



social development

Department:
Social Development
NORTHERN CAPE
REPUBLIC OF SOUTH AFRICA

BID DOCUMENT CHECKLIST AND RETURNABLES

BID NC/SOC/007/2022: RENDERING OF TRAVEL AGENCY SERVICES TO THE DEPARTMENT OF SOCIAL DEVELOPMENT, NORTHERN CAPE PROVINCE, FOR A PERIOD OF 36 MONTHS.

Document Name	Bidder to Tick (v) [where applicable]	For Office Use (SCM)
Part A: Administrative Compliance Requirements		
Standard Bidding Document (NCP 1): Invitation to Bid		
NCP 2 Tax Clearance Requirements		
IMPORTANT NOTES: 1; 2 & 3: Bidder took note and understood requirements		
TERMS OF REFERENCE for rendering of travel agency services		
NCP 3 Pricing Schedule to be signed and witnessed by both witness		
NCP 4 Declaration of Interest (declare interest in other companies at 2.3)		
NCP 6.1 Preference Points claim form in term of the Preferential Procurement Regulations 2017 to be signed and witnessed by both witness		
Part B: Mandatory Documents Required (Evaluation Criteria)		
Registrar of Companies & Close Corporations/ Companies and Intellectual Property Registration Office (CIPC), previously known as CIPRO. The original date of certification of the copy may not be older than three (3) months on date of closure of bid. CIPC certificate is not relevant in the case were a bidder is a sole proprietor		
Bidders are required to submit the printed , valid Tax Clearance Certificate – Tender together with the tax compliance status PIN letter in order for the Department to view supplier's tax profile. <u>This letter together with the SARS eFiling tax compliance history printout must be submitted with the bid at the closing date and time.</u>		
Append an originally certified copy of the BBEEE certificate or sworn affidavit signed by the Exempted Micro Enterprise (EME) representative and attested by a Commissioner of Oath must be submitted at bid closing date and time. The original date of certification of the copy may not be older than three (3) months on date of closure of bid.		
Originally certified copy of shareholders/ members Identity Documents . The original certification date may not be older than three (3) months on date of closure of bid.		
Bidders are required to submit their Central Supplier Database (CSD) full report together with their bid documents in order for the Department to verify the supplier's / service providers' company details on CSD. <u>The date of the report must be the latest i.e. at least 5 days before bid closure.</u>		

Part C: Evaluation Criteria for Functionality		
Experience Three (3) years' experience in rendering travel agency services with verifiable / contactable references.		
Bidder shall submit their financial statements for 2019/2020 and 2020/2021 financial years, certified by a registered financial accountant as to determine whether the bidder has the financial capacity to render sustainable travel agency services		
Human Resource Capacity Demonstrate Human Resources capacity to render sustainable travel agency services. Submit proof of Company Profile with organisational structure.		
Membership with the travel association Original and valid proof that you are a registered travel agency as well as membership of IATA and/or ASATA. Original certified copy of certificate must be submitted. The original certification date may not be older than three (3) months on date of closure of bid		
Locality: Company Owner/ Majority Shareholder (Northern Cape) The owner / majority shareholder of the company must reside in the Northern Cape Province. Prove of domicile within the provincial boundaries of the Northern Cape must be provided in the form of municipal account		
Locality: Company office/site (Northern Cape) A fully functional and operating Office/ Site should be in the Northern Cape. Prove of domicile within the provincial boundaries of the Northern Cape must be provided in the form of municipal account and/or signed valid lease agreement must be provided.		

I, the undersigned (Bidder's full names & surname in print)

Confirm that all documents have been submitted on the day of bid closure

Signed at _____ on this _____ (day) of _____ (month) 2022

<p>Office Use: SCM official / Bid Committee Member</p> <p>I, the undersigned (full names & surname in print)</p> <p>_____</p> <p>Date: _____</p> <p>That all documents have been submitted on the day and time of bid closure</p>
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INVITATION TO BID

**YOU ARE HEREBY INVITED TO BID FOR THE RENDERING OF TRAVEL AGENCY SERVICES TO THE DEPARTMENT OF SOCIAL DEVELOPMENT,
FOR A PERIOD OF 36 MONTHS.**

BID NUMBER: **NC/SOC/007/2022**CLOSING DATE: **2022-09-09**CLOSING TIME: **11:00**VALIDITY PERIOD **120** DAYS

The PREFERRED bidder(s) will be required to enter into a service level agreement with the Department

BID DOCUMENTS MAY BE POSTED TO:

Private Bag X 5042, Kimberley, 8300**OR**DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS): **Latlhi Mabilo Complex, 257 Barkly Road, Homestead, Kimberley.****Bidders should ensure that bids are delivered timely to the correct address. If the bid is late, it will not be accepted for consideration.**

The bid box is open 24 hours a day, 7 days a week.

ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS – (MAY NOT TO BE RE-TYPED)

THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT

**THE FOLLOWING PARTICULARS MUST BE FURNISHED
(FAILURE TO DO SO SHALL RESULT IN YOUR BID BEING DISQUALIFIED)**

NAME OF BIDDER

POSTAL ADDRESS

STREET ADDRESS

TELEPHONE NUMBER CODE.....NUMBER.....

CELLPHONE NUMBER

FACSIMILE NUMBER CODE NUMBER.....

