

TENDER NO: DID10/09/2022

**RENDERING OF ON-LINE AUCTIONEERING
SERVICES FOR THE DISPOSAL OF TECHNICAL
EQUIPMENT, MOVABLE AND IMMOVABLE ASSETS
FOR THE PERIOD OF THREE (3) YEARS**

ISSUED BY:

Department of Infrastructure Development
Chief Directorate Maintenance
Private Bag X 83
Marshalltown
2107

NAME OF TENDERING ENTITY:

INVITATION TO TENDER

Short description of requirements:	RENDERING OF ON-LINE AUCTIONEERING SERVICES FOR THE DISPOSAL OF TECHNICAL EQUIPMENT, MOVABLE AND IMMOVABLE ASSETS FOR THE PERIOD OF THREE (3) YEARS
Tender number:	DID10/09/2022
Tender documents available from: 16 September 2022	Tender documents can be downloaded from: E-Tender portal on the below link: http://e-tenders.treasury.gov.za http://e-tenders.gauteng.gov.za
Price of tender documents:	Bid documents must be downloaded and printed on the e-Tender portal at bidders' cost
Closing date:	14 October 2022
Closing time:	11H00am
Address for submission of tenders:	Department of Infrastructure Development (GDID Tender Box) Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown Johannesburg
Evaluation Steps:	<ol style="list-style-type: none"> 1) Pre- qualification criteria 2) Mandatory and Administration requirements 3) Functionality
Non – Compulsory pre-bid meeting.	<p>22 September 2022 @ 10H00 Department of Infrastructure Development Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown Johannesburg</p> <p>Ground floor Auditorium</p> <p>Any queries related to the advert will be responded to both individually and published on E-Tender portal on a weekly basis.</p>
Stipulated Pre-qualification criteria: the tenderers that fail to meet the stated prequalification will be disqualified	<p>Only those tenderers meeting the stipulated pre-qualification criteria stipulated below will be evaluated:</p> <p>Pre-qualification criteria applicable to this tender:</p> <p>Only EMEs or QSEs having a B-BBEE status level of contribution of 1,2,3,4,5 or 6 will be considered for evaluation. Therefore, bidders must submit ORIGINAL valid B-BBEE certificate issued by a SANAS Accredited Agency or ORIGINAL valid sworn affidavit with the bid document. NB! Sworn affidavit must be signed by deponent and attested by a Commissioner of Oath. (A consortium or JV must submit a valid SANAS accredited consolidated B-BBEE certificate, no sworn affidavit will be accepted for a trust, consortium or JV.</p>
B-BBEE information:	

<p>A Bidder who qualifies as an Exempted Micro Enterprises (EME's) must submit ORIGINAL sworn affidavit.</p> <p>A Bidder who qualifies as Qualifying Small Enterprises (QSE's) and is more than 51% black owned must submit ORIGINAL sworn affidavit.</p> <p>Sworn Affidavit submitted by bidders in support of their B-BBEE level should comply with DTI or ORIGINAL CIPC format and must valid.</p> <p>Bidders who do not qualify as EME's and QSE's as outlined in line 1, 2,3,4,5 or 6 above, must submit B-BBEE verification certificates that are issued by an agency Accredited by SANAS.</p> <p>A trust, consortium or JV (including unincorporated consortia and joint ventures) must submit a consolidated B-BBEE Status Level Verification Certificate for every separate tender.</p> <p>Public entities and institutions must also submit B-BBEE Status Level Verification Certificates together with their tenders</p> <p>Bidders who fail to submit ORIGINAL valid B-BBEE Certificate or ORIGINAL Sworn Affidavit will be regarded as non-responsive bidders and be disqualified. ORIGINAL Sworn Affidavit, must comply with the requirements outlined in the justices of the peace and Commissioners of Oath Act, No 16 of 1963 and its Regulations promulgate in Government notice GNR 1258 of 21 July 1972.</p>

