session. The meeting link will be sent on or before the close of business on 29 July 2024. If the said representative/s cannot attend, a separate email should be sent with the details of the replacement on or before the due date listed above. The meeting links should not be shared with non-representative/s.
- 4.4 The Chairperson will further use this information to prepare a pre-populated register to monitor and control access to the session. Access to the session will therefore be restricted to this pre-populated register. Upon closing access to the briefing session, the chairperson will allow for a formal introduction of representatives and confirm such attendance against the pre-populated register.

- 4.5 An automatic attendance register will be generated from MS Teams and compared against the verbal confirmations and will be considered as the official attendance register of the virtual compulsory briefing session.
- 4.6 The details disclosed at the compulsory briefing session shall be deemed to form part of these Terms of Reference once they have been disclosed to all prospective service providers in attendance at the virtual compulsory briefing session.
- 4.7 No proposals will be accepted from prospective service providers who did not attend the virtual compulsory briefing session.
- 4.8 Questions of clarity following the compulsory briefing session regarding this Scope of Work will only be responded to until **05 August 2024** via the email: LG.Finance@westerncape.gov.za

5. BID CONDITIONS

5.1. Contractual aspects

5.1.1. This bid is subject to:

- (a) General Conditions of Contract (GCC), issued in accordance with Chapter 16A of the Treasury Regulations;
- (b) The Special Conditions of Contract (SCC), which in terms of clause 5.1.2 below, are the contents of this document;
- (c) Section 12 of this document, being 'Adjudication of proposals; and
- (d) The application of the 80:20 Preferential Procurement Points System.

5.1.2. The content of this document shall be deemed to constitute the Special Conditions of Contract (SCC) applicable to this bid and shall be read together with the GCC. Where, however, the SCC conflict with the GCC, the SCC shall prevail.

5.1.3. The bid document, together with the specifications contained in this document,

shall constitute part of the Contract.

- 5.1.4. Bidders shall not perform any work or render any services in terms of the Contract unless in receipt of a written instruction to this effect by the Department.
- 5.1.5. The successful Bidder may not assign his/her obligations.
- 5.1.6. The successful Bidder must advise the Department immediately when unforeseeable circumstances will adversely affect the execution of the contract. Full particulars of such circumstances as well as the period of delay must be furnished.

5.2. Disclaimer

- 5.2.1. Bidders must make and rely on their own investigations and satisfy themselves as to the correctness of any or all aspects of the bid. The Department will not be liable for any incorrect or potentially misleading information in relation to any part of this document and any accompanying bid documents.
- 5.2.2. The Department reserves the right to cancel this BID at any time prior to award for any reason but not limited to the following:
 - (a) Due to changed circumstances for instance, if there is no longer a need for the services as specified in these Terms of Reference;
 - (b) Funds are no longer available to cover any envisaged expenditure;
 - (c) No acceptable bids are received; or
 - (d) There is a material irregularity in the tender process.

5.3. Indemnity

- 5.3.1. The bidders will indemnify, protect, defend and hold harmless the Department from and against any and all claims, demands, actions and proceedings whatsoever including all fees, costs and expenses incurred in respect thereof arising out of:
 - a) Any claim of any taxes payable by the bidder.

- b) Any claim for Workmen's Compensation Insurance or for any loss for which the bidder is liable.
- c) Any claim by a third party including any employees of Department or of the bidder for any loss resulting from any bodily injury and or damages to property by any act or omission of the bidder or any of its employees, Sub-Consultants or Service Providers.

5.4. Confidentiality

The successful Bidder/s shall regard all information in, or in support of the project, as confidential and may not use any information for personal or 3rd party gain. All communication with the media regarding this project (if any) will be conducted via the communication component of the Department (unless agreed upon otherwise).

5.5. Conflict of Interest, Corruption and Fraud

5.5.1. The Department reserves its right to disqualify any bidder who either itself or any of its members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of DLG or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity"):

- a) engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
- b) seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;

- c) makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to the Department;
- d) accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to the Department;
- e) pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to the Department;
- f) has in the past engaged in any matter referred to above; or
- g) has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

5.6. Misrepresentation during the lifecycle of the contract

- 5.6.1. A bidder should note that the terms of its bid will be incorporated in the proposed contract by reference and that the Department relies upon the bidder's bid as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.
- 5.6.2. It follows therefore that misrepresentations in a Bid may give rise to service termination and a claim by the Department against the bidder notwithstanding the conclusion of the Service Level Agreement between the Department and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

5.7. Absence of Obligation

No legal or other obligation shall arise between a bidder and the Department unless and until the formal appointment documentation has been signed. The Department is not obliged to proceed with any proposals of any bidder. The Department also reserves the right to request changes to any proposed consortia.

5.8. Intellectual Property

The successful Bidder must note that all drafts, including the final draft of the document and any digital information derived in undertaking the project will be the sole property of the DLG. Any studies, reports or other material, graphic, data, software or otherwise prepared by the appointee for this project under this contract shall belong to and remain the property of DLG. No presentations of the reports may be made without prior written permission of the WCG, and all information contained in these reports is considered confidential unless agreed otherwise in writing.

All materials emanating from services rendered with a branding implication must be consulted with the DLG's Communication Services unit prior to the design or production thereof. Materials may include, but are not limited to, specialist reports; advertising; promotional materials and/or any other communication product produced for public or internal consumption.

5.9. Preparation Cost

The Bidder will bear all its costs in preparing, submitting, and presenting any response or Tender to this bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing the Department, its employees, or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their response to this bid.

5.10. Sub-Contracting Requirements

Due to the extent of the services and/or skills sets required on the project team, bidders may include sub-consultants as part of their bid in order to meet the minimum required experience as well as to form the minimum required team as detailed in these terms of reference, subject to the relevant supply chain management regulations and policies.

Please ensure that the WCBD 6.1 Bid Document is completed accurately to ensure that your offer is acceptable / considered for further evaluation.

6. SCOPE OF WORK

This bid comprises of the following deliverables under the roll-out of the SIDAFF programme:

- Identification of more catalytic projects and/or programmes in the following sectors:
 - Water and Wastewater;
 - Solid waste management;
 - Energy;
 - Roads and stormwater;
 - Public Transport;
- Operate and manage the established Grant Facility;
- Operationalise the current Financing Modality;
- Expand the existing Financing Modality to include smaller, poor, and rural municipalities who are creditworthy.
- Develop a methodology to enable DFIs to transform the non-creditworthy municipalities to become creditworthy.
- Operationalise the expanded Financing Modalities.

6.1. Scope of works (SW)

Specific development finance, engineering, project and contract management services will be required for the following activities whose scope can be clearly defined. The Scope of Works will include the following:

6.1.1. SW01 – Identification of more catalytic projects and programmes

Assessment of the financial, socio-economic, environmental, climate and spatial impacts identify the most catalytic projects as determined by:

- Impact – ESG (socio-economic benefits) environmental impact and effects on climate change (with a view to an eventual recourse to green financing).
- Spatial impact.
- Financial impact.
- Sustainable Development Goals (SDGs).
- Expression in the municipal Integrated Development Plans (IDPs).
- Expression in the municipal Capital Expenditure Framework (CEF).
- **Deliverable:** Report listing the most catalytic projects and programmes to be presented in Steering Committee meeting with a detailed presentation of the different impacts.

6.1.2. SW02 - Grant proposals and applications and Grant agreement management

a) Grant proposals and applications

Approach DFIs to ascertain their interest to fund projects and to determine which steps should be followed to start the process. While grant funder institutions likely have varying procedures to do this, the generic typical steps are:

- a) Develop concept notes as per funder requirements.
- b) Grant proposals and applications as per funder requirements, utilising project fact sheets (typically very descriptive detailed documentation of the projects will be outlined in the concept notes).
- c) Where successful, finalise grant agreements (legal and other agreements as per funder requirements) with the DFIs.

While the generic steps outlined above will likely be representative of most funder processes, the Grant Facility will engage with funders at each stage of the process in order to find alignment where possible with the framework developed within SIDAFF where funder objectives and conditions will be considered.

b) Grant agreement management

- Contract management of grant funding agreements signed between the grant funders and the Grant Facility.
- Preparation of documentation/reports as stipulated in the grant funding agreements.
- Prepare and submit monthly progress reports to the SIDAFF Technical Sub-Committee.
- Provide proof of a ring-fenced bank account for the purpose of Grant Funding secured from DFIs and donors.
- Share the monthly bank statement with the SIDAFF programme steering committee.
- For this phase (Phase 3) of the SIDAFF programme, the bank account will belong to the PMU until the setting up of the Municipal entity (e.g., Municipal Special Purpose Vehicle), which will decide on how to run its operations.

6.1.3. SW03 - Project Pipeline Development and management of Professional Service Providers

- Develop protocols and business processes to appoint service providers required to take projects from feasibility to bankability/ investment readiness. This will include:
- Advertisements, Tender Specifications, Tender evaluation and adjudication methodology and criteria, Conditions of contract, all tailored to specialised service requirements and project specific needs.
- Finalise Service Level Agreements between Professional Service Providers (PSPs) and SIDAFF Grant Facility.
- Disbursement of funds on achievement of agreed deliverables.
- Monitor the expenditure of funds through proper use of proceeds.

6.1.4 SW04 - Projects investor packs development

- Prepare Investor pack content as per project specific requirements and/or capital financing institutions requirements.
- Prepare and present monthly progress reports to the SIDAFF Technical Sub-Committee.

6.1.5 SW05 - Operationalise the current Financing Modality

- Assist participating municipalities to update and to align their Municipal Borrowing Policy (observing their gearing ratio) with the current SIDAFF Financing Modality guided by the new National Treasury's Policy Framework for Municipal Borrowing.
- Assist with the establishment of municipal finance entity.
- Assist municipal finance entity with the preparation of tender documents to procure the financing towards project implementation.
- Provide a risk management matrix to classify potential risks based on outcomes of the tender responses and provide possible mitigation actions.
- Assist municipal finance entity with the preparation of back-to-back contract agreements between the municipalities, DFIs/banks or any other financier involved in the pooled financing for projects and the municipal finance entity
- Provide a monitoring and progress reporting tool towards the use of proceeds.

