

INVITATION TO BID

BID NO:

RAF/2022/00018

BID DESCRIPTION:

THE ROAD ACCIDENT FUND (RAF) HEREBY INVITES EXPERIENCED AND SUITABLE SERVICE PROVIDER TO PROVIDE BANKING SERVICES FOR A PERIOD OF FIVE (5) YEARS.

Publication date: 02 December 2022

Non-Compulsory briefing session: 12 December 2022

Briefing session venue: Microsoft Teams

[Click here to join the meeting](#)

Briefing session time: 11:00 am

Closing date: 31 January 2023 @ 11h00 am

Note: Faxed and/or Emailed Proposals/ bids will not be accepted, only hand delivered and couriered Proposals/ bids must be deposited in the tender Box on or before the closing date and time.

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IMPORTANT NOTES:

1. Bid documents are available on the website (www.raf.co.za) at no cost.

2. Submission of Proposals

- Bid responses must be placed in the tender box clearly marked with a tender number and description; and
- Bidders are required to submit a soft copy (PDF) of their original Bid Document/Proposal in a USB (To be enclosed in the envelope which contains the Original Bid Document/Proposal)
- The proposal must be deposited in the tender box situated at the reception of RAF at the below address:

**Road Accident Fund (RAF), Eco Glades 2 Office Park, 420 Witch-hazel Avenue,
Centurion, 0046**

3. Validity Period

The proposal submitted by the supplier must be valid for a period of 90 days, from the closing date for the submission of proposals.

4. Enquiries

All enquiries regarding this bid must be directed to the Supply Chain Management Office:

Bid Enquiries: Khomotjo Kaaka

E-mail address: khomotjok@raf.co.za.

Note: No telephonic enquiries will be entertained.

Closing date and time for Bid questions and enquiries: **19 December 2022**

Publication date for Questions & Answers: **20 December 2022**

Questions and Answers will be published on the RAF website.

Important Notes:

1. All questions/enquiries must be forwarded in writing to the e-mail address above; and

2. Questions/enquiries received after the above-stated date and time will not be entertained.

MANDATORY/ LEGISLATIVE REQUIREMENTS

This stage checks and validates the bidders' compliance to the legal requirements to conduct business in South Africa, as well as to the industry requirement for the supply of goods and services.

NB: No points will be allocated at this stage; however, bidders' that do not comply with the pre-qualification requirements below will be disqualified and will not advance to the next stage of evaluation.

Returnable Documents / Information	Check list ✓ Tick each box
SBD 1: Completed, attached and signed	
SBD 3.1 or 3.3 or 3.3 Completed, attached and signed	
SBD 4: Completed, attached and signed	
SBD 5: Completed, attached and signed	
SBD 6.1: Completed, attached and signed	
Proof of Construction Industry Development Board (CIDB) registration, if applicable.	
Specification document: Completed, attached and signed	
General Condition of contract: Initialled and attached	
Provide Tax TCS Pin to verify Tax Status: Attached (In bids where Consortia/Joint Ventures/Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.)	
If the bidder is a joint venture, consortium or other unincorporated grouping of two or more persons/ entities, a copy of the joint venture agreement between the members should be provided.	
Registered on the Central Supplier Database of National Treasury. (For registration information, go to https://secure.csd.gov.za/)	

Note: Some requirements may not be applicable to international suppliers/ bidders and only those suppliers/ bidders will be exempted from these mandatory/ legislative requirements. All SBDs must be submitted (signed) noting where it is not applicable. If any specific SBD is not submitted, documentary proof, clearly stating the reason must be attached.

Bidders must also supply the documents below (where applicable).

Other Requirements	Check list ✓ Tick each box
Valid B-BBEE Certificate attached	

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	RAF/2022/00018	CLOSING DATE: 31 January 2022		CLOSING TIME:	11H00
DESCRIPTION	The Road Accident Fund (RAF) hereby invites experienced and suitable Service Provider to provide Banking Services for a period of five (5) years				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
Road Accident Fund (RAF) Eco Glades 2 Office Park					
420 Witch-Hazel Avenue					
Centurion					
0046					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON			CONTACT PERSON		
TELEPHONE NUMBER			TELEPHONE NUMBER		
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER		
E-MAIL ADDRESS			E-MAIL ADDRESS		
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

1 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]	2 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, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. 1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS. 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA. 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID. 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER. 2.6 WHERE NO TCS 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:.....

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

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

Name of bidder.....	Bid number.....
Closing Time 11:00	Closing date.....

OFFER TO BE VALID FOR **90** DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)
<hr/>			
-	Required by:	
-	At:	
		
-	Brand and model	
-	Country of origin	
-	Does the offer comply with the specification(s)?		*YES/NO
-	If not to specification, indicate deviation(s)	
-	Period required for delivery	
			*Delivery: Firm/not firm
-	Delivery basis	

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

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

*Delete if not applicable

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest¹ in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:

.....