<p>MANDATORY / COMPULSORY ADMINISTRATIVE REQUIREMENTS (Failure to submit / meet or comply with the following requirements constitutes automatically disqualification of tender offer)</p>	<p>1.Submit Proof of membership with Property Practioners Regulatory Authority (PPRA) NB: Proof of application for registration with Property Regulatory Authority (PPRA) will be accepted but during the award stage application should be finalized.</p>
	<p>2.Submit Fidelity Fund Certificate to proof registration with Property Practioners Regularity Authority for every Director and employee who will be directly involved in the auctioneering of immovable properties that we will be disposing.</p>
	<p>3.Submit license of online Web based System</p>
	<p>4.Bidder must submit training plan for period of three years with this bid as part of returnable documents. The service provider is required to train or transfer skills to students from disadvantage communities who are aspiring to enter the auctioneering industry as auctioneers.</p>
	<p>5.Submit storage facilities pictures and municipal account or Lease agreement (Warehouse or storage facility must be secured 24 hours.)</p>
	<p>6.Invitation to bid (SBD 1)</p>
	<p>7.Bidder's disclosure (SBD 4)</p>
	<p>8. A consolidated B-BBEE issued by SANAS Accredited Agency clearly indicating that the JV is an EME or QSE level 1,2,3,4,5 or 6 of in the case of Joint Ventures</p>

<p>OTHER ADMINISTRATIVE REQUIREMENTS THAT WILL BE APPLICABLE TO THIS PROCUREMENT</p>
<p>9.Copies of the Founding Statement – CM1 and in the case of a JV documents of each JV members should be submitted.</p>
<p>10.Certificate of Incorporation – CM1 and in the case of a JV documents of each JV members should be submitted.</p>
<p>11.Copy of the Identity Document of owners and in the case of a JV documents of each JV members should be submitted.</p>
<p>12.Copy of the Identity Document of owners and in the case of a JV documents of each JV members should be submitted.</p>

13.		
Applicable Functionality Criteria: Failure to meet the prescribed minimum functionality of 70 points will result in automatic disqualification	This tender will be evaluated against functionality and only tenderers that obtain the required minimum score indicated in the Tender documents will be further evaluated. Bidders must obtain a minimum of 70 points to be considered for further evaluation (price and preference) Total Functionality: 100 points.	
	Functionality Criteria:	
	Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years.	Weighing Factor 20 Points
	Project Plan	40 Points
	Demonstration of capability and capacity	40 Points
Tender Validity Period	180 Days	
Enquiries Technical:	Project Manager: Thapelo Thlakodi Email Address: Thapelo.thlakodi@gauteng.gov.za	
Enquiries general:	SCM: Millicent Chauke Email Address: millicent.chauke@gauteng.gov.za	
Last date for accepting queries is	7 days before closing date	

Note to tenderers: This tender is subjected to the General Conditions of Contract, the Preferential Procurement Policy Framework Act no 5 of 2000 and its Regulations of 2017 and All successful service provider will be subject of signing SLA and standard Rates as prescribed by the department



GAUTENG PROVINCE

INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (GAUTENG DEPARTMENT OF INFRASTRUCTURE)

BID NUMBER:	DID10/09/2022	CLOSING DATE:	14 October 2022	CLOSING TIME:	11:00 AM
DESCRIPTION	Rendering of On-line Auctioneering Services for the Disposal of Technical Equipment, Movable and Immovable Assets for the period of three (3) years				
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).					