6.1.6 SW06 - Expand the existing financing modality (Appendix A) to include non-secondary cities who are creditworthy:

- Based on the National Treasury's Policy Framework for Municipal Borrowing, derive modalities to include non-secondary cities into the SIDAFF programme. The categorisation of the municipalities will be undertaken by the service provider in order to tailor-make infrastructure financing solutions.
- Workshop the developed financing modalities with all affected stakeholders, address their concerns and secure their buy-in.

- Ascertain final approval of the modalities from the relevant project steering committee.

6.1.7 SW07 - Operationalise the expanded Financing Modalities

- Assist participating municipalities to update and to align their Municipal Borrowing Policy (observing their gearing ratio) with the expanded SIDAFF Financing Modality guided by the new National Treasury's Policy Framework for Municipal Borrowing.
- Provide a risk management matrix to classify potential risks based on outcomes of the tender responses and provide possible mitigation actions.
- Assist municipal finance entity with the preparation of back-to-back contract agreements between the municipalities, DFIs/banks or any other financier involved in the pooled financing for projects and the municipal finance entity
- Provide a monitoring and progress reporting tool towards the use of proceeds.

7. PAYMENT OF SERVICES

7.1 Payment will be based on the following Scope of Work deliverables as outlined in the pricing schedule (WCBD 3.1):

- 7.1.1 Identification of more catalytic projects and programmes;
- 7.1.2 Submission of Signed Grant Agreements with donors;
- 7.1.3 Submission of signed service level agreements with professional service providers;
- 7.1.4 Submission of Investor Packs submitted to municipalities;
- 7.1.5 Operationalise the proposed Financing Modality;
- 7.1.6 Expand the existing financing modality (refer to Appendix A) to non-secondary cities who are creditworthy;
- 7.1.7 Operationalisation of the expanded Financing Modalities.

The following schedules (to be used as a guide and forms part of bid conditions) of activities (Parts 7.1.1 – 7.1.7) shall be used by all bidders to derive the cost summaries in the Pricing Schedule (WCBD 3.1).

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.1 AND 7.1.1 – IDENTIFICATION OF MORE CATALYTIC PROJECTS AND PROGRAMMES: REMUNERATED PER PROJECT)

| Application No. & Donor Name. | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|-------------------------------|--|---|---------------------------|----------------|--------------|---------------|------------------------------|
| 1. XXXXX | 1. Identified catalytic projects or programmes | Identify Catalytic Project complying with SDG and ESG | NA | NA | NA | XXX | XXXX |
| Total Cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.2 AND 7.1.2– SIGNED GRANT AGREEMENT WITH DONOR)

| Application No. & Donor Name. | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|-------------------------------|--|------------------------|---------------------------|----------------|--------------|---------------|------------------------------|
| 1. XXXXX | 1. Signed Grant Agreements with donors | XXXXXX | XXXXXX | R 0.00 | XXXX | R 0.00 | XXXX |
| | | XXXXXX | XXXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXXX | XXXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXXX | XXXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXXX | XXXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total Cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.3 AND 7.1.3– SIGNED SERVICE LEVEL AGREEMENT WITH PSP)

| Application No. & Donor Name. | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|-------------------------------|---|------------------------|---------------------------|----------------|--------------|----------|------------------------------|
| 1. XXXXX | 1. Signed Service Level Agreements with PSP | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | XXXX |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total Cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.4 AND 7.1.4– INVESTOR PACKS DELIVERED TO MUNICIPALITIES)

| Project No/ Type/ Name. & Munic. Name. | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|--|---|---------------------------|---------------------------------|----------------------|-----------------|-------------|------------------------------------|
| 1. XXXXX | 1. Investor Packs delivered to the recipient municipality | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | XXXX |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.5 AND 7.1.5– OPERATIONALISE THE PROPOSED FINANCING MODALITY)

| Project No/ Type/ Name. & Munic. Name. | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|--|-----------------------------------|---------------------------|---------------------------------|----------------------|-----------------|---------------|------------------------------------|
| 1. XXXXX | 1. municipal finance entity | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | XXXX |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.6 AND 7.1.6– EXPAND THE DEVELOPED FINANCING MODALITY TO INCLUDE FINACING OF PROJECTS IN NON-SECONDARY CITES WHO ARE CREDITWORTHY IN LINE WITH THE BORROWING POLICY AND RELEVANT LEGISLATION.

| Financing Modality | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|-----------------------|--|---------------------------|---------------------------------|----------------------|-----------------|---------------|------------------------------------|
| 1.XXXXX | An expanded Financing Modality Developed | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total cost | | | | | | R 0.00 | |

SCHEDULE OF ACTIVITIES (REFER TO PARAGRAPH 6.1.7 AND 7.1.7– OPERATIONALISE THE EXPANDED FINANCING MODALITIES

| Financing Modality | Deliverable | Deliverable Activities | Deliverable Team Members. | Rate/ hour (R) | No. of Hours | Cost (R) | Estimated Duration in Months |
|---------------------------|--|-------------------------------|----------------------------------|-----------------------|---------------------|-----------------|-------------------------------------|
| 1.XXXXX | To assist with the operationalisation of the expanded financing modality | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | XXXXX | XXXXX | R 0.00 | XXXX | R 0.00 | |
| | | ETC. | ETC. | R 0.00 | XXXX | R 0.00 | |
| Total cost | | | | | | R 0.00 | |

SCHEDULES OF ACTIVITIES ASSUMPTIONS

1. The tables above serve as a guide to determine the activities to complete the deliverables. The total cost provided will only be considered for the purposes of evaluating the final price offered. This will not be regarded as a total contract price to render the service.
2. The deliverable team member must be an occupation (not name of person) which is part of the project team members as listed under the compulsory returnable bid documents. Any replacement of the assigned team members should be in writing to the project manager for approval before commencement of the activity item.
3. Rates per team member must be fixed for the duration of the contract.
4. The rates in the Pricing Schedule (WCBD 3.1) must be all inclusive of any reimbursements of travel and accommodation and other associated costs that might be incurred during the execution of the Scope of Works.
5. All other reimbursements / disbursements must be included in the lump-sum rates for scope of works.

7.2 Instructions for completion of Pricing Schedule (WCBD 3.1)

7.2.1 Bidders are required to provide lump-sum rates that must be fully inclusive for the work described in the Scope of Works (SW) broken down per sub-item and per unit given for the items 7.1.1 – 7.1.7 in table 1 of the Pricing Schedule (WCBD 3.1 document).

- a. Deliverable Activities have been given only for the purposes of evaluating the final bid price offered. This will not be regarded as a contract price.
- b. The unit rates indicated in the WCBD 3.1 will be regarded as the official and final rates offered for an activity under Scope of Works. The actual work to be performed by successful bidders once given an instruction, will be paid at these tendered rates.
- c. Rates offered must be fixed for the duration of the contract.
- d. Individual rates quoted per item must be quoted in RSA currency and must be exclusive of VAT.
- e. The total per deliverable item per SW must be calculated by adding the cost per activity for the given deliverable.
- f. The total for - Scope of Works (excl VAT) must be calculated by summing the individual totals of each item (SW01 – SW07) under SW.
- g. The final BID price must be calculated by adding VAT to the summed total for - Scope of Works and given in table 1 of the Pricing Schedule (WCBD 3.1 document).

SW will be remunerated based on a fixed rate to be provided in the pricing schedule for each sub-item as per section 7.1. Bidders are required to provide lump-sum rates that must be fully inclusive of all costs for the work described in the Scope of Works broken down per activity. This should be given as part of the pricing schedule **(WCBD 3.1)**.

The Department is prohibited from making any upfront payments. Payment will only be made within 30 days upon receipt of an original invoice accompanied by progress reports as well as required audit evidence of achievement of deliverables as stipulated in the Service Level Agreement:

The rates in the Pricing Schedule (WCDB 3.1) must be all inclusive of any reimbursements of travel and accommodation and other associated costs that might be incurred during the execution of the Scope of Works.

8. MANAGEMENT OF CONTRACT

- 8.1 The successful bidder will enter into a Service Level Agreement with the Department for the services. A Service Level Agreement will be drawn up detailing all contractual obligations between the Department and the successful bidder. The Service Level Agreement will specify, *inter alia*, the agreed deliverables and payment schedule.
- 8.2 The contract awarded to the bidder is subject to the general conditions of contract and the special conditions of contract.
- 8.3 An Official (project manager) delegated by the Department will be responsible for the management of the successful bidder.
- 8.4 Meetings will take place as requested by the Department to monitor progress and to address issues that require attention. The meetings will take place at a suitable venue within the WCG Departments offices in Cape Town or virtually.
- 8.5 Once grant funding is secured from DFIs, the Department must be represented in the Bid Specification and Bid Evaluation committees for procurement of the professional service providers.
- 8.6 A final close-out report shall be submitted a month after the end of the Departmental financial year to close out the projects implemented in each year including all monitoring and evaluation information. This report must also summarise the scope and impact of the project.

9. STRATEGIC GOVERNANCE STRUCTURE OF SIDAFF GRANT FACILITY

To ensure a collaborative and integrated approach, and a suitable level of oversight required by donor institutions, the strategic governmental structures will monitor the support and efficiency of the SIDAFF Grant Facility and PMU. The structure consists of the following committees:

- 9.1 SIDAFF Steering Committee
 - 9.1.1 Established since 2020, to provide overall governance oversight and guidance to the SIDAFF Programme.

9.1.2 Chaired by Department of Local Government

Membership:

Department of Local Government, French Development Agency (AFD), Provincial Treasury, Environmental Affairs and Development Planning, Department of Economic Development and Tourism, Department of Infrastructure

Mandate:

- Overall governance and guidance to SIDAFF Programme
- Catalytic infrastructure selection criteria (pre-vetting process) and confirmation of shortlisted identified projects
- Alignment with Departmental priorities and coordination between Provincial Departments as required to progress project development within the Province.
- Ensure alignment with other Provincial initiatives related to infrastructure development.

9.2. SIDAFF Technical Sub-Committee

9.2.1 Established in 2022 to lead on developing the structure of the SIDAFF Grant Facility mechanism or framework.

9.2.2 To provide continued technical support and oversight to the SIDAFF PMU and recommended project preparation support to be disbursed by the SIDAFF Grant Facility.

Chair to be defined in the Technical Sub-Committee terms of reference.

Membership:

Department of Local Government and Provincial Treasury (chaired by an official delegated by the Department), and donor experts or sector specific specialists' representatives as required by some donors.