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

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

2.3.1 If so, furnish particulars:

.....
.....

3. DECLARATION

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

3.1 I have read and I understand the contents of this disclosure;

3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

3.5 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.

3.6 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

SBD:5

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME INTRODUCTION

The National Industrial Participation (NIP) Programme, which is applicable to all government procurement contracts that have an imported content, became effective on 1 September 1996. The NIP Policy and Guidelines were fully endorsed by Cabinet on 30 April 1997. In terms of the Cabinet decision, all state and parastatal purchases/lease contracts (for goods, works and services) entered into after this date, are subject to the NIP requirements. NIP is obligatory and therefore must be complied with. The Industrial Participation Secretariat (IPS) of the Department of Trade and Industry (dti) is charged with the responsibility of administering:

1 PILLARS OF THE PROGRAMME

- 1.1 The NIP obligation is benchmarked against the imported content of the contract. Any contract having an imported content equal to or exceeding US\$10 million or other currency equivalent to US\$10 million will have an NIP obligation. This threshold of US\$10 million can be reached as follows:
- (a) Any single contract with imported content exceeding US\$10 million.
 - or
 - (b) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a two-year period which exceeds US\$10 million in total.
 - or
 - (c) A contract with a renewable option clause, where should the option be exercised, the total value of the imported content will exceed US\$10 million.
 - or
 - (d) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$3 million worth of goods, works or services to the same government institution, which in total over a two-year period exceeds US\$10 million.
- 1.2 The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30% of the imported content, whilst suppliers in respect of sub-paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a pro-rata basis.
- 1.3 To satisfy the NIP obligation, the dti would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners, or suppliers
- 1.4 A period of seven years has been identified as the time frame within which to discharge the obligation.

2 REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1 In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of R10 million, submit details of such a contract to the dti for reporting purposes.
- 2.2 The purpose for reporting details of contracts in excess of the amount of R10

million is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in sub-paragraphs 1.1.(b) to 1.1. (d) above.

3 BID SUBMISSION AND CONTRACT REPORTING REQUIREMENTS OF BIDDERS AND SUCCESSFUL BIDDERS (CONTRACTORS)

- 3.1 Bidders are required to sign and submit this Standard Bidding Document (SBD 5) together with the bid on the closing date and time.
- 3.2 In order to accommodate multiple contracts for the same goods, works or services, renewable contracts and multiple suppliers for the same goods, works or services under the same contract as indicated in sub-paragraphs 1.1 (b) to 1.1 (d) above and to enable the dti in determining the NIP obligation, successful bidders (contractors) are required, immediately after being officially notified about any successful bid with a value in excess of R10 million, to contact and furnish the dti with the following information:
- Bid/contract number;
 - Description of the goods, works or services;
 - Date on which the contract was accepted;
 - Name, address and contact details of the government institution;
 - Value of the contract; and
 - Imported content of the contract, if possible.
- 3.3 The information required in paragraph 3.2 above must be sent to the Department of Trade and Industry, Private Bag X 84, Pretoria, 0001 for the attention of Mr Elias Malapane within five (5) working days after award of the contract. Mr Malapane may be contacted on telephone number (012) 394 1401, facsimile (012) 394 2401 or e-mail at Elias@thedti.gov.za for further details about the programme.

4 PROCESS TO SATISFY THE NIP OBLIGATION

- 4.1 Once the successful bidder (contractor) has made contact with and furnished the dti with the information required, the following steps will be followed:
- a. The contractor and the dti will determine the NIP obligation;
 - b. The contractor and the dti will sign the NIP obligation agreement;
 - c. The contractor will submit a performance guarantee to the dti;
 - d. The contractor will submit a business concept for consideration and approval by the dti;
 - e. Upon approval of the business concept by the dti, the contractor will submit detailed business plans outlining the business concepts;
 - f. The contractor will implement the business plans; and
 - g. The contractor will submit bi-annual progress reports on approved plans to the dti.
- 4.2 The NIP obligation agreement is between the dti and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number

Closing date:

Name of

bidder.....

Postal address

.....

.....

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 a) The value of this bid is estimated not to exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable; or

1.3 Points for this bid shall be awarded for:

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

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

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

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

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

2. DEFINITIONS

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black

Economic Empowerment Act, 2003 (Act No. 53 of 2003);

- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

3.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{min} = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

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

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

7. SUB-CONTRACTING

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

(***Tick applicable box***)

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

7.1.1 If yes, indicate:

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

(***Tick applicable box***)

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

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

Name of company/firm:.....

VAT registration number:.....

Company registration number:.....

8.1 TYPE OF COMPANY/ FIRM

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

8.2 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

8.3 COMPANY CLASSIFICATION

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

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

8.5 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-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

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

- side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

WITNESSES

1.
2.

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

DATE:

ADDRESS

.....

.....