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

Corner House Building
63 Commissioner Street
Johannesburg
2001

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					
	TCS PIN:		OR	CSD No:	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]	<input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT <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]

<u>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	<u>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW]
<u>SIGNATURE OF BIDDER</u>	<u>DATE</u>		
<u>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid: e.g. resolution of directors, etc.)</u>			
<u>TOTAL NUMBER OF ITEMS OFFERED</u>		<u>TOTAL BID PRICE (ALL INCLUSIVE)</u>	
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT/ PUBLIC ENTITY	Department of Infrastructure Development	CONTACT PERSON	Thapelo Thlakodi
CONTACT PERSON	Millicent Chauke	TELEPHONE NUMBER	N/A
TELEPHONE NUMBER	N/A	FACSIMILE NUMBER	N/A
FACSIMILE NUMBER	N/A	E-MAIL ADDRESS	
E-MAIL ADDRESS	millicent.chauke@gauteng.gov.za	thapelo.thlokodi@gauteng.gov.za	

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:
<ul style="list-style-type: none"> ○ BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION. ○ ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE ○ BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION. ○ WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION. ○ THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.
2. TAX COMPLIANCE REQUIREMENTS
<p>2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.</p> <p>2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.</p> <p>2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.</p> <p>2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.</p> <p>2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.</p> <p>2.6 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.</p>
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS
<p>3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>3.3. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>

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

☐ YES ☐ NO

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

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

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:

.....

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 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

YES/NO

- 2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

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

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

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.

.....
Signature

.....
Date

.....
Position

.....
Name of bidder

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

1.2 Points for this bid shall be awarded for:

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

1.3 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

1.4 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.

1.5 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 90 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	16
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 20 points)
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(Tick applicable box)

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

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

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

8. DECLARATION WITH REGARD TO COMPANY/FIRM

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

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One person business/sole propriety
- ☐ Close corporation
- ☐ Company
- ☐ (Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

.....

8.6 COMPANY CLASSIFICATION

- ☐ Manufacturer

- ☐ Supplier
- ☐ Professional service provider
- ☐ Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

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

WITNESSES

- 1.
- 2.

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

DATE:

ADDRESS

.....
.....



GAUTENG PROVINCE
INFRASTRUCTURE DEVELOPMENT
REPUBLIC OF SOUTH AFRICA

TENDER NO: DID10/09/2022

**SPECIFICATION RENDERING OF ON-LINE AUCTIONEERING SERVICES FOR THE
DISPOSAL OF TECHNICAL EQUIPMENT, MOVABLE AND IMMOVABLE ASSETS FOR THE
PERIOD OF THREE (3) YEARS**

THE PROJECT BACKGROUND AND GOALS

1. PROJECT BACKGROUND

The Gauteng Department of Infrastructure Development (GDID) **builds, manages and maintains public infrastructure for the education and health sectors and client departments in the Province**, striving for radical economic transformation, modernisation and re-industrialisation. Some of these structures have reached their useful lives while others have exceeded hence a need to dispose of them. These include hospital boilers, technical machinery, redundant hardware material, commercial and residential properties, redundant and obsolete computers and office equipment.

The Department of Infrastructure requires live and on-line auctioneering services of high professional standards to be delivered in line with the below defined requirements stated in this specification.

2. OBJECTIVE OF THE PROJECT

A service provider is required to dispose of hospital boilers, technical machinery, redundant hardware material, commercial and residential properties, redundant and obsolete computers and office equipment in accordance with legislation and industry standards, redundant/obsolete movable assets e.g. inventory, technical of a technical nature, office equipment and furniture in accordance with legislation and immovable properties. The Department has already identified possible way in line with the required frameworks according to the prescription from treasury regulation movable assets should be sold at market related prices or whichever is the most advantageous to the state.

2. DURATION AND CONDITIONS OF THE TENDER

2.1 Duration:

- (a) The duration of the contract will be for a period of three years commencing from the date determined by DID.
- (b) The successful tenderer shall be required to sign a Service Level Agreement (SLA) immediately after the tender is awarded.

3. PRE- QUALIFICATION /SPECIFIC TENDER REQUIREMENTS

3.1. The pre-qualifying criteria objective is to advance certain designated B-BBEE Level EME or QSE Level 1,2,3,4,5 or 6 only.

- Bidders must submit original of a valid B-BBEE certificate issued by SANAS Accredited Agency or original of valid sworn affidavit with the bid document! Sworn affidavit must be signed by deponent and attested by a Commissioner of Oath.