Mandate:

- To provide oversight to SIDAFF Grant Facility and technical guidance on support required to municipalities for project preparation.
- To review proposals for project preparation support from the SIDAFF PMU as prepared on behalf of participating municipalities who have applied to the SIDAFF PMU for technical support.

- Ensure alignment to donor criteria and mandates.
- To provide technical input and expertise to project preparation studies and alignment with Provincial priorities.
- Depending on donor requirements, technical specialists or donor representatives appointed by donor funders. *Note: not all donor funders require this function, and it will only be established if required by donors.*

9.2.3 A Project Reference Committee (PRC):

Membership:

Key participants are the Department of Local Government (chaired by an official delegated by the Department) and Provincial Treasury. The committee will comprise of technical skills drawn from some of the municipalities, relevant provincial departments as well as the National Treasury (and in particular GTAC in the case of NT).

Mandate:

To be set up with the purpose of reviewing all key technical aspects of the work under the Grant and Financing Facilities. Whilst the PRC will have no decision-making powers, it will serve as the advisory team to the Project Steering Committee.

10. BID PROPOSAL

- 11.1 The bidder will be required to submit, at their own cost, the Bid Proposal in which they demonstrate their understanding of the work to be undertaken as described under Scope of Works and demonstrate their ability to execute the project described in the terms of reference.
- 10.2 The bid proposal must comprise of the below compulsory sections, clearly referenced in the table of contents in the order stipulated below. If a bidder opts to submit a bid with sub-consultants, all respective companies' information must be included under each of the below sections.

11.2.1 **Company Profile (Please mark as Annexure 5 A)**

Concise but full information should be provided on the company designated the Controlling Company/Lead Consultant role which would take overall responsibility for the project and which would enter into a Service Level Agreement with the Department. If the designated company is part of a group or a consortium, the proposal should clearly indicate the following:

- Organogram clearly indicating the Project Team including role/s and relevant experience in full calendar years;
- The company's relationship to the other members of the group;
- The percentage of work that will be carried out by these designated sub-contractors;
- The exact manner in which any company member or members of the group would participate in the assignment and contribute to the work;
- What the field of activity of each partner shall be; and
- The Broad Based Black Economic Empowerment (BBBEE) status of these other groups or subcontractors.

The information should be presented in a tabular form as far as possible, with the applicable agreements between partners and any supporting descriptive material regarding these agreements, being presented in a separate addendum.

In addition, any actual or potential conflict of interest must be declared, and details provided.

11.2.2 **Proposed Approach and Methodology (Please mark as Annexure 5 B1)**

The prospective bidder must demonstrate a thorough understanding of the project by indicating what is required of each item indicated under the Scope of Works. This should include the following:

- The prospective bidder must clearly indicate the approach and methodology that they intend to follow in order to achieve the required deliverables;
 - Provide an activity breakdown to secure signed grant contract agreements with donors and provide a rate for each team member involved per activity (refer to the Pricing Schedule, WCDB 3.1).

- Provide an activity breakdown to prepare investor packs for submission to each recipient municipality. These activities must take cognisance of the specific sector requirements (e.g., water & sanitation services, energy, and waste disposal management) (refer to the Pricing Schedule, WCDB 3.1).
- This approach and methodology must illustrate that the bidder
 - understands the nature of the work (to demonstrate knowledge in their areas of expertise), and
 - have good insight as to what actions or activities are required in order to complete the required deliverables (demonstrate practical experience).

Only one proposed approach and methodology narrative to be included representing the combined knowledge and experience of all consultants/team members (in case of sub-consultants).

11.2.3 **Proposed Plan (Please mark as Annexure 5 B2)**

Proposed project plan elements to be appropriately covered in proposal in phases, sub-phases (to relate to specific activities in the process):

- Work breakdown structure;
- Timescales;
- Deliverables / outputs;
- Milestones;
- Resources and allocation thereof (noting functional lead and key functional support staff hours respectively);
- Monitoring;
- Reporting / communication;
- Stakeholder management;
- Budget breakdown (show percentage of overall project cost per main task without providing the actual Rand value).

11.2.4 **Experience Record (Please mark as Annexure 5 C)**

The bidder shall only list **relevant** projects to illustrate proven experience in the fields of expertise required. For each of the projects listed, the following information should be provided: (Provide consolidative list in case of sub-consultants)

- Brief project description
- Exact services performed on the project, **relevant to the services required for this project**;
- Value of the contract of services performed.
- Dates of commencement and completion (or projected completion) of services;
- Client's name, client contact person details, address, telephone number, e-mail address.

In case where the services listed above were performed as subcontractors, or within a consortium of joint venture, this should be clearly stated, with an indication of the proportions of the services provided by each participant.

11.2.5 **Curricula Vitae (CVs) & Organogram (Please mark as Annexure 5 D)**

The bidder shall provide a description of the project team proposed to perform the services, supported by a Curriculum Vitae (CV) for each of the project team members that should include the following information:

- Name, age, nationality parent firm and position in the project organisation;
- Proof of relevant academic qualifications;
- **Only relevant experience** including number of years, and actual duties performed;
- Experience before 2010 to be limited to relevant experience not gained thereafter;
- Proof of Professional qualifications and registrations;
- CV must include a personal statement, date and signed by the individual and indicating their availability and agreement to work on the project.
- In addition to the above-mentioned CVs, the following table must be completed for each team member. The table will be used for preliminary screening and verified with the contents of the provided CV.

| Initials & Surname | Relevant Qualification | Relevant Professional Registration | Professional Registration/ Practice No. | Relevant Experience For each year |
|--------------------|------------------------|------------------------------------|---|-----------------------------------|
| Eg. XM Mathew | BSc Civ Eng | ECSA | 2940450 | Yr 1-2010: |
| | | | | Yr 2 -2011: |
| | | | | Yr 3- 2015: |

| | | | | |
|--|--|--|--|-------------|
| | | | | Yr 4 -2018: |
| | | | | |
| | | | | |
| | | | | Yr X: |

Note: Some of these team members could fulfil/or have experience in more than one of the skills sets required and could therefore fulfil dual or multiple functions.

ONLY PROJECT SPECIFIC RELEVANT experience must be provided in full completion years.

11.2.6 **Compulsory Returnable Bid Documents (Please mark as Annexure 1-5)**

All the returnable Bid documents listed in section 12.1 must be included in the Bidder's Bid submission.

12. ADJUDICATION OF PROPOSALS

The evaluation and adjudication of the tenders will be executed as set out below.

The evaluation process will be carried out in three (3) stages as follows:

- **Stage 1:** Compliance to submission of compulsory returnable bid documents;
- **Stage 2:** Evaluation in terms of Compulsory Conditions of the Bid;
- **Stage 3:** Evaluation according to the Preferential Procurement Regulations 2022 and in terms of the Western Cape Governments interim strategy as it relates to preference points.

12.1 Stage 1: COMPULSORY RETURNABLE BID DOCUMENTS

The following documents are compulsory and must be submitted according to the table below. Failure to submit documents listed under Table 1 below may result in disqualification.

TABLE 1

| Compulsory Returnable Bid Documents | |
|--|--|
| Annexure 1 | Submission of duly completed offer signed by authorized signatory (Invitation to Bid -WCBD 1). |
| Annexure 2 | Pricing Schedule (WCBD 3.1). Must be duly completed to be considered. |
| Annexure 3 | Submission of duly completed WCBD 4 (Declaration of Interest, Declaration of Bidders Past SCM Practice, Certificate of Independent Bid Determination). |
| Annexure 4 | Preference Points Claim Form completed and signed (WCBD 6.1). B-BBEE Certificate / sworn affidavit as supporting evidence to be provided by bidders to claim preference points in respect of 20 points (80/20) and 10 points (90/10). Should a bidder fail to submit an accredited B-BBEE certificate or sworn affidavit, the bidder may only score points for price in terms of the 80/90 points. No points will be allocated for preference. |
| Annexure 5 | Bidders proposal and supporting documentation (As per section 11 above. Bidders to ensure that each annexure precisely addresses the points under each category): |
| Annexure A | <ul style="list-style-type: none"> • Company profile. • Proposed approach and methodology. • Proposed plan. • Experience record. • Curricula Vitae for project team members. |
| Annexure B1 | |
| Annexure B2 | |
| Annexure C | |
| Annexure D | |

Bids that are non-compliant to any of these requirements may be disqualified. Only bids that are compliant will further be evaluated according to Stage 2.

12.2 Stage 2: EVALUATION IN TERMS OF COMPULSORY CONDITIONS OF BID

The total score that bidders can obtain for compulsory conditions of bid will be **100** points. A minimum score of **70 points** or more for both Tables is required order to satisfy the minimum criteria for this stage of evaluation. Only those bidders that meet or exceed the minimum thresholds indicated above will be evaluated at the third stage.

Note: Some of the team members could have experience and skills sets to fulfil one or more functions.