SPECIFICATION DOCUMENT

1. BACKGROUND TO THE ROAD ACCIDENT FUND (RAF)

The RAF is a schedule 3A Public Entity in terms of the Public Finance Management Act (Act No. 1 of 1999 as amended, (PFMA) and is established in terms of section 3 of the Road Accident Fund Act, 1996 (Act No. 56 of 1996), as amended. Its mandate is the provision of compulsory social insurance cover to all users of South African roads, to rehabilitate and compensate persons injured because of the negligent driving of motor vehicles, in a timely and caring manner, and to actively promote the safe use of our roads.

The customer base of the RAF comprises not only the South African public, but all foreigners who may have had accidents within the borders of the country. The RAF has a head office in Centurion and various regional offices in Pretoria, Johannesburg, East London, Durban and Cape Town. In line with implementation of its revised operating model, RAF is currently opening Customer experience Centres in each province in the country.

The RAF is liable for claims that relate to multiple products/heads of damage that include but not limited to:

- Past and future hospital, medical and other related expenses.
- Funeral expenses.
- Past and future loss of earnings.
- Past and future loss of support.
- General damages.

Given its current operations and its plans to roll out the revised operating model, the RAF invites suitable and competent bidders to respond to the Request for Banking Services.

2. SPECIAL INSTRUCTIONS TO BIDDERS

- 2.1 The bidder must be an accredited financial institution, registered in terms of the Banks Act, 1990 (Act No 94 of 1990) as amended, (hereinafter referred to as the Banks Act) to provide banking services as the main banker to the RAF.
- 2.2 The bidder must be registered with the South African Registrar of Banks in terms of the Banks Act and the bidder must be a member or sponsored by a member of the Payments Association of South Africa.
- 2.3 The bidder must be registered with the National Credit Regulator (NCR) as a credit provider.
- 2.4 Bidders must comply with the Finance Intelligence Centre Act of 2001 (Act No. 38 of 2001), as amended.

- 2.5 The bidder must have a business continuity management program, which must be available for inspection by the RAF during the subsistence of rendering the banking services to the RAF.
- 2.6 Bidders must provide full and accurate answers to the mandatory questions posed in this document, and where required, explicitly state either “Comply” or “Not Comply” regarding compliance with the requirements. Bidders must substantiate their response to all questions, including full details on how their proposal/solution will address specific functional requirements. All documents as indicated must be supplied as part of the submission.
- 2.7 Bidders must be registered on the South African National Treasury Central Supplier Database (CSD) prior to submitting a bid. Note: Bidders registration on CSD will be verified
- 2.8 The bidder’s proposal must be clear and unambiguous and must demonstrate the ability to identify the RAF’s banking requirements together with any related tailor-made banking solutions to optimize RAF banking needs.
- 2.9 Bidder proposals must highlight key areas of support and partnering through innovation, high quality, value-added solutions, cost efficiency, and a pro-active service delivery model taking in consideration the landscape the RAF operates in and the strategic objectives that it needs to achieve.
- 2.10 Banking Services proposals must be compliant with RAF policies and relevant regulations that govern the business of the RAF which includes but not limited to, the Act as amended, PFMA, Protection of Personal Information Act 4 of 2013, etc.
- 2.11 In addition to the proposal, the bidder should submit a proposed draft Service Level Agreement and Non-Disclosure Agreement, which will be negotiated and finalized on the award of the Bid. The agreements should be in place at commencement of the services. The bidder must be ready for implementation in the shortest possible timeframe (which will be communicated to the successful bidder on issuance of the Award Letter), after the last signatory to the agreement has been completed. The attached RAF Standard Conditions of Contract, which is annexed to the Specification as Annexure A, will form part of the Service Level Agreement.

3. SPECIFICATION

- 3.1 The RAF requires a banking solution which meets its requirements to assist in meeting the objective of compensation and rehabilitation of persons injured because of the negligent driving of motor vehicles, in a timely and caring manner.
- 3.2 The RAF is therefore calling for proposals for the Provision of Banking Services to be rendered to the RAF for a period of 5 years.

4. SCOPE OF SERVICES TO BE RENDERED AND DELIVERABLES

The RAF requires a bidder who should effectively and adequately, without ambiguity, demonstrate how they (the bidder) are able to provide Banking Services to the RAF. The RAF requires that, in general, the bidder must amongst others be able to provide the following:

- An efficient and cost-effective primary bank account administration service (aligned to the provisions of the PFMA).
- Enhanced business processes for improved efficiencies resulting in reduced costs.
- A complete banking services offering to the RAF.
- An efficient, smooth, and speedy transition in the rendering of Banking Services.
- Intensive and appropriate training of staff.
- Additional controls to mitigate operational risk and fraud; and
- The ability to handle a large volume of transactions simultaneously.

The RAF's Banking Services requirements can be categorized in two-fold. These include Transactional Banking Services and Corporate & Investment Banking Services.