- (A trust, consortium or JV must be submitting an original and valid SANAS accredited consolidated B-BBEE certificate, no sworn affidavit will be accepted for a trust, consortium or JV)

B-BBEE Requirements:

1. A Bidder who qualifies as an Exempted Micro Enterprises (EME's) must original submit sworn affidavit.
 2. A Bidder who qualifies as a Qualifying Small Enterprises (QSE's) and is more than 51% black owned must submit original sworn affidavit.
 3. Original Sworn affidavits submitted by bidders in support of their B-BBEE level should comply with the DTI or the CIPC format and must be original valid.
 4. A Bidder who qualifies as a Qualifying Small Enterprises (QSE's) and is less than 51% black owned must submit a B-BBEE verification certificate issued by an Agency accredited by SANAS (South African National Accreditation System) which has to be valid, original. In addition, the Bidder must submit original affidavit stipulating that their annual Total Revenue was between R10,000,000.00 (Ten Million Rand) and R50,000,000.00 (Fifty Million Rand) based on their latest Financial Statements/Management Accounts and other information available thereon.
 5. Public entities and tertiary institutions must also submit B-BBEE Status Level Verification Certificates together with their tenders.
- **Bidders who fail to submit a valid original of their B-BBEE Certificate or original Sworn Affidavit will be regarded as non-responsive bidders and be disqualified. Original Sworn Affidavits must comply with the requirements outlined in the Justices of the Peace and Commissioners of Oaths Act, No 16 of 1963 and its Regulations promulgated in Government Notice GNR 1258 of 21 July 1972.**
 - **A tenderer who fails to meet the pre-qualifying criteria stipulated in the tender documents is an unresponsive tenderer as stipulated in the PPPF Act 2000 (Act No.5 of 2000): Government Gazette No.40553 and PPR 2017.**
 - **Service Providers who meet the specified pre-qualification will be further evaluated for Functionality criteria and in line with the 80/20 points scoring system.**
 - **Site briefing not compulsory.**
 - **Tender validity Period 180 Days.**

3. MANDATORY BID REQUIREMENTS

Each bidder will be evaluated by a Bid Evaluation Committee based on compliance with requirements and submission of required documents as indicated in the table below. Certified copies should not be older than six (6) months at date of submission as articulated in the Justices of the Peace and Commissioners of Oath Act 16 of 1963. Failure to comply with mandatory requirements will lead to disqualification.

4.1 Mandatory Documents required	Comply	Do not comply	Comments
4.1.1 Proof of membership with Property Regulatory Authority (PRA) NB: Proof of application for registration with Property Regulatory Authority (PRA) will be accepted but during the award stage application should be finalized.			
4.1.2. Submit Fidelity Fund Certificate to proof registration with Property Practitioners Regularity Authority (PRA) for every Director and employee who will be directly involved in the auctioneering of immovable properties that we will be disposing.			
4.1.3 Submit license of online Web based System.			
4.1.4 Submit storage facilities pictures and municipal account or Lease agreement (Warehouse or storage facility must be secured 24 hours.)			
4.1.5 Invitation to bid (SBD 1)			
4.1.6 Submission of (SBD 4):			
4.1.7 Preference Points claim (SBD 6.1)			
4.1.8 A consolidated B-BBEE issued by SANAS Accredited Agency clearly indicating that the JV is an EME or QSE level 1,2,3,4,5 or 6 of in the case of Joint Ventures			
Other administrative requirements that will be applicable to this procurement	Comply	Do not comply	Comments
4.1.9 Copies of the Founding Statement – CM1 and in the case of a JV documents of each JV members should be submitted.			
4.1.10 Certificate of Incorporation – CM1 and in the case of a JV documents of each JV members should be submitted.			