TABLE 2. 1 MINIMUM REQUIREMENTS FOR PROJECT MANAGEMENT SERVICES

| Criteria: | Weight | Scoring | Reference to proposal |
|--|-----------|--|-----------------------|
| Methodology, approach and project plan | 30 | | Annexure B |
| Methodology and approach | 20 | | B1 |
| <p>Quality of the proposed methodology and approach for Scope of Works, indicating:</p> <ul style="list-style-type: none"> • application to phases, • multi-functional team (lead and support) allocation to functional work areas – noting hours spent respectively by lead and key support staff, • logical structure and rationale of the methodology, • including any innovative ideas / value add: <p>Scored on evaluation dimensions:</p> <ul style="list-style-type: none"> • Clear and concise approach. • Clear and concise methodology. | | <ul style="list-style-type: none"> • 20 points: Excellent methodology and approach, i.e., evidence of each of the 4 evaluation dimensions. • 16 points: Good methodology and approach, i.e., evidence of 3 evaluation dimensions. • 12 points: Average methodology and approach, i.e., evidence of 2 evaluation dimensions. • 8 points: Fair methodology and | |

| Criteria: | Weight | Scoring | Reference to proposal |
|---|-----------|--|-----------------------|
| <ul style="list-style-type: none"> • Logical flow – structure of proposal. • Innovation displayed by additional insight and assignment at municipal level and / or alternative approach to the project and application of key staff experience, expertise to assignment. • Demonstrate practical experience. | | <p>approach, i.e., evidence of 1 evaluation dimensions.</p> <ul style="list-style-type: none"> • 4 points: Poor methodology and approach, no clear evidence of evaluation dimensions. | |
| Project plan | 10 | | B2 |
| <p>Proposed project plan (in the technical proposal) – project plan elements appropriately covered in proposal in phases, sub-phases (to relate to specific activities in the process):</p> <ul style="list-style-type: none"> • Work breakdown structure. • Timescales. • Deliverables / outputs. • Milestones. • Resources and allocation thereof (noting functional lead and key functional support staff hours respectively). • Monitoring. • Reporting / communication. • Stakeholder management. • Budget breakdown (show percentage of overall project cost per main task without providing the actual Rand value). | | <ul style="list-style-type: none"> • 10 points: Excellent project plan – covers all 9 project plan elements. • 8 points: Good project plan - covers 8 project plan elements. • 6 points: Average project plan - covers 7 project plan elements. • 4 points: Fair project plan - covers 6 project plan elements. • 2 points: Poor project plan - covers less than 6 project plan elements. | |

| Criteria: | Weight | Scoring | Reference to proposal |
|--|-----------|--|-----------------------|
| Company Experience Record | 5 | | Annexure C |
| Company with extensive experience within the specific field of expertise required and be in possession of documentation to substantiate such experience. | 5 | <p>Letter/s from previous client(s) substantiating experience of company in soliciting infrastructure project preparation grant funding from donor funding institution.</p> <p>5 letters or above = 5 points.</p> <p>4 letters = 4 points.</p> <p>3 letters = 3 points.</p> <p>2 letters = 2 points.</p> <p>1 letters = 1 points.</p> <p>0 letters = 0 points.</p> | |
| Project Team Experience (If more than 1 professional per category is indicated, the average years of experience will be scored). To be indicated on organogram and CV's | 65 | | Annexure D |
| Project and Contracts Manager with x years of proven experience in procurement of specialist services for project preparation towards bankability/investment readiness and experience in contract law and contract administration, drafting of technical specifications and liaising with transaction advisory legal lead for vetting of contract documentation. | 15 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 2 points.</p> <p>3 - 5 yrs = 5 points.</p> <p>6 - 10 yrs = 10 points.</p> <p>>10 yrs = 15 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|--|--------|--|-----------------------|
| Minimum qualifications: Bachelor's degree in business/ technical/ pre-law/ law and a project management qualification at NQF6 or recognised professional registration such as SACPCMP/ PMISA, PMI. | | | |
| Grant Funding Project Officer with x years proven experience preferably in preparing grant funding applications to international donor organization, developing suitable management and reporting systems for grant funding, preparing grant funding reports, including technical reviewing of projects, analysis and report writing. Minimum qualifications: ND (NQF6) Business/ Financial Management/Accounting | 10 | < 1 year = 0 points 1 - 2 yrs = 1 point. 3 - 5 yrs = 4 points. 6 - 10 yrs = 7 points. >10 yrs = 10 points. | Annexure D |
| Development Economist - Responsibilities to include conducting research and economic analysis of the infrastructure projects and economies of the municipalities, towns or cities in which projects are envisaged to be implemented. Use of statistical software packages to prepare reports is non-negotiable. Minimum qualifications: Degree in Economics/ Econometrics/ Development Economics (a master's degree and/or MBA will be preferential) with experience in Development/ Infrastructure financing. | 8 | < 1 year = 0 points 1 - 2 yrs = 1 point. 3 - 5 yrs = 3 points. 6 - 10 yrs = 6 points. >10 yrs = 8 points. | Annexure D |
| Municipal, National and International Infrastructure Finance Specialist –Securing financing and loans for municipalities infrastructure projects, with overall | 8 | < 1 year = 0 points 1 - 2 yrs = 1 point. 3 - 5 yrs = 3 points. 6 - 10 yrs = 6 points. | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|--|---------------|--|------------------------------|
| responsibility for arrangement, spending and distribution of funds Minimum qualifications: BCom Accounting/ Finance/ Business/ Technical/ MBA. Professional Registration as a CA, CFA,, ACCA or equivalent recognised professional registration professional in the Republic of South Africa. | | >10 yrs = 8 points. | |
| Civil Engineer - BSc Eng. / B Eng. degree in Civil Engineering and be registered as a Professional Engineer (Pr. Eng.) with ECSA. NQF8 | 8 | < 1 year = 0 points 1 - 2 yrs = 1 point. 3 - 5 yrs = 3 points. 6 - 10 yrs = 6 points. >10 yrs = 8 points. | Annexure D |
| Electrical Engineer - BSc Eng. / B Eng. degree in Electrical Engineering and be registered as a Professional Engineer (Pr. Eng.) with ECSA | 8 | < 1 year = 0 points 1 - 2 yrs = 1 points. 3 - 5 yrs = 3 points. 6 - 10 yrs = 6 points. >10 yrs = 8 points. | Annexure D |
| Environmental - BSc degree in Environmental Studies and registered as a Professional with the South African Council for Natural Scientific Professions (SACNASP). | 8 | < 1 year = 0 points 1 - 2 yrs = 1 point. 3 - 5 yrs = 3 points. 6 - 10 yrs = 6 points. >10 yrs = 8 points. | Annexure D |
| Total | 100 | | |

TABLE 2. 2 MINIMUM REQUIREMENTS FOR TRANSACTION ADVISORS

| Criteria: | Weight | Scoring | Reference to proposal |
|--|------------|--|-----------------------|
| Project Team Experience (If more than 1 professional per category is indicated, the average years of experience will be scored). (Be clear and stipulated on the organogram- Name of the Project Team member) | 100 | | Annexure D |
| <p>Lead transaction advisor</p> <p>A single Lead Transaction Advisor will manage the transaction advisory services team. The Lead Transaction Advisor's experience and expertise must be relevant to the assignment i.e., overall transaction advisory management in national or regional integrated procurement programmes and projects. Programme and project transaction team management will include national and / or sub-national catalytic infrastructure transaction advisory, planning and implementation of municipal infrastructure programmes and projects.</p> <p>A qualified professional with experience in the aspects of the transaction as per functional areas. They must have the required skills in contract, programme, transaction, and project management. The lead advisor will be held accountable, in terms of the transaction advisor contract, for ensuring project deliverables and for the professional conduct and integrity of the team.</p> <p>Minimum Qualifications: Bachelor's degree (preferably a master's degree) NQF8 in any or more of the skills sets required in Table 2.2.</p> <p>Note: The Lead Transaction Advisor to be clearly indicated in the proposal.</p> <p>(Scored as the number of years' overall transaction advisory experience including municipal, national or regional or commercial / industrial integrated catalytic</p> | 25 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 5 points.</p> <p>3 - 5 yrs = 10 points.</p> <p>6 - 10 yrs = 15 points.</p> <p>11 - 15 yrs = 20 points.</p> <p>>15 yrs = 25 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|--|--------|---|-----------------------|
| infrastructure procurement programmes and projects, such as water, wastewater, solid waste, roads, energy programmes enabling infrastructure. | | | |
| <p>Regulatory/Legal Advisory Team Lead:</p> <p>Public, national, and municipal procurement policy, regulation & legislation relevant to e.g., MFMA, PFMA, MSA, IPP/IWP, PPP infrastructure procurement and structuring.</p> <p>Long term legal contracts with relevant experience in the drafting and negotiating of infrastructure agreements, and whole suite of RFP contracts / agreements to satisfy regulatory, commercial, financial terms, not limited to implementation, connection / use of systems, performance, and risk of the contracts.</p> <p>Contract management & negotiations.</p> <p>Relationships & stakeholders relevant to functional area.</p> <p>Similar to the lead transaction advisor, the experience and expertise and qualifications must support national and / or sub-national catalytic infrastructure transaction advisory, planning and implementation of integrated energy related programmes and projects (e.g., ideally in or with the programme(s) in the municipal infrastructure space).</p> <p>Minimum qualifications: Bachelor of Laws degree or a postgraduate law degree and registered as an admitted attorney with the Legal Practice Council of South Africa.</p> <p>Note: Regulatory / Legal Lead to be clearly indicated.</p> <p>NQF9 Minimum.Note: Regulatory / Legal Lead to be clearly indicated.</p> | 15 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 2 points.</p> <p>3 -5 yrs = 5 points.</p> <p>6 - 10 yrs = 8 points.</p> <p>11 - 15 yrs = 11 points.</p> <p>>15 yrs = 15 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|--|--------|--|-----------------------|
| <p>Commercial / Financial Lead:</p> <p>Commercial structuring, due diligence, and advice on municipal infrastructure finance structuring and contracts for bankability.</p> <p>Financial modelling and analysis, with relevant IPP/IWP and PPP and project finance experience, from inception, feasibility and through to financial close.</p> <p>Project funding & financing experience and development finance and commercial finance relationships, role players and stakeholder management.</p> <p>Contract management & negotiations in commercial / legal.</p> <p>Relationships & stakeholders relevant to functional area.</p> <p>Experience in infrastructure project finance (e.g., experience in IPP/IWP, PPA, PPP / MPPP, RFP, concessional financing, debt financing, blended financing mechanisms applied in projects).</p> <p>Minimum qualifications: BCom Accounting/ Finance/ Business/ Technical/ MBA. Professional Registration as a CA, CFA,, ACCA or equivalent recognised professional registration professional in the Republic of South Africa.</p> <p>Note: Commercial / Financial Lead to be clearly indicated.</p> | 15 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 2 points.</p> <p>3 - 5 yrs = 5 points.</p> <p>6 - 10 yrs = 8 points.</p> <p>11 - 15 yrs = 11 points.</p> <p>>15 yrs = 15 points.</p> | Annexure D |
| <p>Engineering / Technical lead:</p> <p>Municipal infrastructure competency.</p> <p>Relevant expertise in national, regional / provincial, and municipal (metropolitan and non-metropolitan)</p> | 15 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 2 points.</p> <p>3 - 5 yrs = 5 points.</p> <p>6 - 10 yrs = 8 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|---|--------|--|-----------------------|
| <p>Contract management & negotiations aspects in municipal infrastructure/ technical.</p> <p>Relationships & stakeholders relevant to functional area.</p> <p>Civil Engineer - BSc Eng. / B Eng. degree in Civil Engineering and be registered as a Professional Engineer (Pr. Eng.) with ECSA.</p> <p>Note: Engineering / technical lead to be clearly indicated.</p> | | <p>11 - 15 yrs = 11 points.</p> <p>>15 yrs = 15 points.</p> | |
| <p>Socio-economic Development Lead</p> <p>To ensure infrastructure projects to be implemented lead the process of social and economic progress in a society. This will be measured by projections based on indicators such as GDP, life expectancy, literacy and levels of employment and the overall wellbeing of the population in the jurisdiction of the Western Cape Province municipalities.</p> <p>Economic development (ED), Black Economic Empowerment (BEE) and socio-economic development (SED) relevant to public infrastructure procurement.</p> <p>National, local government public/ community participation processes, such as Section 33.</p> <p>Relationships & stakeholders relevant to functional area.</p> <p>(Other including Socio-economic development lead & support clearly indicated).</p> <p>Experience of lead advisor and key staff in assignments with complex programme & project management, involving multiple projects stakeholders, linkages, and service providers.</p> | 15 | <p>< 1 year = 0 points</p> <p>1 - 2 yrs = 2 points.</p> <p>3 - 5 yrs = 5 points.</p> <p>6 - 10 yrs = 8 points.</p> <p>11 - 15 yrs = 11 points.</p> <p>>15 yrs = 15 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|---|--------------------|--|-----------------------|
| <p>Minimum qualifications: Bachelor's degree in social sciences and/or postgraduate qualifications in Development Studies or equivalent.</p> <p>Note: Socio-economic lead to be clearly indicated.</p> | | | |
| <p>Project Management and Administration (Public and Private sectors projects experience)</p> <ul style="list-style-type: none"> • Programme & project planning and management – the support & systems for the lead transaction advisor and to plan & manage the distinct multi-functional transaction advisory team, comprising of each functional lead and support in each functional team. • They must have the required skills in contract management and project management. The lead advisor will be held accountable, in terms of the transaction advisor contract, for ensuring project deliverables and for the professional conduct and integrity of the team. • Experience as lead advisor and key staff in assignments with complex programme & project management, involving multiple projects stakeholders, linkages, and service providers. <p>Minimum qualifications: Bachelor's degree in business/ technical/ pre-law/ law/ project management and a project management qualification at NQF8 with recognised professional registration such as SACPCMP/ PMISA, PMI.</p> <p>Note: Project Manager to be clearly indicated.</p> | <p>10</p> <p>5</p> | <p>Public Sector Projects Experience</p> <p>< 1 year = 0 points 1 - 2 yrs = 2 points. 3 - 4 yrs = 4 points. 5 - 6 yrs = 6 points. 7 - 8 yrs = 8 points. >10 yrs = 10 points.</p> <p>Private Sector Projects Experience</p> <p>< 1 year = 0 points 1 - 2 yrs = 1 point. • 3 - 4 yrs = 3 points. 4 - 5 yrs or more = 5 points.</p> | Annexure D |