4.1 Transactional Banking Services

The RAF's Transactional Banking needs cover traditional and basic banking services. These include:

4.1.1. Provision of and management of bank accounts services

- The RAF requires the bidder to provide and manage current accounts, as detailed in Table 4.1.1 below, to facilitate daily transactional banking operational needs.
- A secured process is required to facilitate the opening of any new RAF bank accounts.
- The bidder must provide a sweeping facility for efficient management of the RAF's bank account balances.
- Designated officials in the RAF should have authority to execute real time inter account transfers on all RAF bank accounts supported by a full audit trail.

Transactional Banking Requirements	
Service Required	Description(with sweeping capability)
Bank Accounts(not limited)	1. Primary Bank Account 2. Salaries account 3. Petty Cash account 4. Creditors account 5. Claims account 6. Debtors account

Table 4.1.1: Bank Accounts Required

4.1.2 Provision of electronic transactional banking services

The RAF requires the bidder to provide a real-time system banking platform for payment and receipt capabilities.

- The platform provided by the bidder must have the ability to interface with internal ERP applications (SAP) and other applications currently in use at the RAF i.e., Payroll and payment systems.
- The RAF should have online access to be able to view and enquire on the following:
 - ❖ Daily opening and closing balances on all bank accounts; and
 - ❖ The RAF's daily net cash position (interim and final), with optional hardcopy reports.
- The bidder must provide a manual contingency process plan to be undertaken in the event of system failure, power cuts, disaster down time, etc.

The bidder must provide the RAF with timeous communication should there be any disruption to service.

Further details of required services are tabled below:

Transactional Banking Requirements	
Service Required	Description
Online Banking	1. Bank Account Verification Services - in line with POPIA 2. Online Banking Services 3. Mobile Access to Banking Services 4. Electronic Bank Statements and Remittances Services 5. Consolidated reporting of all RAF Facilities 6. Cardless Petty Cash Facility 7. Deposit identifier on all RAF deposits 8. A full transactional banking facility for local and foreign payments 9. A debit order management solution 10. Competitive interest rate returns on bank accounts 11. Host to host banking solution 12. Real time inter account transfers on all RAF bank accounts 13. Provision of Mobile notifications on deposits. 14. Fax, email and telephone indemnity 15. Suspense Account reconciliation 16. Manual loading of beneficiaries for payment

Table 4.1.2: Transactional Banking Requirements

4.1.3 Provision of general transactional banking services

- The bidder must provide a deposit identifier on all deposit transactions to enable an effective reconciliation process; any unidentified deposits to be managed and resolved timeously.
- The bidder's transactional banking service must be able to accommodate the following:
 - ❖ All specific service fees and charges to appear alongside each transaction.
 - ❖ Must accommodate foreign payments at related competitive exchange rates.
- Capability for future dated payments
- Full transactional history dating back at least five years
- (RAF may request such historical data as and when required)
- Capability to reverse approved payments timely
- Capability for same day value payment to beneficiaries at other banks
- Capability for electronic or manual proof of payments via beneficiary email address or cell number

- Provision for manual loading of beneficiaries for manual payment
- A Bank Suspense Account reconciliation, with resolution of suspense account items relating to the RAF (Aligned to SLA and agreed upon timelines)
- Formatting of bank statement files must be compliant to RAF requirements to facilitate the seamless import of bank statements into the RAF accounting system, with the flexibility to export transactions lines and statements into third party tools i.e., PDF, Word, Excel.
- The bidder must provide timeous reporting solutions for bank account transactions which include:
 - ❖ Real time electronic statement retrieval, transaction history and audit trail
 - ❖ Daily and month-to-date aggregate interest reports, with transactional details.
- The bidder should provide for overall transactional banking cost reduction including competitive interest rates on bank accounts credits.

4.1.4 Provision of fleet management services

The RAF requires the bidder to provide a secure fleet management solution to support operational needs as specified in Table 4.1.4 below. These include the following:

- Fuel and Toll Cards must be nationally acceptable
- Cards limited to fuel and toll expenses
- Real time access to fleet information system
- RAF's ability to change vehicle cost centers for accuracy of reporting
- Provision of a reporting solution with detailed transactional data for fuel and toll cards

Transactional Banking Requirements	
Service Required	Description
Fleet Management	1. Fuel and Toll cards

Table 4.1.4: Fleet Management banking Services

4.1.5 Provision and management of Information and communications technology (ICT) requirements in the provision of the Banking Services

It is critical that the bidder must meet the minimum information technology technical requirements to ensure the bidder's ICT compatibility with that of the RAF ICT for purposes of conducting electronic banking services as well as the ability to operate efficiently and effectively in administering the current account services. Therefore,

- The bidder's responses should include proposed ICT systems interface architecture/design between the bidder and the RAF that will enable efficient rendition of the required services to the RAF.
- The bidder should provide an audit report over internal controls related to ICT.
- The bidder should provide any manuals applicable for system integration.
- The ICT services required includes services mentioned in Table 4.1.5 below.