4.1.11 Copy of the Identity Document of owners and in the case of a JV documents of each JV members should be submitted.			
4.1.12 Joint venture agreement in case of JV			
4.1.13 Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status			
4.1.14 Registration with Central Supplier Database (CSD)/ MAAA number			

2. FUNCTIONALITY EVALUATION CRITERIA IF APPLICABLE:

Functionality:	
Minimum Functionality Score	70
Functionality total weight points:	100
Minimum % that should be achieved to be found responsive	70

Main functionality criteria:	Sub criteria	Points allocation for sub-criteria	Minimum	Weighting factor:
Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years.	Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years. 5 successful reference letters in rendering Auctioneering Services	20 Points	12 Points	20 Points
	Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years. 4 successful reference letters in rendering Auctioneering Services	16 Points		
	Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years. 3 successful reference letters in rendering Auctioneering Services	12 Points		

	Bidders to submit signed reference letters on client letterhead in rendering On-line Auctioneering Services not older than five years. Less than 3 reference letters in rendering Auctioneering Services	0 Point		
Project Plan	Demonstrate 5 activities of the project plan <ul style="list-style-type: none"> • clear realistic time frames, • key tasks, • sub tasks, • distribution of resources and • cost projection 	40 Points	24 Points	40 Points
	Demonstrate 4 activities of the Project Plan <ul style="list-style-type: none"> • clear realistic time frames, • key tasks, • sub tasks, • distribution of resources and • cost projection 	32 Points		
	Demonstrate 3 activities of the Project Plan. <ul style="list-style-type: none"> • clear realistic time frames, • key tasks, • sub tasks, • distribution of resources and • cost projection. 	24 Points		
	Demonstrate Less than 3 activities of the Project Plan. <ul style="list-style-type: none"> • clear realistic time frames, • key tasks, • sub tasks, • distribution of resources and • cost projection 	0 Point		