| Criteria: | Weight | Scoring | Reference to proposal |
|--------------|------------|---------|-----------------------|
| | | | |
| | | | |
| Total | 100 | | |

Bidders that have met or exceeded the minimum threshold of **70 points** for compulsory conditions of bid for both table 2.1 and table 2.2 will be evaluated and scored in terms of the preferential procurement policy framework act (PPPFA) as indicated below. Any proposal therefore not meeting or exceeding any of the minimum scores of **70 points for both table 2.1 and table 2.2** above respectively will not proceed to the subsequent stage.

12.3 Stage 3: EVALUATION ACCORDING TO THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

All proposals that comply with the Compulsory requirements as specified at Stage 1 and meet or better the minimum score of 70 points and 75 points as indicated above for the compulsory conditions of bid will be evaluated further on the 80/20 preference point system for price and B-BBEE credentials according to the Preferential Procurement Policy Framework Act (PPPFA) and the regulations thereto, where 80 refers to price and 20 to B-BBEE status

13. REGISTRATION: WESTERN CAPE SUPPLIER EVIDENCE BANK (WCSEB) & THE CENTRAL SUPPLIER DATABASE (CSD)

Service providers will be responsible to ensure that they are registered on the WCSEB as well as on the Central Supplier Database (CSD).

Enquiries regarding the registration process may be referred to the Western Cape Supplier Helpdesk on 086 1225577 or (021) 680 4666. Should service providers not be registered on the WCSEB, they should email wcseb@westerncape.gov.za

Prospective bidders must be registered on the Central Supplier database (CSD) at the time of award.

All prospective bidders who are not registered on the Central Supplier Database are requested to self-register on www.csd.gov.za

Failure to be actively registered on the CSD by the time of award may result in the disqualification of the bid.

Registration on the database and tax compliance status will be verified at the time of the award. Bidders must have a compliant tax status to be awarded a contract.

14. BID SUBMISSION DETAILS & CLOSING DATE

Proposals must be placed in a sealed envelope with the request for proposals number on the front and the prospective service provider's name and address at the back. Proposals must be deposited in the blue tender / proposal box clearly marked "LOCAL GOVERNMENT" situated in the foyer / passage on the Ground Floor, No. 80 St Georges Mall, Cape Town, Waldorf Building **by 11h00 on or before 16 August 2024**. Failure to comply with the above requirement will render your bid as non-responsive. Please ensure that the proposal is clearly marked with the reference number **LG-02 2024-2025**.

The onus is on the service provider to ensure that the proposals are deposited in the correct bid box. Please ensure that the proposal is clearly marked with the reference number **LG-02 2024-2025**.

15. ENQUIRIES

Any further enquiries regarding the terms of reference should be directed to the Supply Chain Management unit within the Department of Local Government via email at lg.finance@westerncape.gov.za. The reference number: **LG-02 2024-2025** be stated in the subject line of such e-mails.

Sustainable Infrastructure Development & Financing Facility (SIDAFF) Programme

Contents

| | |
|---|---|
| List of Acronyms | 3 |
| 1. Executive summary | 4 |
| 2. Introduction..... | 5 |
| 2.1. Background, purpose and scope | 5 |
| 3. Progress | 6 |
| 3.1. Operationalise grant facility | 6 |
| 3.2. Framework for Service Providers to Deliver Bankability Studies | 7 |
| 3.3. Framework for proposed financing mechanism | 8 |

List of Acronyms

| | |
|--------|---|
| AFD | French Development Agency |
| CAPEX | Capital Expenditure |
| CEF | Capital Expenditure Framework |
| DFI | Development Finance Institution |
| DLG | Department of Local Government |
| EIA | Environmental Impact Assessment |
| ESG | Environmental, Social and Governance |
| IDP | Health, Safety and Environment |
| HSE | Integrated Development Plan |
| IFC | International Finance Corporation |
| NT | National Treasury |
| O&M | Operation and Maintenance |
| OPEX | Operating Expenditure |
| PMU | Project Management Unit |
| PT | Provincial Treasury |
| SDG | Sustainable Development Goals |
| SIDAFF | Sustainable Infrastructure Development and Financial Facility |
| SLA | Service Level Agreement |
| SPF | Spatial Development Framework |
| SPV | Special Purpose Vehicle |
| VIP | Vision-Inspired Priorities |
| WCG | Western Cape Provincial Government |
| WSDP | Water Service Development Planning |
| WWTWs | Waste Water Treatment Works |

1. Executive summary

The Sustainable Infrastructure Development and Financial Facility (SIDAFF) programme is an initiative by the Western Cape Provincial Government (WCG) that assists creditworthy intermediate municipalities (Phase 1 & 2) in developing and financing catalytic and sustainable infrastructure projects. The objective of the SIDAFF Programme is to support intermediate municipalities to take mature projects from feasibility to bankability and, while promoting municipalities to use commercial and institutional finance to fund these projects once they reach bankability – via suitable financing mechanisms.

The SIDAFF Programme is designed to support the implementation of infrastructure projects at a local government level that align with **National development goals**, through the prioritisation of projects that contribute towards the **Sustainable Development Goals (SDGs)**. The Programme is aligned to the **WCG's Vision Inspired Priorities (VIPs)**. The Programme has broad support from Provincial government and active support from the Department of Local Government and Provincial Treasury at the WCG.

The SIDAFF Programme has, to date, been provided with operational funding support by the French Development Agency (AFD). AFD appointed GreenCape in 2020 for Phase 1 and in 2021 for Phase 2, following a competitive bid process to fulfil the Project Management Unit (PMU) function to provide technical assistance and implementation support to the Programme up until February 2024.

Since 2020, the SIDAFF Programme has achieved considerable progress and has established the architecture and evidence base to support this grant application to move a cohort of sustainable infrastructure projects at eligible municipalities toward innovative financing. Specifically:

- It has garnered the relevant support from the local, provincial and national governments
- It has set up robust steering committees and governance structures to mitigate risks & build capacity at local and regional government while maximising the prospect of sharing lessons learnt for replicability
- It has assembled a basket of eligible municipalities and a sufficient number of potential infrastructure projects with confirmed interest
- It has confirmed intent from additional grant funders to support the feasibility to bankability phases of these and other similar projects via dedicated grant facility
- It has designed a proposed financing platform and confirmed DFI and private sector appetite for such a platform

This report provides a synopsis of the outputs of Phase 1 & 2 of the Programme.

2. Introduction

2.1. Background, purpose and scope

The SIDAFF programme is an initiative by the WCG to assist intermediate municipalities in developing catalytic and sustainable infrastructure projects. The SIDAFF Programme led by the Department of Local Government (DLG), and operational support for the Programme, is funded by the French Development Agency (AFD). AFD appointed GreenCape in 2020, following a competitive bid process, to fulfil the Project Management Unit (PMU) function to provide technical assistance and implementation support to the Programme.

The SIDAFF programme is designed to support the implementation of catalytic infrastructure projects at a municipal level that aligns with national development goals through the prioritization of projects that contribute towards the Sustainable Development Goals (SDGs) as well as Environmental, Social and Governance (ESG) requirements. The Programme also prioritizes projects that align with the Provincial Strategic Plan, the Western Cape Recovery Plan, and the WCG's Vision-Inspired Priorities (VIPs), specifically VIP 2: Growth and Jobs, VIP 4: Mobility and Spatial Transformation, and VIP 5: Innovation and Culture, and as such, has broad support from various departments within the WCG. The Programme has broad support from the provincial government and active support from the DLG and Provincial Treasury (PT), and National Treasury (NT).