- The RAF and the bidder (awarded) will further break down the ICT requirements during project kick off to ensure a smooth transition and operation of systems between the two entities.

ICT Requirements	
Service Required	Description
Security	<ol style="list-style-type: none"> 1. Dedicated abd Secured Network Line/Tunnel 2. Dedicated ISP (Internet Service Provider) between RAF and the Bank 3. Host-to-Host Solution and Middleware e.g. Connect-Direct (Currently owned and used by RAF) 4. Encryption on Payment Files
Pre-Implementation	<ol style="list-style-type: none"> 1. Dedicated ICT Teams from successful bidder 2. Networks; Security; Host-to-Host Services; ect.; required for implementation 3. Knowledge transfer of any Host-to_Host Solution
Post Implementation	<ol style="list-style-type: none"> 1. Dedicated Host-to-Host Systems Manager/Specialist/Contact Person 2. Dedicated Service Desk for Technical issues between client and Bank
Data	<ol style="list-style-type: none"> 1. Transfer/Sharing of Data between existing Banking SP and new Banking SP 2. Transitional Plan of onboarding of data if necessary
Disaster Recovery	<ol style="list-style-type: none"> 1. Documented Solution on banking service workaround when client system is offline
Other Relevant Information	<ol style="list-style-type: none"> 1. The Fund is running their core Financial System on SAP ECC 6 2. SAP Process Orchestration (SAP PO) is used as the middleware between SAP and the Host-to-Host Solution 3. Connect-Direct Version 6.1.0.2 is used as the Host-to-Host Solution

Table 4.1.5: ICT Requirements

Other Relevant Information relating to ICT requirements include:

- The Fund is running their Core Financial System on SAP ECC 6.
- SAP Process Orchestration (SAP PO) is used as the middleware between SAP and the Host-to-Host Solution.
- Connect-Direct Version 6.1.0.2 is used as the Host-to-Host Solution.

4.2 Corporate and Investment Banking Services

In line with the RAF's five (5) year (FY2020/25) strategic plan, the RAF will actively be investing its surplus funds to counterparties in accordance with in-house approved credit vetting processes.

To achieve its strategic goals, a full array of Corporate and Investment Banking Services must be in place. Below are the services required.

4.2.1 Investment Activities

These involve line for direct placement of surplus funds in the money market, buying or selling of both money and fixed income investment instruments.

Rendering of these specific services will not be exclusive to the bidder (awarded preferred banker). In this regard, the RAF reserves its rights to place any funds or transact money and fixed income instruments with any approved bank or counterparty.

The bidder should offer and have Custody Services in place. The service aims to make sure that all transactions the RAF concludes are recorded and an electronic register of bought/sold investment instruments, including placement of surplus cash, is kept, and managed according to acceptable industry standards.

4.2.2 Funding & Borrowing Activities

The successful bidder may be required to be the lead arranger and transaction advisor on any issuance of debt for purposes of funding operations in line with Section 5(1)(b) of the RAF Act. In this regard, the bidder will need to provide, but not limited to, the following:

- Assist and advise the RAF on all matters relating to establishment of Domestic Medium-Term Note Programme;
- assist the RAF on any capital raising initiatives to meet funding requirements
- assist the RAF in consideration of suitable debt instrument given analyses of the economic environment
- Advise the RAF on Investor Roadshows that may be required
- Where required, provide guidance on issue size and pricing ahead of any debt raising
- Assume general function of lead arranger and debt issuance advisor
- Provide any service as may be agreed between the RAF and the bidder on matters relating to issuance of debt.

Further details of RAF's Corporate and Investment Banking Services requirements include:

Corporate & Investment Banking Services Requested	
Service Required	Description
Direct Dealing Mandate	1. Wholesale Deposits/Cash Placements - Funding
	2. Money Market Dealing
	3. Bonds and Fixed Income Dealing
Custody Services	1. Record and Safekeeping of Financial Instruments(Electronic and if in need Paper)
	2. Settlements and Clearing Services
	3. Securities Lending/Repos
	4. Portfolio Compliance and Governance
	5. Custody On-Line
Credit Lines	1. Bank Guarantees

Table 4.2: Corporate & Investment Banking Services

4.3 Corporate Operational Services

The bidder is required to propose a solution for Writs management. The proposal should include the following:

Corporate Operational Services Requirements	
Service Required	Description
Writs Management	1. Provision of full Writs Management Solution

Table 4.3: Corporate Operational Services Required

In addition, the bidder should provide a dedicated Legal Manager to work and liaise with the RAF Legal Team in the management of Writs received against the Bank Accounts managed by the bidder on behalf of the RAF.