E-MAIL ADDRESS

VAT REGISTRATION NUMBER

HAS A VALID TAX COMPLIANCE STATUS PIN CERTIFICATE BEEN SUBMITTED? (Refer NCP 2) ☒ YES or ☐ NOHAS AN ORIGINALLY CERTIFIED COPY OF BIDDER'S B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE OR SWORN AFFIDAVIT BEEN SUBMITTED? (Refer NCP 6.1) ☒ YES or ☐ NOIF YES, WHO ISSUED THE B-BEE STATUS LEVEL VERIFICATION CERTIFICATE?AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)..... ☐A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS); OR..... ☐A REGISTERED AUDITOR ☐**[Tick Applicable Box]**



INVITATION TO BID

(AN ORIGINAL OR ORIGINALLY CERTIFIED COPY OF BIDDERS' B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE OR SWORN AFFIDAVIT MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE)

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED? [Applicable to Manufacturing only] ☐ **YES** or ☐ **NO**

IF YES, ENCLOSE PROOF – AN ORIGINALLY CERTIFIED COPY IS REQUIRED:

SIGNATURE OF BIDDER:

DATE:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

TOTAL BID PRICE: R

ENQUIRIES MAY BE DIRECTED TO:

Department: Social Development, Northern Cape Provincial Government

Contact Persons for bid documents: Ms Bonolo Seretsi / Nomsa Motube

Tel: 053 874 9203 / 9299

Fax: 053 871 2441

E-mail address: InternSCM1@ncpg.gov.za / InternSCM2@ncpg.gov.za

Contact Persons for technical specifications: Adelaide Wax / Kedi Flatela

Tel: 053 874 9215 / 9180

Fax: 086 225 7666 / 086 581 8668

E-mail address: awax@ncpg.gov.za / kflatela@ncpg.gov.za

PLEASE NOTE:

Corrections by correctional fluid are not allowed in a bid document. If correctional fluid is used it must be initialled to the correction. Failure to do so may result in such a bid being regarded as non-responsive.

If the correctional fluid is used to correct signatures, prices and descriptions it **shall** lead to a bid being regarded as non-responsive.



TAX CLEARANCE REQUIREMENTS

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the preferred bidder **must** be in order, or that satisfactory arrangements have been made with the South African Revenue Services (*SARS*) to meet his / her tax obligations (written evidence of arrangements must be submitted with bid documents at closing date and time).
2. From 18 April 2016, the South African Revenue Services (*SARS*) has introduced an enhanced electronic Tax Compliance Status (*TCS*) system which makes it easier for bidders to obtain a *TCS* Pin which can be used by authorised third parties to verify your compliance status online via *SARS* eFiling. In view of the above, a valid, printed tax compliance status Pin certificate **must** be submitted at closing date and time (bid document NCP 2 refers).
3. Bidders are required to submit the **printed**, valid Tax Compliance Status Pin Certificate in order for the Department to view supplier's tax profile. **This Certificate together with the SARS eFiling tax compliance history printout must be submitted with the bid at the closing date and time.**
4. Bidders are required to submit their **Central Supplier Database (CSD)** full report together with their bid documents in order for the Department to verify the supplier's tax status on *CSD*. **The date of the report must be the latest i.e. at least 5 days before bid closure.**
5. **The Department will reject any bid from a supplier who fails to provide written proof from *SARS* that the supplier either has no tax obligations or has made arrangements to meet outstanding tax obligations.**
6. In instances where Consortia / Joint Ventures / Sub-Contractors are involved, **each party** must submit a separate, printed valid Tax Compliance Status Pin Certificate as well as *CSD* full reports.



IMPORTANT NOTICE

NOTE 1



PLEASE NOTE THAT THIS BID CLOSING AT:

DEPARTMENT OF SOCIAL DEVELOPMENT,
LATLHI MABILO COMPLEX, 257 BARKLY ROAD, HOMESTEAD, KIMBERLEY.

TAKE NOTE:

BIDDERS THAT WISH TO MAKE USE OF SPEED- OR COURIER SERVICES MUST MARK
DELIVERY TO

REGISTRY, BLOCK F:
DEPARTMENT OF SOCIAL DEVELOPMENT,
257 BARKLY ROAD,
HOMESTEAD,
LATLHI MABILO COMPLEX
KIMBERLEY
8301

AND NOT TO

THE PRIVATE BAG

BIDDERS MUST ALSO CONTACT THE REGISTRY,
DEPARTMENT OF SOCIAL DEVELOPMENT
☎ 053 874 9100/9145/9200/9195/9194
STATING THE TRACKING NUMBER OF THE
BID DOCUMENTS IN ORDER TO VERIFY WHETHER BID DOCUMENTS WERE
DELIVERED.

BID DOCUMENTS DEPOSITED ANY WHERE ELSE WILL BE
REGARDED AND TREATED
AS LATE BIDS.



IMPORTANT NOTICE

NOTE 2



PLEASE NOTE THE FOLLOWING REGARDING BID DOCUMENTS NCP 4: BIDDER'S DISCLOSURE

- ❖ **SHOULD THE BIDDER BE INVOLVED IN A CONSORTIUM or JOINT VENTURE,
or SUB-CONTRACTING
EACH ENTITY MUST DECLARE ITS INTERESTS ON A SEPARATE NCP 4
*OTHERWISE THE BID SHALL BE INVALID.***
- ❖ **ATTACH AN ORIGINALLY CERTIFIED COPY OF ALL SHAREHOLDERS' IDENTITY DOCUMENTS –
ORIGINALLY CERTIFIED DATE MAY NOT BE OLDER THAN THREE (3) MONTHS ON CLOSING
DATE.**
- ❖ **AN ORIGINALLY CERTIFIED COPY OF THE LEGAL AGREEMENT BETWEEN ENTITIES/PARTIES
INVOLVED IN A CONSORTIUM or JOINT VENTURE
THAT INDICATES THE PERCENTAGE [%] OF SHARES HELD RESPECTIVELY,
MUST ALSO BE ATTACHED TO BID DOCUMENTS.**
- ❖ **SEPARATE VALID TAX COMPLIANCE STATUS PIN CERTIFICATE OF PARTIES
INVOLVED IN A CONSORTIUM or JOINT VENTURE or SUB-CONTRACTING MUST BE
ATTACHED TO BID DOCUMENTS.**
- ❖ **SEPARATE CENTRAL SUPPLIER DATABASE (CSD) FULL REPORT**
- ❖ **A TRUST, CONSORTIUM OR JOINT VENTURE OR SUB-CONTRACTING MUST SUBMIT
A CONSOLIDATED B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE FOR EVERY
SEPARATE BID.**

FAILURE TO COMPLY WITH THESE PREREQUISITES SHALL RENDER A BID INVALID.