The SIDAFF programme has to date completed the following phases, namely:

Phase 1 (April 2020–May 2021) This phase entails the following key activities

- setting up the institutional governance and processes for the SIDAFF programme within WCG
- on-boarding select municipalities in the SIDAFF programme,
- identifying and shortlisting suitable projects at these municipalities, and
- identifying possible grant / donor funding sources for these projects.

Phase 2 (January 2022– February 2024) entails the following key activities:

- further identification and shortlisting of suitable projects
- developing a grant funding facility to support project preparation
- Identifying suitable financing options and mechanisms for financing the implementation of the projects (or proposing new options or mechanisms).
- determine municipal appetite to collectively raise capital for infrastructure
- testing the financial sector's appetite for shortlisted projects
- testing the financial sector's appetite to participate in a financing platform

3. Progress

3.1. Operationalise grant facility

Following the updated shortlisting process, the PMU identified a **total suitable project pipeline of R 3.069bn (~USD 160m), requiring approximately R 154m (~USD 8.15m) of project preparation funds to take these projects from technical feasibility to 'bankability'.**

The SIDAFF PMU (GreenCape) identified potential providers of grant funding, predominantly international donor organisations, and engaged with these donors to determine whether:

- 1) The identified projects are aligned with the donor mandates (asset class, municipal service sector, asset ownership); and as such whether there is appetite to finance the project implementation,
- 2) The donor organisations have grant funding available to support further project preparation studies as required in order to prepare projects to 'bankability' via the SIDAFF Grant Facility modality.
- 3) The donors have any other criteria or requirements that would align with the shortlisted projects and SIDAFF modality (for example positive impact criteria; financial feasibility etc.).

Table 1. Summary of shortlisted project identified and grant funding required for project preparation

| Municipality | Water & Wastewater Projects | Total (million) | Energy Projects | Total (million) | Solid Waste Projects | Total (million) |
|--|--------------------------------|-----------------|---|-----------------|----------------------------|-----------------|
| Mossel Bay | Wastewater Programme | R 97 | | | | |
| | Bulk Water Programme | R 71 | Streetlight technology retrofit | R 34 | | |
| | Smart Metering | R 180 | Smart metering | R 109 | | |
| Overstrand | Wastewater Treatment Programme | R 109 | | | | |
| | Bulk Water Programme | R 145 | | | | |
| | Desalination | R 120 | | | | |
| Saldanha Bay | Wastewater Treatment Programme | R 164 | | | | |
| | Desalination | R 20 | | | | |
| | Smart Metering | R 90 | | | | |
| Swartland | Bulk Water Programme | R 153 | Smart metering | R 110 | | |
| Drakenstein | Bulk Water Programme | R 262 | | | | |
| George | | | 30MW Solar PV and 100MWh Energy Storage (in phases) | R 1 090 | | |
| Cape Winelands District | | | | | New Regional Landfill Site | R 95 |
| | | | PV at all WWTWs | R 220 | | |
| Total value | | R1 411 | | R 1 563 | | R 95 |
| Project Preparation Costs | | R 71 | | R 78 | | R 5 |
| Combined value | | | | R 3 069m | | |
| Combined project preparation cost | | | | R 154m | | |

3.2. Framework for Service Providers to Deliver Bankability Studies

In anticipation of successfully securing grant funding for project preparation of shortlisted projects, the SIDAFF PMU has developed a framework and structure to take projects from feasibility to bankability. This is achieved by utilising a dedicated project preparation grant financing facility, outlined in Figure 1. The facility will manage donor or grant funding on behalf of municipalities and allocate these funds towards the development and project preparation of these projects; as agreed to by the donors; and as guided by the Western Cape Government and donors.

The primary considerations that informed the design of the grant facility that provides a mechanism for several grant funders to pool funding towards project preparation are:

- 1) it enables decoupling a direct one to one relationship between grant funders and beneficiaries in a pooled grant funding structure; meaning grant funders can also participate in financing (without being in contravention of local procurement regulations).
- 2) if small grants from multiple different grant funders is accessed, these can be added up towards the cohort of projects and allows consistent project preparation between all the projects (in preparing them for pooled financing).
- 3) many grant funders require co-funding from elsewhere (other grant funders, the public beneficiaries, or another public funds). This pooled grant funding structure makes it easier to implement project preparation supported by several grant funders.

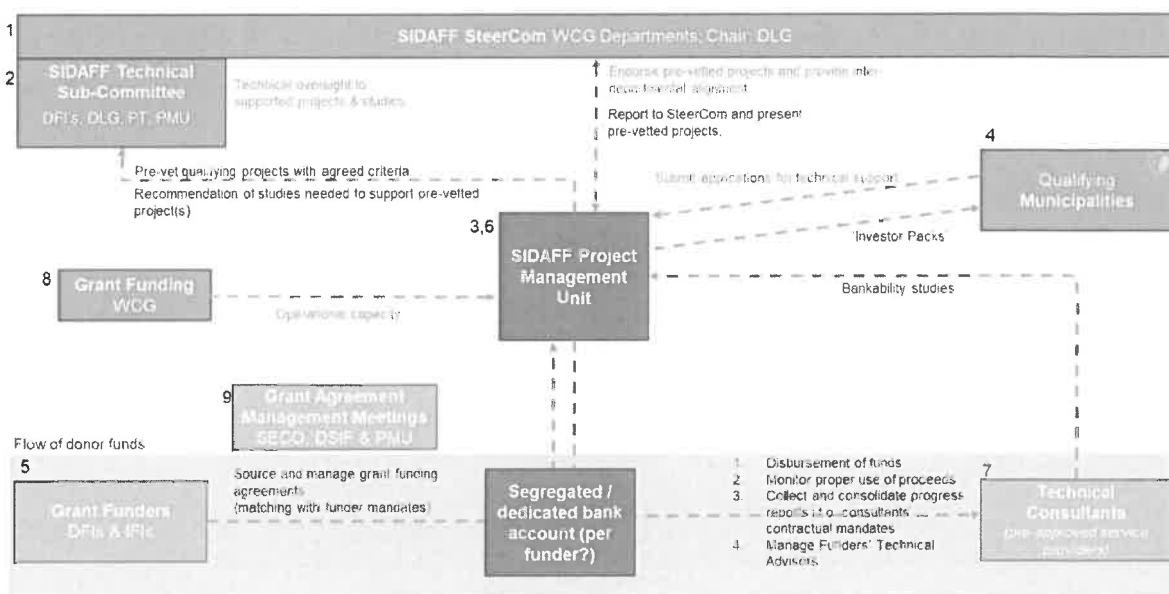


Figure 1: Dedicated project preparation SIDAFF grant facility

Key activities include the design of a framework for the procurement of service providers and suitable experts. This involves the following:

- Advertisements, tender specifications, tender evaluation and adjudication methodology and criteria, conditions of contract, all tailored to specialized service requirements and project specific needs
- Finalise Service Level Agreements (SLA) between procured service providers and the SIDAFF grant facility
- Disbursement of funds on achievement of agreed deliverables
- Monitor the expenditure of funds through proper use of proceeds

3.3. Framework for proposed financing mechanism

The proposed financing platform (Figure 2) enables intermediate municipalities to access non-grant sources of financing they would otherwise be unable to access. This is achieved by pooling together qualifying municipal projects to create an attractive enough ticket size for the platform to raise financing on a several-basis via the issue of notes.

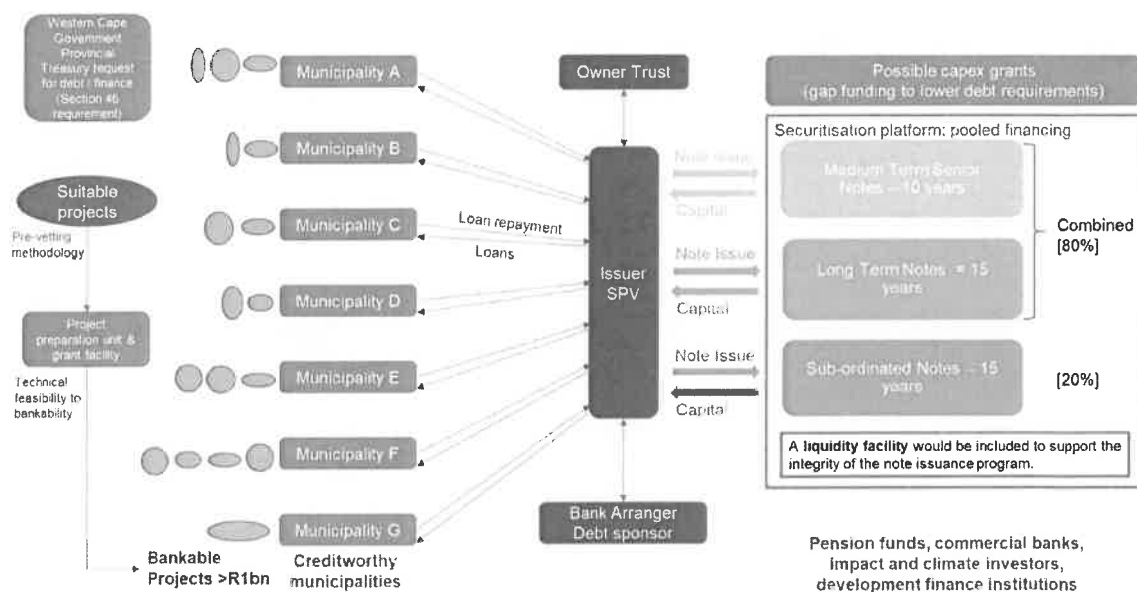


Figure 2: SIDAFF Structured Finance Platform and Project Preparation Facility

The procurement of an arranger bank on an open-price competitive basis is required in the set-up of the financing platform. Initially, at least three modalities were identified for the procurement of an arranger bank; namely:

1. **Piggy-back:** this mechanism utilises MFMA Regulation 32 whereby once municipality procures goods or services for itself and on behalf of other municipalities and then these municipalities transfer funds for their share of the goods or services to the procuring municipality.
2. **Multijurisdictional entity:** the mechanism utilises Part 4 of Chapter 8; with relevance to Sections 48, 49 and 53 of the Municipal Systems Act 32 of 2000; where multiple municipalities can establish a municipal entity to deliver a municipal service, or other purpose as prescribed, including borrowing of finances (Section 65).
3. **Transversal tender:** this mechanism is where one organ of state or sphere of government procures goods or services on behalf of another organ of state or sphere of government (in this case it could be national or provincial government procuring on behalf of local government).