4.3.1. Writs Management Services

The proposed Writs management solution to include but not limited to the following:

- Allow RAF a minimum of three (3) business day notice period to verify/audit Writs before releasing of payment by the bidder.
- Consolidation by the bidder's dedicated Legal Manager of Writs and verification and confirmation of the legality of the Writ ex facie the Court order thereof, the Writ itself, and proof of prior service on the RAF.
- Service on the RAF before the attachment is executed by the bidder.
- Implement and administer the duty of the Sheriff who serves on the bidder that due process was duly followed (i.e., service on the RAF) who makes the attachment at the bidder to confirm that this process has been duly followed and that the Sheriff's attachment is proper and in compliance with the Law.
- Verify that proof thereof is attached to the Writ when served on the bidder failing which the attachment is void.
- The bidder will thereafter put a hold on the relevant accounts for the amount in respect of the Writs on a prior in tempore, potior in iure basis of the Writs, for which funds are available.
- All Writs where no funds are available, should be addressed in the Sheriff's return of no attachment.
- The payments are made from the account of the RAF, each one individually against the relevant case number on a prior in tempore basis. It is not a bulk payment to the Sheriff, but each payment is effected individually per unique claim number (link number to reflect on the bank's transactional records) on the bank's audit trail for reconciliation purposes; and
- If there are no funds in the account, the bidder cannot accrue Writs for collection.

4.4. Provision of an effective security measures to control and prevent fraud and risk

- The bidder must provide robust security controls that reduce and prevent fraud and risk.
- The bidder should provide account verification across various other banks.
- The RAF requires bidders to propose mechanisms to combat any form of fraud on all RAF banking operations. Therefore, control measures should include:
 - ❖ Payment mandates, security of data etc.
 - ❖ Provision of a process guideline on how fraudulent debit orders will be managed and reversed.

- ❖ Security controls that will prevent uncommon movements on the online banking, by tracking the IP address transaction details.

4.5 Services Management Team

The RAF requires the provision of an across-the-board Support Service (for business and after hours) in line with its full operations, at head office and extended operational offices nationally.

The bidder must provide a full suite of Corporate Client management, with at a minimum, must include the following:

General Services Requested	
Service Required	Description
Support Service	1. Provision of dedicated support staff covering all products 2. A Legal Manager 3. A Relationship Manager 4. User Training and training materials

Table 4.5: Management Services Required

4.6 Training and Transfer of skills

The bidder's proposal should indicate how they intend to train, transfer knowledge and skills to the identified RAF employees. The proposal should also include the proposed training plans.

The bidder will also be required to provide training manuals for each training provided.

4.7 Additional benefits to RAF and its employees

The bidder should propose any value-added schemes/benefits that the bidder can provide for RAF and its employees.

4.8 Transition Plan and Exit Plan

The bidder should propose a transitional plan which includes but not limited to possible transfer of data current service provider of the RAF to the bidder, systems integration, records management, etc.

The bidder should also propose an exit plan, to be activated six (6) months prior to the expiry of the period awarded for, for the rendering of the Banking Service. This would include, sending an alert to the RAF to ensure a seamless close-out process on the provision of the Banking Services is implemented.

4.9 Additional information to be supplied

The bidder should supply the following information, in addition to all the information required in response to the Bid:

- Proposed IT systems interface architecture/design between the bidder and the RAF that will enable efficient rendition of required services to RAF.
- Client training programs and facilities; and
- Details of Banking Structure and Operations, with Services Management Team clearly identifiable.

5 PRICE SCHEDULE OF SERVICES

- The pricing shall be fixed for one (1) year and thereafter price increases are to be negotiated annually, three (3) months prior to the anniversary of the signed Service Level Agreement.
- The period, for which these prices shall be effective, together with the dates of future annual reviews and their notice periods shall be shown.
- Any costs applicable to implementation from a hardware perspective will be carried by the RAF, while costs relating to the bidder implementing their solution will be carried by the bidder.
- Where applicable transactional fees should be shown separately from other costs.

NOTE: All proposals must meet the Minimum Technical Requirements

6 EVALUATION CRITERIA AND METHODOLOGY

The Evaluation Process shall be conducted in 4 phases:

Phase 1: Initial Screening Process - At this phase Bidders responses are reviewed to check if Bidders have responded according to RAF Request for Proposal (RFP) document. Bidder(s) who complies with the initial screening process will be then evaluated on Mandatory Requirements.

Phase 2: Mandatory Evaluation Process - At this phase Bid Responses are evaluated as per the evaluation criteria specified in the Request for Proposal (RFP) document for compliance to Mandatory Requirements. Bidder(s) who do not comply with the Mandatory Requirements will be disqualified and will not be further evaluated on technical criteria.

Phase 3: Technical/ Functionality Evaluation Process – At this phase Bidder(s) who met the minimum threshold of 80 points out 100 points allocated at Technical Evaluation will be further evaluated on Price and B-BBEE.

Phase 4: Price Evaluation and B-BBEE

6.1 Mandatory & Technical Functional Criteria

Mandatory Requirements

Bidders must indicate compliance with this requirement as follows- "Comply" with a ✓ or "Not comply" with an X. Bidder(s) who do not comply with the Mandatory Requirements will be disqualified and will not be further evaluated on technical criteria.