IMPORTANT NOTICE

NOTE 3



PLEASE NOTE THAT:

1. **ALL PRICES OFFERED MUST INCLUDE VALUE ADDED TAX (VAT).**
2. **COPIES OF ANY DOCUMENTS e.g. IDENTITY or REGISTRATION WITH A PROFESSIONAL- or REGULATORY BODY MUST BE ORIGINALLY CERTIFIED. CERTIFICATION DATE MAY NOT BE OLDER THAN THREE (3) MONTHS ON DATE THAT BID CLOSES.**
3. **CORRECTION FLUID MAY NOT BE USED ON BID DOCUMENTS.
CORRECT ERRORS BY DELETING IT NEATLY, RE-WRITE CORRECT INFORMATION
&
INITIAL NEXT TO CORRECTION.**
4. **BID DOCUMENTS THAT HAVE TO BE WITNESSED, MUST BE WITNESSED
BY TWO (2) WITNESSES.**

FAILURE TO COMPLY WITH THESE PREREQUISITES SHALL RENDER A BID INVALID.



Department of Social Development
Northern Cape Provincial Government

Terms of Reference for rendering of travel agency services for a period of three (3) years i.e. 36 months

BID No. NC/SOC/007/2022

1 SCOPE

Travel agency services are required by the following offices in the Northern Cape Province:

- 1.1 Provincial Office, Kimberley (Latlhi Mabilo Complex).
- 1.2 Frances Baard District: Kimberley (N G Meyer Building).
- 1.3 Pixley Ka Seme District: De Aar.
- 1.4 John Taolo Gaetsewe District: Kuruman.
- 1.5 ZF Mgcawu District: Upington.
- 1.6 Namakwa District: Springbok.

2 Average travel and accommodation requirements per year

- 2.1 International flights: 03
- 2.2 Domestic flights: 20
- 2.3 Domestic accommodation: 5 865
- 2.4 Car rental / shuttle services: 30

3 It is a pre-requisite that bidders must have an established office in the Northern Cape Province at the time of closure of bid NC/SOC/007/2022. (Site verification and office operations will be conducted as part of bid requirements; the street address of offices must therefore be indicated on the price schedule, NCP 3).

4 Preference will be given to **flat rates** for a **period of one (1) year** i.e. the **first 12 months** of the contract - thereafter the preferred bidder(s) will be allowed an **annual price escalation of 5%**.

5 Append original and valid proof of registration as a travel agency at the time of closure of bid. Original certified copy of certificate must be submitted. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.

6 Submit original and valid proof of IATA and/or ASATA membership at the time of closure of bid. Original certified copy of certificate must be submitted. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.

7 The Department reserves the right to appoint more than one (1) preferred bidder i.e. an accredited travel agency.

8 The preferred bidder(s) must be available to process reservations, issue pro-forma invoices and accept orders during

8.1 Work days between 08:00 and 17:00.

8.2 Saturdays between 08:00 and 13:00.

8.3 An emergency service and number must be available if the need arises after hours, weekends, and public holidays.

9 General requirements for air and surface transportation

- 9.1 Checking the conformity to policy of the service provider (air flight company and accommodation service).
- 9.2 Perform fare checks on international bookings and advise the client.
- 9.3 Check and advise on fare reductions available.
- 9.4 Check and advise on restriction and conditions that may be applicable to fares.
- 9.5 Notification of cancellation of any travel and/or accommodation arrangements.
- 9.6 Visa / Passport requirements.
- 9.7 Travel insurance.



10 Financial Administration

- 10.1 Bidder shall submit their financial statements for 2019/2020 and 2020/2021 financial years, certified by a registered financial accountant as to determine whether the bidder has the financial capacity to render sustainable travel agency services.
- 10.2 Preferred bidder(s) shall be required to submit invoices and statements weekly to the Department.
- 10.3 Preferred bidder(s) liaison and the Department's representative shall be required to reconcile account on a weekly basis.

11 Comprehensive itineraries

- 11.1 Itineraries with all tickets.
- 11.2 Additional itineraries provided.

Where surface arrangements are of a complex nature.

11.3 Itinerary consists of the following:

- 11.3.1 Full flight schedule.
- 11.3.2 Contact number.
- 11.3.3 Hotel reservation details.
- 11.3.4 Seat assignments, where possible.
- 11.3.5 Emergency contact details.
- 11.3.6 Visa/ Passport requirements.
- 11.3.7 Terminal details.

12 Tickets ordered

- 12.1 Domestic flight – collect ticket on departure.
- 12.2 International flight – collect ticket 1 (one) week in advance.
- 12.3 E – ticket arrangements.
- 12.4 SMS/ Emails booking and tickets confirmation to the user.

13 Car hire/shuttle services

- 13.1 Car hire/shuttle services limits must be as per the Departmental policy.
- 13.2 The vehicle must be road worthy.
- 13.3 The vehicle category as per Departmental policy.
- 13.4 Chauffer services must be provided.
- 13.5 SMS/ Emails booking and reservation confirmation to the user.