Demonstration of capability and capacity	<p>Bidder to demonstrate 4 capabilities and capacity</p> <ul style="list-style-type: none"> • Provide details of the supplier's on-line auction methods, including disposal strategies, terms and conditions as well as minimum standards that are adhered to and display the full catalogue of items/assets earmarked for disposal on-line, complete with lot numbers, detailed descriptions, photo galleries and other relevant information. • Demonstrate ownership of an on-line auction system fully operational through the internet capable of setting up conditions of sale, registering and accepting buyers (including obtaining, retaining and refunding participation deposits, with in-built securities to guarantee bidder confidentiality, prevent unauthorized access and Post online auction report generated from systems. • Outline the supplier's marketing capabilities, including value-added innovative/creative auctioneering solutions and initiatives the supplier is capable of providing to Department of Infrastructure Development • Demonstrate how reserve prices are set, how the bidding process is conducted and regulated, how the system closes auctions, how invoices are issued to buyers, how payments are recovered from buyers and how items/assets are dispatched to buyers. • Provide commitment letter to appoint conveyancing Attorneys to transfer the sold immovable assets. 	40 Points	24 Points	40 Points
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	<p>Bidder to demonstrate 3 capabilities and capacity</p> <ul style="list-style-type: none"> • Provide details of the supplier's on-line auction methods, including disposal strategies, terms and conditions as well as minimum standards that are adhered to and display the full catalogue of items/assets earmarked for disposal on-line, complete with lot numbers, detailed descriptions, photo galleries and other relevant information. • Demonstrate ownership of an on-line auction system fully operational through the internet capable of setting up conditions of sale, registering and accepting buyers (including obtaining, retaining and refunding participation deposits, with in-built securities to guarantee bidder confidentiality, prevent unauthorized access and Post online auction report generated from systems. • Outline the supplier's marketing capabilities, including value-added innovative/creative auctioneering solutions and initiatives the supplier is capable of providing to Department of Infrastructure Development • Demonstrate how reserve prices are set, how the bidding process is conducted and regulated, how the system closes auctions, how invoices are issued to buyers, how payments are recovered from buyers and how items/assets are dispatched to buyers. • Provide commitment letter to appoint conveyancing Attorneys to transfer the sold immovable assets. 	32 Points		
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	<p>Bidder to demonstrate 2 capabilities and capacity</p> <ul style="list-style-type: none"> • Provide details of the supplier's on-line auction methods, including disposal strategies, terms and conditions as well as minimum standards that are adhered to and display the full catalogue of items/assets earmarked for disposal on-line, complete with lot numbers, detailed descriptions, photo galleries and other relevant information. • Demonstrate ownership of an on-line auction system fully operational through the internet capable of setting up conditions of sale, registering and accepting buyers (including obtaining, retaining and refunding participation deposits, with in-built securities to guarantee bidder confidentiality, prevent unauthorized access and system generated report to track all on line activities • Outline the supplier's marketing capabilities, including value-added innovative/creative auctioneering solutions and initiatives the supplier is capable of providing to Department of Infrastructure Development • Demonstrate how reserve prices are set, how the bidding process is conducted and regulated, how the system closes auctions, how invoices are issued to buyers, how payments are recovered from buyers and how items/assets are dispatched to buyers. • Provide commitment letter to appoint conveyancing Attorneys to transfer the sold immovable assets. 	24 Points		
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	<p>Bidder to demonstrating Less than 2 capabilities and capacity.</p> <ul style="list-style-type: none"> • Provide details of the supplier's on-line auction methods, including disposal strategies, terms and conditions as well as minimum standards that are adhered to and display the full catalogue of items/assets earmarked for disposal on-line, complete with lot numbers, detailed descriptions, photo galleries and other relevant information. • Demonstrate ownership of an on-line auction system fully operational through the internet capable of setting up conditions of sale, registering and accepting buyers (including obtaining, retaining and refunding participation deposits, with in-built securities to guarantee bidder confidentiality, prevent unauthorized access and Post online auction report generated from systems. • Outline the supplier's marketing capabilities, including value-added innovative/creative auctioneering solutions and initiatives the supplier is capable of providing to Department of Infrastructure Development • Demonstrate how reserve prices are set, how the bidding process is conducted and regulated, how the system closes auctions, how invoices are issued to buyers, how payments are recovered from buyers and how items/assets are dispatched to buyers. • Provide commitment letter to appoint conveyancing Attorneys to transfer the sold immovable assets. 	0 Points		
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GENERAL TENDER INFORMATION

Invitation to Bidders

You are hereby invited to tender for the supply of on-line auctioneering services for the disposal of redundant and obsolete movable and immovable assets on behalf of Gauteng Department of Infrastructure Development (GDID).

All the documents accompanying this invitation to tender must be completed in detail, signed and sealed in an envelope and be deposited in the bid box situated at Corner House, 63 Commissioner Street, Johannesburg before the closing date as per advert at 11h00. Suppliers should ensure that the tenders are delivered timeously to the correct address. Late tenders will not be accepted. Any additional information must be contained in a covering letter or submitted as supporting material.

No responses received by telegram, telex, facsimile or any other medium except as stated above will be accepted.

All envelopes must reflect return addresses of the service provider on the reverse side.

Suppliers should price on a buyer and seller's percentage commission basis only. Failure to do so will result in the disqualification of your tender. The percentage commission offered must be firm and fixed. Responses with the lowest percentage will be considered.

Except for advertising costs, all expenses and disbursements incurred by the supplier to render on-line auctioneering services for the disposal of redundant and obsolete assets provincially on behalf of

Gauteng Department of Infrastructure Development, including travel and accommodation must be covered by the percentage commission offered.

All marketing material must comply with the Consumer Protection Act, No 68 of 2008, Regulation 19(1-4) and 20(1-19).

The cost of advertisements must be charged against GDID and will be refunded to the supplier to the maximum amount determined by GDID in co-operation with the supplier. Only the actual cost of advertisements will be refunded on production of an invoice.

The size and format of advertisements and maximum amount, which the supplier may expend on advertising, will be determined by Department of Infrastructure Development in writing, in consultation with the supplier and the supplier will only be reimbursed up to that limit.