Note: The following specific requirements must be met by the bidders, and it will be expected of bidders to supply proof or confirm their commitment where applicable.

6.1.1 Mandatory	Comply	Not Comply
<p>The bidder must provide proof that they are an accredited / certified bank by providing an official banking certificates and/ or licences confirming status in terms of all of the following:</p> <ul style="list-style-type: none"> I. Banking license by South African Reserve Bank (Provide license as proof). II. Registered with South African Registrar of Banks (Provide certificate as proof). III. Member of Payment Association of South Africa (Provide certificate as proof). IV. National Credit Regulator (Provide certificate as proof) 		
Substantiate / Comments:		
6.1.2 Mandatory	Comply	Not Comply
<p>The bidder's proposal must include a Host-to-host solution</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.3 Mandatory	Comply	Not Comply
<p>The bidder's payment platform must be able to process a high volume of transactions.</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.4 Mandatory	Comply	Not Comply
<p>Provision of Direct Dealing mandate (Funding, Money & Fixed Income)</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.5 Mandatory	Comply	Not Comply
<p>Provision of Custody Services.</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.6 Mandatory	Comply	Not Comply
<p>Provision of Guarantees</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.7 Mandatory	Comply	Not Comply
<p>Provision of Corporate Client services</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.8 Mandatory	Comply	Not Comply
<p>Provision of WRITS management services</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.1.9 Mandatory	Comply	Not Comply
<p>Provision of Lead Arranger and Transaction Advisor relating to debt issuances</p> <p>The bidder must provide a proposal which clearly state this requirement. Please reference the relevant section in the proposal.</p>		
Substantiate / Comments:		

6.2 Technical / Functional Criteria

With regards to technicality / functionality, the following criteria shall be applicable, and the maximum points of each criterion are indicated in the table below:

The bidder must be able to provide the complete range of services required. Bidders are requested to provide a proposal that indicates previous experience, aligning to the products and services required below:

Products and Services

6.2.1.1 Transactional Banking Services (20 points)

- Deposit identifier (2 points)
- Mobile Access to Banking Services (3 points)
- Notifications on payments to third parties (2 points)
- Notifications on RAF deposits received (4 points)
- Card-less Petty Cash facility (2 points)
- Manual loading of beneficiaries for payment (2 points)
- Suspense Account reconciliation (5 points)

points will be allocated as follows:

- ❖ Weekly Reconciliations (5 points)
- ❖ Bi-Monthly Reconciliations (3 points)
- ❖ Monthly Reconciliations (2 points)

6.2.1.2 Account Verification Services (10 points)

Proof of verification	Points
Less than four (4) banks	0
24 hours verification across four (4) to six (6) banks	5
24 hours verification across six (6) to eight (8) banks	8
24 hours verification across eight (8) to ten (10) banks	9
24 hours verification of more than ten (10) banks	10

6.2.1.3 Fleet Management Services (5 points)

- Electronic access to vehicle transactions and data input (2 points)
- Restriction of expenses on fuel cards (3 points)

6.2.1.4 ICT Capabilities (10)

- Dedicated and secured Network Line. (4 points)
- Secured Host-to-Host solution (4 points)
- Payment platform to process a high volume of transactions. (2 points)

6.2.2 Services Management Team (20 points)

(20 Points)

The bidder must provide CVs of the Dedicated Relationship Manager, Dedicated Legal Manager and ICT Systems Manager which clearly details their experience.

Dedicated Relationship Manager	
Years of experience	Points
< 6 years	0
≥ 6 but < 8 years	4
≥ 8 but < 10 years	6
≥ 10 years	10

Dedicated Legal Manager	
Years of experience	Points
< 6 years	0
≥ 6 but < 8 years	2
≥ 8 but < 10 years	3
≥ 10 years	5

Dedicated ICT Systems Manager	
Years of experience	Points
< 6 years	0
≥ 6 but < 8 years	2
≥ 8 but < 10 years	3
≥ 10 years	5

Bidders that score less than 80 points out of 100 points on functionality will not be considered for further evaluation on Price.	
Total	100 points

PRICE EVALUATION

The evaluation for Price and B-BBEE shall be based on the 80/20 PPPFA principle and the points for evaluation criteria are as follows:

Evaluation Criteria		Points
1.	Price	80
2.	B-BBEE	20
Total		100

7 ANNEXURE H: PRICING SCHEDULE

This annexure should be completed and signed by the Bidder's authorized personnel as indicated below:

7.1 Please indicate your total bid price for year 1 here: R.....
(compulsory)

7.2 **Important:** It is mandatory to indicate your total bid price for year 1 as requested in 7.1 above. This price must be the same as the total bid price you submit in your pricing schedule. Should the total bid prices differ, the price indicated in 7.1 above shall be considered the correct price. This Pricing schedule shall be for the initial year of services, thereafter, negotiated annually.

7.3 **NOTE:** All prices must be VAT inclusive and must be quoted in South African Rands.