14 Accommodation facilities

- 14.1 Properly graded accommodation in terms of Tourism and Grading Council South Africa.
- 14.2 Notification to a client for any accommodation cancellation.
- 14.3 Alternative accommodation on emergencies.
- 14.4 Detailed sms/email bookings confirmation, thus including location, room number and contact person.
- 14.5 Parking space facilities.
- 14.6 SMS/ Emails booking and reservation confirmation to the user.

15 Meals

- 15.1 Breakfast, lunch and supper limits must be as per the Departmental policy. Limits for meals as revised at the beginning of each financial year i.e. 01 April.



16 Additional needs / services

- 16.1 Security of the client.
- 16.2 VIP arrangements.
- 16.3 Luggage restrictions and arrangements.
- 16.4 Facilitate industry benefits.
- 16.5 Corporate Miles.
- 16.6 Membership card for client.
- 16.7 Parking facilities.
- 16.8 Professionalism.
- 16.9 Client reputation.
- 16.10 High standard of quality.
- 16.11 High standard of corporate ethics.
- 16.12 Proven industry network.

17 Penalties

Non-compliance with travel industry standards will result in the bidder being disqualified and/or contract being terminated.

18 Compliance with National Travel Framework and cost containment measures related to travel and subsistence allowances

The successful bidder(s) will be required to comply with the provisions contained in the National Travel Framework as well as the cost containment measures related to travel and subsistence allowances published by National Treasury in terms of Instruction Note 6 & 7 of 2022/2023.



Department of Social Development
Northern Cape Provincial Government

Evaluation Criteria for Functionality: Travel agency services

Scorecard: Bid No. NC/SOC/007/2022

NAME OF BIDDER: _____

CRITERIA	WEIGHT
Experience Three (3) years' experience in rendering travel agency services with verifiable / contactable references. A signed off letter from a referee on their company letterhead. The letter must indicate the contract period as well as contract value.	30
Financial Capacity Demonstrate capacity re Financial Resources to render sustainable travel agency services. Submit audited financial statements for 2 consecutive financial years, certified by a registered financial accountant i.e. 2019/2020 & 2020/2021.	20
Human Resource Capacity Demonstrate Human Resources capacity to render sustainable travel agency services. Submit proof of Company Profile with organisational structure.	10
Membership with the travel association Original and valid proof that you are a registered travel agency as well as membership of IATA and/or ASATA	10
Locality: Company Owner/ Majority Shareholder (Northern Cape) The owner / majority shareholder of the company must reside in the Northern Cape Province. Prove of domicile within the provincial boundaries of the Northern Cape must be provided in the form of municipal account and/or account of residential address must be provided. Visits will be conducted to verify physical address.	10
Locality: Company office/site (Northern Cape) A fully functional and operating Office/ Site should be in the Northern Cape. Prove of domicile within the provincial boundaries of the Northern Cape must be provided in the form of municipal account and/or signed valid lease agreement must be provided. Site visits will be conducted to verify physical address.	20
Total points	100

If 75% of functionality criteria are not met, a bid will not be considered for further evaluation.



Price Schedule

NOTE:

- ✓ **Rates must be inclusive of VAT.**
- ✓ Preference will be given to **flat rates** for a **period of one (1) year** i.e. the **first 12 months** of the contract - thereafter the preferred bidder(s) will be allowed an **annual price escalation of 5%.**
- ✓ The Department **reserves the right** to appoint **more than one (1) travel agency** for the rendering of travel agency services.
- ✓ It is a condition of bid that the **preferred bidder(s)** shall have an **established office** in the **Northern Cape Province** **at the time of submitting the bid.**
- ✓ **An inspection** will be conducted at bidders' offices – it is therefore **essential** to **indicate** the **street address** of the **office** in the **Northern Cape Province**, the name of a **contact person** and **contact details** i.e. **telephone, e-mail and facsimile.**

Name of Bidder:

Bid Number: NC/SOC/007/2022 for a period of 36 months.

Closing Date & Time: Friday, 09 September 2022 at 11:00.

Offer is to remain valid for **120 days** after official closing date.

Use only **black** ink to complete this NCP 3.

This NCP 3 must be fully completed – failure to adhere shall result in a non-responsive bid.

The following rate card must be completed by bidders.

Other rate cards in other formats will **not be accepted** – rate cards other than the one underneath will be regarded as **non-responsive.**

AIR TRAVEL		1 st Year Flat Rate (Incl. VAT)	Escalation by 13 th month (incl. VAT)		2 nd Year Flat Rate (Incl. VAT)	Escalation by 25 th month (incl. VAT)		3 rd Year Flat Rate (Incl. VAT)
			5%	R		5%	R	
1. AIR TICKETS – SERVICE FEES								
1.1	Domestic Air Tickets (Return) (service fee)							
1.2	International Air Tickets (Return) (service fee)							
1.3	Route Change (service fee)							
1.4	Amendment of Air Ticket (service fee)							
1.5	Cancellation of Air Ticket (service fee)							
1.6	After Hour Service (service fee)							