The supplier is required to consult GDID for approval of advertising budgets and formats for auctions.

All advertisements must be placed in English.

Advertisements must be placed timeously in order to afford all interested parties across the Republic of South Africa the opportunity to participate in the auction.

Draft copies of the proposed advertisements are to be submitted to GDID for written approval and publication is to be arranged in consultation with Department of Infrastructure Development.

Suppliers must provide proof of previous advertisements with their responses, preferably in color copy.

DISCLAIMER:

GDID is not committed to any course of action as a result of the issuance of this tender and/or receipt of tenders by suppliers in response thereof. In particular, GDID reserves the right:

To reject any tender which does not conform to instructions and specifications detailed herein.

Not to accept the lowest priced quoted.

To reject all tenders and not to make any award of the request for tender whatsoever.

Also note that any canvassing by suppliers regarding this request for tender will result in disqualification and can result in the termination of the request for tender at the sole discretion of GDID.

Under no circumstances shall Department of Infrastructure Development accept any responsibility whatsoever for any of the supplier's costs associated with the preparation and/or submission of its tender.

Adherence to Section 45 (1-6) of the Consumer Protection Act

Department of Infrastructure Development will only consider the appointment of suppliers who comply with the provisions of Section 45 (1-6) of the Consumer Protection Act (CPA) together with the Regulations thereof which states as follows:

45. Auctions

- (1) *In this section, "auction" includes a sale in execution of or pursuant to a court order, to the extent that the order contemplates that the sale is to be conducted by an auction.*
- (2) *When goods are put up for sale by auction in lots, each lot is, unless there is evidence to the contrary, regarded to be the subject of a separate transaction.*

- (3) *A sale by auction is complete when the auctioneer announces its completion by the fall of the hammer, or in any other customary manner, and until that announcement is made, a bid may be retracted.*
- (4) *Notice must be given in advance that a sale by auction is subject to:—*
(a) a reserved or upset price; or
(b) a right to bid by or on behalf of the owner or auctioneer, in which case the owner or auctioneer, or any one person on behalf of the owner or auctioneer, as the case may be, may bid at the auction.
- (5) *Unless notice is given in advance that a sale by auction is subject to a right to bid by or on behalf of the owner or auctioneer:—*
(a) the owner or auctioneer must not bid or employ any person to bid at the sale;
(b) the auctioneer must not knowingly accept any bid from a person contemplated in paragraph (a); and
(c) the consumer may approach a court to declare the transaction fraudulent, if this subsection has been violated.
- (6) *The Minister may prescribe requirements to be complied with by an auctioneer, or different categories of auctioneer, in respect of:—*
(a) the conduct of an auction;
(b) the records to be maintained with respect to property placed for auction; and
(c) the sale of any such property by auction.

TECHNICAL COMPETENCY

1. Suppliers must display professional skills to demonstrate that they have the technical capacity and capability to render on-line auctioneering services to the best advantage of Department of Infrastructure Development.

2. In particular, suppliers must complete the following information and return with the request for tender submission; accompanied by documentary proof for each factor:

- Provide details of the supplier's on-line auction methods, including disposal strategies, terms and conditions as well as minimum standards that are adhered to.
- Demonstrate ownership of an on-line auction system fully operational through the Internet capable of setting up conditions of sale, registering and accepting buyers (including obtaining, retaining and refunding participation deposits), with in-built securities to guarantee bidder confidentiality and prevent unauthorized access.
- Display the full catalogue of items/assets earmarked for disposal on-line, complete with lot numbers, detailed descriptions, photo galleries and other relevant information.
- Demonstrate how reserve prices are set, how the bidding process is conducted and regulated, how the system closes auctions, how invoices are issued to buyers, how payments are recovered from buyers and how items/assets are dispatched to buyers.
- Outline the supplier's marketing capabilities, including value-added innovative/creative auctioneering solutions and initiatives the supplier is capable of providing to Department of Infrastructure Development.
- Demonstrate track record of the supplier's on-line auctioneering services, complete with client references, including a contact name and telephone number and other details.