7.4 Transactional Banking Services

Description	Price for year 1 (Including VAT)	Frequency
Monthly Service fee (per current account)		
Deposits		
– Cash deposit fee (per transaction)		
– Deposit Book		
– Same day value credits		
Transactional fees: Domestic payments		
– Same day own bank (per transaction)		

<ul style="list-style-type: none"> – Same day other banks (per transaction) – Future dated own bank (per transaction) – Future dated other banks (per transaction) – Rejected payment instruction (per transaction) 		
Transactional fees: Foreign payments <ul style="list-style-type: none"> – Fee per transaction – Other Charges (please specify) 		
Exchange Control <ul style="list-style-type: none"> – New application fee – Renewal fee 		
Petty Cash Virtual Card <ul style="list-style-type: none"> – Cash send payment (fee per transaction) 		
Bank Reconciliation Charges <ul style="list-style-type: none"> – Monthly fee – Transaction tracing fee > 12 months – Transaction tracing fee < 12 months – Sweeping solution fee 		
EFT Service Fee (bulk) <ul style="list-style-type: none"> – Internal transaction Value > R5 million – External transaction Value > R5 million – Real time clearing < R5 million 		
Bank Statement Charges <ul style="list-style-type: none"> – Daily upload (per statement) 		
Account Verification Service <ul style="list-style-type: none"> – Batch verification fee – Real time single verification fee 		
Host-to-host Connection <ul style="list-style-type: none"> – Subscription fee (monthly) 		
Electronic Banking Fees <ul style="list-style-type: none"> – Monthly maintenance fee 		
Debit Orders <ul style="list-style-type: none"> – Fee (Per transaction) – Unpaid debit orders (per transaction) – Debit order disputes (per query) 		
Salary/Wage payments <ul style="list-style-type: none"> – At own bank (per transaction) – At other banks (per transaction) 		
Payment and collection fees <ul style="list-style-type: none"> – Same day soonest value service (per transaction) – Pre-loaded beneficiaries imported to Domestic Banking Platform (per beneficiary) – Real time gross settlements (per batch) 		
Secondary Charges on Bank Accounts <ul style="list-style-type: none"> – E-filing – 2 Factor tokens (new token) – 2 Factor tokens (lost, stolen, broken) – Pay Alerts/Notifications <ul style="list-style-type: none"> ❖ Email ❖ SMS ❖ fax – Reversals/Recalls (per transaction) 		

<ul style="list-style-type: none"> – Audit reports (per report) – Reset of Password/Login (per password) – Fees for bank guaranteed cheques (per cheque) – Cost of stop payment (per transaction) – Enhanced deposit identifier (per transaction) – Cash Withdrawal (per transaction) – Special/urgent clearance (per transaction) 		
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Description	Price for year 1 (Including VAT)	Frequency
Interest Statements		
– Monthly (per statement)		
International Banking Service		
– Transfers of Currency from domestic acct. to foreign acct.		
Fleet Service		
– Fuel and Toll card initial charge (per card)		
– Replacement fuel and toll card (per card)		
– Monthly Service Charge		
– Other charges (please specify)		
Other Banking Service Fees (please specify)		
Subtotal		
VAT		
Grand Total		

Table 7.4.1: banking Services Fees (where not applicable, bidders must clearly indicate a “R0.00”)

7.5 Corporate Banking Services

(These services will be required on an ad-hoc basis).

Description	Price for year 1 (Including VAT)	Frequency
Custody Services		
– Record and safekeeping of Financial Instruments		
❖ Electronic		
❖ Paper (if in need)		
– Settlements and Clearing Services		

– Securities Lending/Repos		
Credit Line		
– Bank Guarantee fees based on R10 million indicative amount		
Lead Arranger Fees		
– in basis points based on R1 billion size		per issuance
Other Banking Service Fees (please specify)		
Subtotal		
Vat		
Grand Total		

Table 7.5: Corporate Banking Services Fees (where not applicable, bidders must clearly indicate a “R0.00”)

- Bidders are required to provide a detailed pricing structure for the proposed solution with the understanding that the RAF currently processes not more than 35 000 transactions per month.
- Bidders should indicate any costs that may be applicable in the implementation of the new banking systems and procedures, which may include:
 - ❖ Disbursements.
 - ❖ Cost of training the RAF staff.
 - ❖ Computer software and hardware.

These costs should be shown separately from transaction fees

Pricing schedule for the appointment of a Service Provider for the RAF Banking Services shall be for the initial year of services, thereafter, negotiated annually.

THE NATIONAL TREASURY

Republic of South Africa



**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.

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General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything 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. Incident al 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.

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.

- 21.4 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.
- 21.5 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.
- 21.6 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.

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.

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

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

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

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

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

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

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

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

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

may be due to him

**25. Force
Majeure**

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

**26. Termination
for
insolvency**

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

**27. Settlement
of Disputes**

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

**28. Limitation
of liability**

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

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

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