Price Schedule

2. ACCOMMODATION – SERVICE FEES								
2.1	Domestic Hotels / Guest Houses (service fee)							
2.2	International Hotels / Guest Houses (service fee)							
2.3	Penalty no-show (service fee)							
2.4	Penalty: relocating to alternative accommodation due to dissatisfaction with accommodation initially reserved (service fee).							
2.5	Cancellation Fee							
3. CAR HIRE – SERVICE FEES								
		1 st Year Flat Rate (Incl. VAT)	Escalation by 13 th month (incl. VAT)		2 nd Year Flat Rate (Incl. VAT)	Escalation by 25 th month (incl. VAT)		3 rd Year Flat Rate (Incl. VAT)
			5%	R		5%	R	
3.1	Domestic Car Hire (self-driven) (service fee)							
3.2	Cancellation Fee							
3.3	Upgrading after receipt of reserved vehicle (service fee)							
3.4	International Car Hire (self-driven) (service fee)							
3.5	Cancellation Fee							
3.6	Upgrading after receipt of reserved vehicle (service fee)							
3.7	Chauffer Driven Service (service fee)							
4. ADDITIONAL SERVICES OFFERED, BUT NOT REQUIRED – PLEASE LIST SUCH SERVICES & SERVICE FEES								
4.1								
4.2								
4.3								
4.4								



Price Schedule

4.5								
4.6								
4.7								
4.8								
4.9								
4.10								

- 4 The Department reserves the right to charge penalty fees if preferred bidders do not secure reservations after receipt of an official order.
- 5 Append original and valid proof of registration as a travel agency. Original certified copy of certificate must be submitted. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.
- 6 Submit originally certified and valid proof of IATA and/or ASATA membership. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.
- 7 Physical address of Office in the Northern Cape Province:
.....
.....
.....
- 8 Name of contact Person & Contact Details:
.....
Telephone Number:
e-mail address:
Facsimile Number:



Price Schedule

EVALUATION CRITERIA:

- 1 The preferred bidder may not submit variation orders afterwards – prices offered must be firm.
- 2 Bidders are required to submit the **printed**, valid Tax Compliance Status Pin Certificate in order for the Department to view supplier's tax profile. **This letter together with the SARS eFiling tax compliance history printout must be submitted with the bid at the closing date and time. [Refer to NCP 2]**
- 3 Append original and valid proof of **registration as a travel agency**. Original certified copy of certificate must be submitted. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.
- 4 Submit originally certified and valid proof of **IATA and/or ASATA membership**. The original certification date may not be older than three (3) months on date of closure of bid. Failure to submit shall invalidate your bid.
- 5 The Department reserves the right to charge penalty fees if works are not completed in the time period indicated by the bidder.
- 6 Append an originally certified copy of CIPC previously known as **CIPRO certificate**. The original certification date may not be older than three (3) months at date of closure of bid. A copy of the company registration certificate downloaded from CIPS website will suffice
- 7 Append an originally certified copy of the **BBBEE certificate or sworn affidavit** signed by the Exempted Micro Enterprise (EME) representative and attested by a Commissioner of Oath must be submitted at bid closing date and time. The original date of certification of the copy may not be older than three (3) months on date of closure of bid.
- 8 Bidders are to submit **originally certified copy of shareholders / members Identity Documents**. The original certification date may not be older than three (3) months on date of closure of bid.
- 9 Bidders are required to submit their detailed **Central Suppliers Database (CSD) registration report** (not the summary report) together with the bid document.
- 10 The Department intends to apply pre-qualification criteria for preferential procurement to advance certain designated groups in terms of section 2(1)(f) of the PPPFA and section 4 (1) (c) (v) of the revise regulation as follows:
 - * *The successful tenderer must subcontract a minimum of 30% of the value of the contract to an EME or QSE which is 51% owned by black people, black youth, black women, black people with disability, black people living in rural or underdeveloped areas or townships (All Districts in the Northern Cape Province). Only tenderers following within the specific tendering condition may respond. Should the bidder fall within the objective criteria, then sub-contracting will not be necessary.*
- 11 The Department reserves the right to award the contract to various bidders complying with bid specifications and scoring the highest points for price & B-BBEE.



Price Schedule

12 **CONFIRMATION OF PRICES**

I, the undersigned (full names & surname in print):

.....

Certify that the prices offered are firm and that I have read all directives on this price schedule, NCP 3.

SIGNED AT.....ON THIS..... DAY OF (month) 2022.

IN THE PRESENCE OF THE UNDER MENTIONED WITNESSES:

AS WITNESS

1.....
SIGNATURE: WITNESS

.....
WITNESS: PRINT NAME & SURNAME

2.....
SIGNATURE: WITNESS

.....
WITNESS: PRINT NAME & SURNAME

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

2.2.1 If so, furnish particulars:

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

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

2.3.1 If so, furnish particulars:

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

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

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.

NCP 4 (New revised 20220401)

- 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

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

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

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

1. GENERAL CONDITIONS

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

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

1.2

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included)

b) The **80/20** preference point system will be applicable to this tender.

1.3 Points for this bid shall be awarded for:

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

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

	POINTS
PRICE	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) **"price"** 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. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

4. POINTS AWARDED FOR PRICE

4.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20

or

90/10

$$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

or

$$Ps = 90 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

4.2 FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME-GENERATING PROCUREMENT

4.3 POINTS AWARDED FOR PRICE

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

80/20

or

90/10

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

or

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmax = Price of highest acceptable bid

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

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

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

Non-compliant contributor	0	0
---------------------------	---	---

6. BID DECLARATION

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

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

7.1 B-BBEE Status Level of Contributor: =(maximum of 10 or 20 points)

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

8. SUB-CONTRACTING

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

(Tick applicable box)

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

8.1.1 If yes, indicate:

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

(Tick applicable box)

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

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

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

9. DECLARATION WITH REGARD TO COMPANY/FIRM

9.1 Name of company/firm:.....

9.2 VAT registration number:.....

9.3 Company registration number:.....

9.4 TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

.....

.....

9.6 COMPANY CLASSIFICATION

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

[TICK APPLICABLE BOX]

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

9.8 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

.....