Subsequently, the Piggy-back method has been ruled out as a realistic mechanism (while still allowed in the current regulations, its use has been discouraged by National Treasury). In addition, upon further consultation with possible entities (National Treasury or Provincial Treasury) that could procure the

arranger bank via a Transversal Tender on behalf of the participating municipalities, this has also been ruled out as a realistic mechanism. The primary reason for the latter is that the infrastructure projects are firmly within the constitutional mandate of local government's responsibility to provide services. Therefore, the financing of such infrastructure projects is the constitutional responsibility of accounting officers of the local government entities, to determine and commit to funding sources (including debt) for these infrastructure projects. While this is still possible with a transversal tender (i.e. the local municipalities will instruct the other sphere of government in terms of their capital requirements), it creates an extra layer of complexity, which neither National Treasury or Provincial Treasury is prepared to take on.

Multi-Jurisdictional Entity (MJE)

The viable procurement option remaining is to procure the arranger bank / collectively raise capital for infrastructure via a multijurisdictional municipality entity. This entails the formation of a municipal entity with proportional shareholding between the municipalities involved. The establishment of this municipal entity will require approval from NT and PT. The municipal entity will procure the arranger bank to raise funds (open ended) and set up an SPV. The Issuer SPV will contract and administer loans with each municipality respectively.

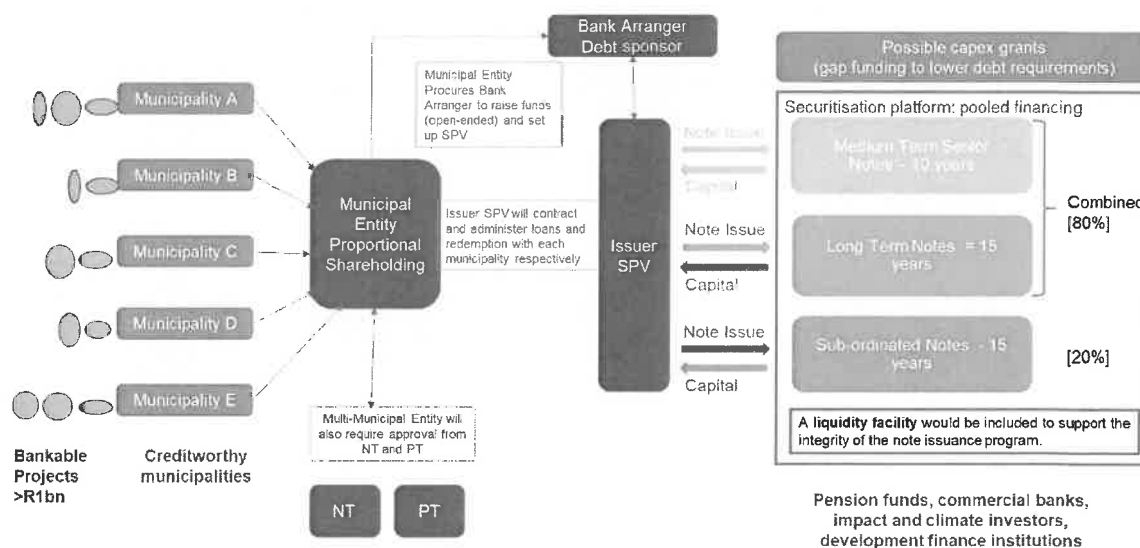


Figure 3: Multi-jurisdictional Entity

WCBD 3.1: PRICING SCHEDULE

1. This is a rates-based tender. For evaluation purposes, service providers must ensure that this document is completed fully, accurately and should include all applicable rates in the columns provided, as per the following guidelines:

Bidders are required to provide lump-sum rates that must be fully inclusive for the work described in the payment of services broken down per sub-item and per unit given for the items **in table 1**.

- For evaluation purposes service providers must ensure that the table1 are completed fully, accurately and should include all applicable cost per deliverable in the required fields.
 - The rates indicated in the WCBD 3.1 will be regarded as the official and final rates offered for an activity/ deliverable under payment of services.
 - The actual work to be performed by successful bidders once given an instruction, will be paid at these tendered rates.
 - Taking into consideration the cost per deliverable as per the tables 7.1.1-7.1.7, please ensure that you attach said tables with your cost as an annexure to WCBD 3.1.
 - Rates offered must be fixed for the duration of the contract.
 - Individual rates quoted per item must be quoted in RSA currency and must be exclusive of VAT.
 - The total for deliverables under the payment of services (excl VAT) must be calculated by summing the individual activities per deliverable (7.1.1 – 7.1.7) below.
- b. The final BID price for evaluation purposes must be calculated by adding VAT to the summed total for 7.1.1 – 7.1.7 and given in **table 2**.

| | | | |
|------------------|---------|---------------|-----------------|
| NAME OF BIDDER: | | BID NO.: | LG-02 2024-2025 |
| CLOSING TIME: | 11:00 | CLOSING DATE: | 16 August 2024 |
| VALIDITY PERIOD: | 90 Days | | |

**APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO ROLL-OUT THE SUSTAINABLE
INFRASTRUCTURE DEVELOPMENT AND FINANCIAL FACILITY PROGRAMME (SIDAFF).**

Table 1: Payment Services

| | PAYMENT SERVICES | PRICE |
|---|--|--------------|
| Item No. | Deliverables | TOTAL |
| 7.1.1 | Identification of more catalytic projects and programmes (renumerated per project) | R |
| 7.1.2 | Signed Grant Agreements with donors (renumerated per grant agreement signed) | R |
| 7.1.3 | Signed service level agreements with professional service providers (renumerated per signed SLA with PSPs) | R |
| 7.1.4 | Investor Pack submitted per municipality | R |
| 7.1.5 | Operationalisation of the proposed Financing Modality | R |
| 7.1.6 | Develop financing modalities to include non-secondary cities which are creditworthy | R |
| 7.1.7 | Operationalisation of the expanded Financing Modalities | R |
| TOTAL FEES - SCOPE OF WORKS (EXCL VAT) | | |

Table 2: Final BID price for evaluation purposes only.

| | |
|------------------------|--|
| | |
| VAT @ 15 % | |
| TOTAL BID PRICE | |

Please provide details of duly designated or authorised person submitting the price schedule on behalf of the bidder:

Print Name(s) and Surname: _____

Designation: _____

Signature: _____



PROVINCIAL GOVERNMENT WESTERN CAPE

DECLARATION OF INTERESTS, BIDDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Public Finance Management Act (PFMA) Supply Chain Management (SCM) Instruction No. 3 of 2021/2022 - SBD 4 Declaration of Interest, Section 4 (1)(b)(iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. 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.
3. All prospective bidders intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).
4. The status of enterprises and persons listed on the National Treasury's Register for Tender Defaulters will be housed on the ePS. Institutions may not under any circumstances procure from enterprises and persons listed on the Database of Tender Defaulters.
5. The status of suppliers listed on the National Treasury's Database of Restricted Suppliers will be housed on the ePS; however, it remains incumbent on institutions to check the National Treasury Database of Restricted Suppliers before the conclusion of any procurement process. For suppliers listed as restricted, institutions must apply due diligence and risk assessment before deciding to proceed with procurement from any such supplier.

6. Definitions

"bid" means a bidder's response to an institution's invitation to participate in a procurement process which may include a bid, price quotation or proposal;

"Bid rigging (or collusive bidding)" occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and/or services through a bidding process. Bid rigging is, therefore, an agreement between competitors;

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“business interest” means -

- (a) a right or entitlement to share in profits, revenue or assets of an entity;
- (b) a real or personal right in property;
- (c) a right to remuneration or any other private gain or benefit, or
- (d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

“Consortium or Joint Venture” 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;

“Controlling interest” means, 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;

“Corruption”- General offences of corruption are defined in the Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004) as:

Any person who directly or indirectly -

- (a) accepts or agrees or offers to accept an! gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person., in order to act personally or by influencing another person so to act, in a manner—
 - (i) that amounts to the-
 - (aa) illegal. dishonest. unauthorised. incomplete. or biased: or
 - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation:
 - (ii) that amounts to-
 - (aa) the abuse of a position of authority;
 - (bb) a breach of trust; or
 - (cc) the violation of a legal duty or a set of rules;
 - (iii) designed to achieve an unjustified result; or
 - (iv) that amounts to any other unauthorised or improper inducement to do or 45 not to do anything. of the, is guilty of the offence of corruption.

“CSD” means the Central Supplier Database maintained by National Treasury;

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"employee", in relation to –

- (a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 but excludes a person appointed in terms of section 12A of that Act; and
- (b) a public entity, means a person employed by the public entity;

"entity" means any –

- (a) association of persons, whether or not incorporated or registered in terms of any law, including a company, corporation, trust, partnership, close corporation, joint venture or consortium; or
- (b) sole proprietorship;

"entity conducting business with the Institution" means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

"Family member" means a person's –

- (a) spouse; or
- (b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

"intermediary" means a person through whom an interest is acquired, and includes a representative or agent or any other person who has been granted authority to act on behalf of another person;

"Institution" means –

a provincial department or provincial public entity listed in Schedule 3C of the Act;

"Provincial Government Western Cape (PGWC)" means

- (a) the Institution of the Western Cape, and
- (b) a provincial public entity;

"RWOEE" means –

Remunerative Work Outside of the Employee's Employment

"spouse" means a person's –

- (a) partner in marriage or civil union according to legislation;
- (b) partner in a customary union according to indigenous law; or
- (c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his or her life partner or permanent companion.

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7. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.
 - a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:
 - (i) resigned as an employee of the government institution or;
 - (ii) cease conducting business with an organ of state or;
 - (iii) resign as a director/shareholder/owner/member of an entity that conducts business with an organ of state.
8. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, it is required that the bidder or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where the bidder is employed by the Institution.
9. The bid of any bidder may be disregarded if that bidder or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; disclosure is found not to be true and complete; or failed to perform on any previous contract.
10. Section 4(1)(b)(iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.
11. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
 - a) disregard the bid of any bidder if that bidder, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b) cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
12. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.