New Property Practitioners Act 22 of 2019 which came to effect in

1. The property practitioners act defines property practitioners as any person directly or indirectly sells or lease immovable properties and this includes but not limited to rental agents, sales agents, bond originators/consultants, managing agents who receives remuneration for managing immovable properties on behalf of the owner, auctioneers and property developers.
2. The act makes it mandatory for property practitioners to have a valid Fidelity Fund Certificate (FCC) and the FCC must be submitted to conveyancers when transferring sold immovable assets. Therefore, property practitioners are prohibited to render service without a valid FCC. Further to this, Property practitioners must open and keep a trust account.
3. In a case of a company (referred as Business property practitioner in the act), every Director and employee carrying out work of a property practitioner must have been issued with FCC. If any of the employees or one of the Directors have no FCC, the company is prohibited from rendering service. However, if a company has non-executive directors or employees that are not directly concerned with management and oversight of individual property practitioners may be exempted from this.
4. The act repeals the South African Estate Agency Affairs Board (EAAB). EAAB has been replaced with Property Practitioners Regulatory Authority. This means all property practitioners (including auctioneers) must be registered with the Property practitioners Regulatory Authority.
5. Property practitioners can be exempted from having Trust Account if their annual turnover is below 2,5 million rand. Records can be subjected to an independent review by a registered accountant rather than being audited by an auditor.
6. Organs of the State are obliged to utilize the services of property practitioners who comply with the BBBEE and employment equity legislations and policies.

PRICING

- Suppliers must price on a buyer and seller's percentage vat inclusive commission basis only. Failure to do so will result in the disqualification of your offer. The percentage commission offered must be firm and fixed.

SPECIAL CONDITIONS OF CONTRACT TO THIS PROCUREMENT

1. The bidder must submit a training plan for three years with this bid as part of returnable documents. The service provider is required to train or transfer skills to students from disadvantaged communities who are aspiring to enter the auctioneering industry as auctioneers.
2. Membership with professional bodies South African Professional Authority (SAPAA) or South African Auction Institution (SAIA) valid for the duration of the contract (3 Years).

Annexure A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions 1. The following terms shall be interpreted as indicated:

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

- 11.2 " 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 ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical

assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.

2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.

3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so, required by the purchaser.
- 6. Patent rights**
- 6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
- 7. Performance security**
- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
 - (b) a cashier's or certified cheque
- 7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.
- 8. Inspections, tests and analyses**
- 8.1 All pre-bidding testing will be for the account of the bidder.
- 8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements,

the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

- | | | |
|--------------------------------|------|---|
| 11. Insurance | 11.1 | The goods supplied under the contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery in the manner specified in the SCC. |
| 12. Transportation | 12.1 | Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC. |
| 13. Incidental Services | 13.1 | <p>The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ul style="list-style-type: none"> (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 | <p>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:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 them 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 fulfilment 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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
21. Delays in the supplier's performance	21.1	Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
	21.2	If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
	21.3	No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
	21.4	The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
	21.5	Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
	21.6	Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.
22. Penalties	22.1	Subject to GCC Clause 25, if the supplier fails to deliver any or

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

**23. Termination
for default**

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
 - (b) if the Supplier fails to perform any other obligation(s) under the contract; or
 - (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.
- 23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.
- 23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.
- 23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.
- 23.5 Any restriction imposed on any person by the Accounting Officer /Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

	25.2	If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the force majeure event.
26. Termination for insolvency	26.1	The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.
27. Settlement of Disputes	27.1	If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
	27.2	If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
	27.3	Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
	27.4	Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
	27.5	Notwithstanding any reference to mediation and/or court Proceedings herein, <ul style="list-style-type: none"> (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; <ul style="list-style-type: none"> (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 (NIP) Programme	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.

General Conditions of Contract (revised February 2008)