.....



NOTE:

The purpose of this document is to:

1. Draw special attention to certain general conditions applicable to all government bids, contracts, orders and
2. To ensure that customers are familiar with the rights and obligations of all parties involved in doing business with government.

In this document word in the singular also mean the plural and *vice versa*.

Words in the masculine also mean 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 will be compiled separately for each bid (if applicable) and will supplement the general conditions of contract (GCC).
- Whenever there is conflict the provisions in the SCC shall prevail.



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1 DEFINITIONS

The following terms shall be interpreted as indicated:

- 1.1 **"Closing time"** means the date and hour specified in the bid documents for the receipt of bids. In the Northern Cape Province, the closing hour will be 11:00 as per Post Office's official time.
- 1.2 **"Contract"** means the written agreement entered into by and between the purchaser (department) and the supplier/service provider (preferred bidder), 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/service provider 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 adjudication process or in contract execution.
- 1.5 **"Countervailing duties"** are imposed in cases where an enterprise abroad is subsidised by its government and encouraged to market its products internationally.
- 1.6 **"Country of origin"** means the place where minerals are mined, produce grown or goods produced or manufactured from where the services/goods are rendered or supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognised new product results that is substantially different in basic characteristics or pin purpose or utility from its components.
- 1.7 **"Day"** means a 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 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 markets its goods on own initiative in the Republic of South Africa (RSA) at lower prices than that of the country of origin. Such goods have the potential to harm local industries in the RSA.
- 1.12 **"Force majeure / Act of God/ nature"** means an event beyond the control of the supplier/service provider and not involving the suppliers'/service provider's fault or negligence and not foreseeable. Such events may include, but is not limited to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine and freight embargoes.
- 1.13 **"Fraudulent practice"** means a misinterpretation of facts in order to influence and acquisition 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 or non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 **"GCC"** mean the General Conditions of Contract.
- 1.15 **"Goods"** mean 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 bid price represented by the cost of components, parts of materials which have been or are still to be imported (whether by the supplier or his subcontracts) and which cost are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock duty, sales duty or other similar tax duty at the South African place of entry, as well as transportation and handling charges to the factory in the RSA where the supplies covered by the bide will be manufactured.



- 1.17 **"Local content"** means that portion of the bid price that 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, works, or the rendering of a service.
- 1.20 **"Project site"** where applicable, means the place indicated in bid documents.
- 1.21 **"Purchaser"** means the department purchasing the goods, works or services.
- 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 transport and other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, cleaning, garden, security, maintenance, laundry and other such obligations of the supplier/service provider covered under the contract.
- 1.25 **"Written or in writing"** means handwritten in black ink or any form of electronic or mechanical writing. Faxed bid documents will not be accepted, nor e-mailed bid documents, unless stated as such in the invitation to bid.

2 APPLICATION

- 2.1 These general conditions are applicable to all bids, contracts and order, 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 bid documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, works or services.
- 2.3 Where such special conditions of contract are in conflict with these general conditions of contract, the special conditions shall apply.

3 GENERAL

- 3.1 Unless otherwise indicated in the bid 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 bid and other documents may be charged.
- 3.2 With certain exceptions, invitations to bid are published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the government Printer, Private Bag X85, Pretoria 0001.

4 STANDARDS

Goods supplied, works or services rendered shall conform to the standards in the bid documents and specifications.

5 USE OF CONTRACT DOCUMENTS AND INFORMATION

- 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 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 person shall be made in confidence and shall extend only as far as may be deemed necessary for purchases of 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 all copies shall be submitted 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 supplier's performance and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6 PATENT RIGHTS

The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from the use of 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 preferred 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 obligation 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:
- 7.3.1 a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country, acceptable to the purchaser.
 - 7.3.2 a cashier's or credit 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 warranties obligations, unless otherwise specified in SCC.
- 7.5 The above excludes construction contracts, road repairs, civil- mechanical- and electrical works.

8 INSPECTIONS, TESTS AND ANALYSES

- 8.1 All pre-bid testing will be for the account of the bidder.
- 8.2 If it is a condition of the bid that supplies to be produced/services to be rendered should at any stage during production or execution or on completion, be subject to inspection. The premises of the bidder/contractor shall be open, at all reasonable hours for inspection by a representative of the department acting on behalf of the department.
- 8.3 If there are no inspection requirements indicated in the bid documents and no mention is made in the contract, but during the contract period it is deemed necessary that inspections shall be carried out, the purchaser shall make the necessary arrangements – including payment arrangements with the applicable testing authority.
- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 & 8.3 prove the supplies to be in accordance with the contract requirements, the purchaser shall defray the costs of the inspections, tests and analyses.
- 8.5 Where the supplies referred to in clauses 8.2 & 8.3 do not comply with the contract requirements, irrespective of whether such supplies are accepted or not, the supplier shall defray the costs of the inspections, tests and analyses.



- 8.6 Supplies referred to in clauses 8.2 & 8.3 that do not comply with the contract requirements shall be rejected.
- 8.7 Contracted supplies may on or after delivery be inspected, tested or analysed and may be rejected if found to be non-compliant with the requirements of the contract. Such rejected supplies shall be stored at the cost and risk of the supplier who shall, when called upon, remove it immediately at his own cost and forthwith substitute it with supplies that do comply with the requirements of contract. Upon failure by the supplier to remove rejected supplies, the purchaser shall return such rejected supplies at the supplier's cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier the opportunity to substitute the rejected supplies, purchase supplies meeting contract requirements elsewhere, as may be necessary at the expense of the supplier.
- 8.8 Provisions of clauses 8.4 & 8.7 shall not prejudice the right of the purchaser to cancel the contract, because of a breach of conditions thereof, or to act in terms of clause 23 of GCC.