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13. 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.

| SECTION A DETAILS OF THE ENTITY | | |
|---|--|------|
| | CSD Registration Number | MAAA |
| | Name of the Entity | |
| | Entity registration Number (where applicable) | |
| | Entity Type | |
| | Tax Reference Number | |
| Full details of directors, shareholder, member, partner, trustee, sole proprietor or any persons having a controlling interest with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below. | | |

TABLE A

| FULL NAME | DESIGNATION (Where a director is a shareholder, both should be confirmed) | IDENTITY NUMBER | PERSONAL TAX REFERENCE NO. | PERCENTAGE INTEREST IN THE ENTITY |
|-----------|--|-----------------|----------------------------|-----------------------------------|
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SECTION B: DECLARATION OF THE BIDDER'S INTEREST

The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13(c).

Furthermore, an employee employed by an organ of state conducting remunerative work outside of the employee's employment should first obtain the necessary approval by the delegated authority (RWOEE), failure to submit proof of such authority, where applicable, may result in disciplinary action.

| | | | |
|------------|--|----|-----|
| B1. | Are any persons listed in Table A identified on the CSD as employees of an organ of state? (If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions) | NO | YES |
| B2. | Are any employees of the entity also employees of an organ of state? (If yes complete Table B and attach their approved "RWOEE") | NO | YES |
| B3. | Are any family members of the persons listed in Table A employees of an organ of state? (If yes complete Table B) | NO | YES |

TABLE B

Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.

| FULL NAME OF EMPLOYEE | IDENTITY NUMBER | DEPARTMENT/ ENTITY OF EMPLOYMENT | DESIGNATION/ RELATIONSHIP TO BIDDER** | INSTITUTION EMPLOYEE NO./ PERSAL NO. (Indicate if not known) |
|-----------------------|-----------------|--|---|--|
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SECTION C: PERFORMANCE MANAGEMENT AND BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

To enable the prospective bidder to provide evidence of past and current performance.

| | | | |
|------------|--|----|-----|
| C1. | Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C) | NO | YES |
|------------|--|----|-----|

C2. TABLE C

Complete the below table to the maximum of the last 5 contracts.

| NAME OF CONTRACTOR | PROVINCIAL DEPARTMENT OR PROVINCIAL ENTITY | TYPE OF SERVICES OR COMMODITY | CONTRACT/ ORDER NUMBER | PERIOD OF CONTRACT | VALUE OF CONTRACT |
|---|--|----------------------------------|---------------------------|-----------------------|----------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| C3. Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector? | | | | | NO YES |
| C4. Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445.) | | | | | NO YES |
| C5. If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury? | | | | NO | YES N/A |
| C6. Was the entity or persons listed in Table A convicted for fraud or corruption during the past five years in a court of law (including a court outside the Republic of South Africa)? | | | | | NO YES |
| C7. Was any contract between the bidder and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract? | | | | | NO YES |

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SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT

This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths.

- I, hereby swear/affirm;
- i. that the information disclosed above is true and accurate;
 - ii. that I have read understand the content of the document;
 - iii. that I have arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
 - iv. that the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specification, 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;
 - v. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract; and
 - vi. that there have been no consultations, communications, agreements or arrangements made 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 that my entity was not involved in the drafting of the specifications or terms of reference for this bid.

DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

- 1.1 Do you know and understand the contents of the declaration? ANSWER:
- 1.2 Do you have any objection to taking the prescribed oath? ANSWER:
- 1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER:.....
- 1.4 Do you want to make an affirmation? ANSWER:
2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was place thereon in my presence.

.....
SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ex officio: Republic of South Africa

Date:..... Place

Business Address:

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PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND IN TERMS OF THE WESTERN CAPE GOVERNMENTS INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

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 (TENDERERS) MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER, PREFERENTIAL PROCUREMENT REGULATIONS, 2022 AND THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND THE CODES OF GOOD PRACTICE

1. DEFINITIONS

- 1.1 **"acceptable tender"** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- 1.2 **"affidavit"** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, and this serves as evidence to its veracity and is required for court proceedings.
- 1.3 **"all applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **"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;
- 1.6 **"bid"** means a written offer on the official bid documents or invitation of price quotations and "tender" is the act of bidding /tendering;
- 1.7 **"Code of Good Practice"** means the generic codes or the sector codes as the case may be;
- 1.8 **"consortium or joint venture"** 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;
- 1.9 **"contract"** means the agreement that results from the acceptance of a bid by an organ of state;

- 1.10 **"EME"** is an Exempted Micro Enterprise with an annual total revenue of R10 million or less.
- 1.11 **"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of the law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
- 1.12 **"Large Enterprise"** is any enterprise with an annual total revenue above R50 million;
- 1.13 **"non-firm prices"** means all prices other than "firm" prices;
- 1.14 **"person"** includes a juristic person;
- 1.15 **"price" means an amount of money tendered for goods or services, and** includes all applicable taxes less all unconditional discounts;
- 1.16 **"proof of B-BBEE status level contributor"** means-
- (a) The B-BBEE status level certificate issued by an authorized body or person;
 - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
 - (c) Any other requirement prescribed in terms of the Broad- Based Black Economic Empowerment Act.
- 1.17 **QSE** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.18 **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- 1.19 **"sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract.
- 1.20 **"tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- 1.21 **"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;
- 1.22 **"the Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.23 **"the Regulations"** means the Preferential Procurement Regulations, 2022;

- 1.24 **"total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 11 October 2013;
- 1.25 **"trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
- 1.26 **"trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

2. GENERAL CONDITIONS

2.1 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).

2.2 Preference point system for this bid:

- (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).

2.3 Preference points for this bid (even in the case of a tender for income-generating contracts) shall be awarded for:

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

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

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

2.5 Failure on the part of a bidder to fill in, sign this form and submit in the circumstances prescribed in the Codes of Good Practice either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS) or an affidavit confirming annual total revenue and level of black ownership together with the bid or an affidavit issued by Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

- 2.6 The organ of state 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 organ of state.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the **bidder obtaining the highest number of total points** will be awarded the contract.
- 3.2 A tenderer must submit proof of its B-BBEE status level of contributor in order to claim points for B-BBEE.
- 3.3 A tenderer failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE will not be disqualified but will only score:
- (a) points out of 80 for price; and
 - (b) 0 points out of 20 for B-BBEE
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.6 As per section 2 (1) (f) of the Preferential Procurement Policy Framework Act, 2000, the contract may be awarded to a bidder other than the one scoring the highest number of total points based on objective criteria in addition to those contemplated in paragraph (d) and (e) of the Act that justifies the award to another tenderer provided that it has been stipulated upfront in the tendering conditions.
- 3.7 Should two or more bids be equal in all respects; the award shall be decided by the drawing of lots.

4. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

4.1 POINTS AWARDED FOR PRICE

4.1.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

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

| 80/20 | or | 90/10 |
|---|-----------|---|
| $P_s = 80 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$ | or | $P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$ |

Where

P_s = Points scored for price of bid under consideration

P_t = Price of tender under consideration

P_{\min} = Price of lowest acceptable tender

5. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

5.1 POINTS AWARDED FOR PRICE

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

6. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 6.1 In terms of WCG interim strategy, 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 |

- 6.2 An **EME** must submit a valid, originally certified affidavit confirming annual turnover and level of black ownership or an affidavit issued by Companies Intellectual Property Commission
- 6.3 A **QSE that is less than 51 per cent (50% or less) black owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.
- 6.4 A **QSE that is at least 51 per cent black owned (51% or higher)** must submit a valid, originally certified affidavit confirming turnover and level of black ownership as well as declare its empowering status or an affidavit issued by Companies Intellectual Property Commission.

- 6.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 6.6 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 6.7 A trust, consortium or joint venture (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE status level verification certificate for every separate tender.
- 6.8 Tertiary institutions and public entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.

7. BID DECLARATION

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

8. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPH 6

- 8.1 B-BBEE Status Level of Contribution..... = *(maximum of 20 points)*

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 6.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the tender.

9. SUB-CONTRACTING

- 9.1 Will any portion of the contract be sub-contracted? **YES/NO** *(delete which is not applicable)*

- 9.1.1 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? **YES/NO** *(delete which is not applicable)*

- 9.1.2 Sub-contracting relates to a **particular** contract and if sub-contracting is applicable, the bidder to state in their response to a particular RFQ that a portion of that contract will be sub-contracted.

10. DECLARATION WITH REGARD TO COMPANY/FIRM

10.1 Name of company/ entity:

10.2 VAT registration number:

10.3 Company Registration number:

10.4 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

[SELECT APPLICABLE ONE]

10.5 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-BBEE status level of contribution indicated in paragraph 7 above, qualifies the company/ firm for the preference(s) shown and I/we acknowledge that:

- (a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.
- (b) As set out in Section 13O of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:
 - (i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;
 - (ii) provides false information or misrepresents information to a B-BBEE Verification Professional in order to secure a particular B-BBEE status or any benefit associated with compliance to the B-BBEE Act;
 - (iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or
 - (iv) engages in a fronting practice.
- (c) If a B-BBEE verification professional or any procurement officer or other official of an organ of state or public entity becomes aware of the commission of, or any attempt to commit any offence referred to in paragraph 10.5 (a) above will be reported to an appropriate law enforcement agency for investigation.

- (d) Any person convicted of an offence by a court is liable in the case of contravention of 10.5 (b) to a fine or to imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment or, if the convicted person is not a natural person to a fine not exceeding 10 per cent of its annual turnover.
- (e) The purchaser may, if it becomes aware that a bidder may have obtained its B-BBEE status level of contribution on a fraudulent basis, investigate the matter. Should the investigation warrant a restriction be imposed, this will be referred to the National Treasury for investigation, processing and imposing the restriction on the National Treasury's List of Restricted Suppliers. The bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, may 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.
- (f) The purchaser may, in addition to any other remedy it may have –
 - (i) disqualify the person from the bidding process;
 - (ii) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
 - (iii) 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; and
 - (iv) forward the matter for criminal prosecution.
- (g) The information furnished is true and correct.
- (h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

SIGNATURE(S) OF THE BIDDER(S):

DATE:

ADDRESS:

.....

WITNESSES:

1.

2.

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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 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

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

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| | (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 | <p>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</p> <p>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.</p> |
| 32. Taxes and duties | <p>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.</p> <p>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.</p> <p>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.</p> |
| 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 | <p>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).</p> <p>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.</p> |

- 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)