9 PACKAGING

- 9.1 The supplier shall provide such packaging of goods as is required to prevent damage or deterioration during transit to the final destination, as indicated in the contract. The packaging shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packaging, 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 packaging, marking and documentation within and outside the packages shall comply strictly with special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC and in any subsequent instructions given by the purchaser.

10 DELIVERY AND DOCUMENTS

Delivery of the goods shall be made by the supplier in accordance with the items specified in contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.

11 INSURANCE

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 SCC.

12 TRANSPORTATION

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

13 INCIDENTAL SERVICES

The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

- 13.1 performance of supervision of on-site assembly and/or commissioning of goods supplied;
- 13.2 furnishing of tools required for assembly and/or maintenance of goods supplied;



- 13.3 furnishing of a detailed operations- and maintenance manual for each appropriate unit of goods supplied;
- 13.4 performance of supervision, maintenance and/or repair of the goods supplied for a period agreed upon by the parties, provided that this service shall not relieve the supplier of any warranty, obligations under this contract; and
- 13.5 training of the purchaser's personnel, at the supplier's plant and/or on-site, in the assembly, start-up, operation, maintenance and/or repair of goods supplied.

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 prevailing rates charged to other parties by the supplier for similar services.

14 SPARE PARTS

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

- 14.1 Such spare parts as the purchaser may elect to purchase from the supplier, provided that his election shall not relieve the supplier of any warranty obligations under the contract; and
- 14.2 In the event of termination of the spare parts:
 - 14.2.1 advance notification to the purchaser of the pending termination, insufficient time to permit the purchaser to acquire the required spare parts; and
 - 14.2.2 following such termination, furnish – at no cost to the purchaser- the blue prints, drawings and specifications of the spare parts, upon request of the purchaser.

15 WARRANTY

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, all recent improvements are incorporated in the design and material unless otherwise stipulated 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 based on the purchaser's specifications) of from any act or omission of the supplier, that may develop under normal use of the goods supplied 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 otherwise specified in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising in respect of such a 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 has been notified but fail to remedy the defect(s) within the period specified in SCC, the purchaser may take 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 effected 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 The purchaser shall effect payment expeditiously, but within thirty (30) days after receipt of a correct and original invoice.

16.4 Payment will be made in RSA currency i.e. Rand – unless otherwise stipulated in SCC.

17 PRICES

Prices charged by the supplier/service provider for goods delivered and/or services performed under the contract shall not vary from the prices offered by the supplier/service provider in the bid. The exceptions will be price adjustments authorised in SCC or in the event of extension of validity requested by the purchaser.

18 CONTRACT AMENDMENTS

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

The supplier/service provider 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

The supplier/service provider 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/service provider from any liability or obligation under the contract.

21 DELAYS IN THE SUPPLIER/SERVICE PROVIDER'S PERFORMANCE

21.1 Delivery of the goods and/or performance of services shall be made by the supplier/service provider in accordance with the time schedule prescribed in the contract.

21.2 If at any time during performance of the contract the supplier/service provider or its subcontractor(s) should encounter conditions impeding timely delivery of goods/services, the supplier/service provider shall promptly notify the purchaser in writing of the delay, the anticipated duration of the delay and its cause(s). Upon receipt of the supplier/service provider's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier/service provider's deadline for delivery of goods/services with or without penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall prohibit the acquisition of goods/services from a national department, provincial department or local authority.



- 21.4 The right is reserved to acquire outside of the contract small quantities or to have minor essential services executed in the event of an emergency, the supplier's point of supply/delivery is not situated at or near to the location/site where goods /services are required, or the supplier/service provider's services are not readily available.
- 21.5 Except as provided under GCC clause 25, a delay by the supplier /service provider in the performance of its delivery obligation shall render the supplier/service provider 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 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 quantity in substitution of goods not supplied/delivered as per the contract. Any goods delivered by the supplier at a later stage shall be returned to the supplier at the suppliers' expense and risk. Alternatively, the purchaser may cancel the contract and/or purchase goods required for completion of the contract. Without prejudice to its other rights, the purchaser shall be entitled to claim damages from the supplier.

22 PENALTIES

Subject to GCC clause 25, if the supplier/service provider fails to deliver any or all 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 for default sent the supplier/service provider, may terminate the contract in whole or in part:
- 23.1.1 if the supplier/service provider fails to deliver any or all goods or perform the services within the period specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC clause 21.2.
 - 23.1.2 if the supplier/service provider fails to perform on any obligations of the contract.
 - 23.1.3 if the supplier/service provider, in the opinion of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in the performing of the contract.
- 23.2 In the event that the purchaser terminates the contract in whole or in part, the purchaser may acquire, upon such terms and in such manner as it deems appropriate, goods, works, or services similar to those undelivered/not performed, the supplier/service provider shall be liable to the purchaser for any excess costs for such 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/service provider by prohibiting such supplier/service provider from doing business with the public sector for a period not exceeding ten (10) years.
- 23.4 If a purchaser intends imposing a restriction on a supplier/service provider, the latter 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/service provider fail



to respond within the fourteen (14) days the purchaser may regard the intended penalty as not objected and may impose it on the supplier/service provider.

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 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:

- 23.6.1 name and address of the supplies/service provider and/or person restricted by the purchaser;
- 23.6.2 date of commencement of the restriction;
- 23.6.3 period of restriction; and
- 23.6.4 reasons for the restriction.

These details will be loaded unto National Treasury's central database of suppliers/service providers and 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, 12 of 2004, the court may also rule that such a 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 (5) years and not more than ten (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 for Tender Defaulters may be viewed on National Treasury's website.

24 ANTI-DUMPING AND COUNTERVAILING DUTIES AND RIGHTS

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 rights is increased in respect of any dumped or subsidised import, the State is not liable for any amount so required or imposed, or 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 monies (if any) that may otherwise be due to the contractor with regard to supplies/services delivered or performed, or is to be delivered/performed in terms of the contract or any other amount which may be due to him.

25 FORCE MAJEURE / ACT OF GOD / NATURE

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



25.2 If a *force majeure* situation arises, the supplier/service provider shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier/service provider shall continue to perform its obligations under the contract as far as reasonably practical and shall seek all reasonable alternative means for performance not prevented by the *force majeure* event.

26 TERMINATION FOR INSOLVENCY

The purchaser may at any time terminate the contract by giving written notice to the supplier/service provider if the supplier/service provider becomes bankrupt or otherwise insolvent. In such an event, termination will be without compensation to the supplier/service provider, 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/service provider in connection with or arising from 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/service provider may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may commence 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 and procedures specified in SCC.

27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

27.5.1 the parties shall continue to perform their respective obligations under the contract unless they agree otherwise;

27.5.2 the purchaser shall pay the supplier/service provider all monies due to the supplier/service provider.

28 LIMITATION OF LIABILITY

28.1 Except in cases of criminal negligence, wilful misconduct or in the case of infringement pursuant to clause 6;

28.1.1 the supplier/service provider 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, loss of profits or interest costs, provided that the exclusion shall not apply to any obligation of the supplier/service provider to pay penalties and/or damages to the purchaser; and

28.1.2 the aggregate liability of the supplier/service provider to the purchaser, whether under 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

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

The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31 NOTICES

31.1 Every written acceptance of bid shall be posted to the preferred bidder by registered mail and any other notice shall be posted by ordinary mail to the address furnished in the 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 written acceptance of a bid has been issued shall be reckoned from the date of posting of such notice.

32 TAXES AND DUTIES

32.1 A foreign supplier/service provider 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/service provider shall be entirely responsible for all taxes, stamp duties; license fees and other such levies incurred until delivery/performance of the contracted goods/services 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 an original, valid tax clearance certificate submitted by the bidder. The tax clearance certificate – Tender – must be issued by the South African Revenue Services.

33 NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME

The National Industrial Participation Programme (NIP) administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation, i.e. exceeding the threshold of \$10 million (American Dollars).

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 a contractor(s), based on reasonable ground 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 a 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 claim damages from the bidder(s) or contractor(s) concerned.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PFMA SCM INSTRUCTION NO. 07 OF 2022/2023

**PUBLIC FINANCE MANAGEMENT ACT
(ACT 1 OF 1999)**

COST CONTAINMENT MEASURES RELATED TO TRAVEL AND SUBSISTENCE

TO ALL:

ACCOUNTING OFFICERS OF DEPARTMENTS
ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS
ACCOUNTING AUTHORITIES OF SCHEDULE 2 AND 3 PUBLIC ENTITIES
HEAD OFFICIALS OF PROVINCIAL TREASURIES

1. PURPOSE

- 1.1. The purpose of this National Treasury Instruction is to prescribe cost containment measures related to travel and subsistence to be implemented by accounting officers and accounting authorities.
- 1.2. This National Treasury Instruction must be read in conjunction with National Treasury Instruction 06 of 2022/2023 which prescribes the National Travel Framework (NTF) for further understanding and definitions.

2. SCOPE OF APPLICATION

- 2.1. This Treasury Instruction applies to all Travellers¹ travelling on Official Business.²
- 2.2. This Treasury Instruction applies to the staff of Ministries and the support staff³ of Traditional Leaders⁴ appointed by the relevant provincial department.
- 2.3. This Treasury Instruction does not apply to:
 - a) Members,⁵ as defined in the Guide for Members of the Executive;⁶
 - b) Traditional Leaders as defined in the Traditional Leadership Handbook;

¹ Traveller means a person travelling at the behest of the Institution on Official Business. Institutions may include other categories of Travellers, e.g. executives, other policy beneficiaries in line with applicable employment conditions (e.g. Institution bereavement, wellness and recruitment policies); Research collaboration support such as researchers and postgraduate students utilising shared research platforms; Non-executive members; appointed members of a Committee; appointed members of a Commission of Enquiry; persons appointed as advisors on grounds of policy considerations in terms of section 12A of the Public Service Act of 1994; interview candidates, invited guests, care attendants to a Traveller with a disability and other government employees where an employer-employee relationship exists as defined in the Labour Relations Act or similar, e.g. International Labour law (in the case of employees based in foreign countries) and other applicable legislation.

² Official Business in relation to this Instruction, means, travel and related costs associated with the authorised performance of the Institution's functions in terms of its mandate and strategic, operational and performance plans.

³ Personal secretaries (assistants), personal support staff, private office support staff, researchers, professional staff (technical advisers, economists, legal advisers, and drivers).

⁴ "Traditional Leader" means any king or queen, principal traditional leader, senior traditional leader, headman or headwoman who has been recognised in terms of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003) or any relevant provincial law.

⁵ "Member/s" means a Minister, Deputy Minister, Premier, Member of the Executive Council (MEC) and a Presiding Officer/Deputy Presiding Officer in Parliament or in a Provincial Legislature, except in cases where specific categories of the above members are mentioned as national or provincial members.

⁶ Guide for the Members of the Executive, (2019)

- c) The Chief Justice of South Africa, the Deputy Chief Justice and the other judges of the Constitutional Court;
- d) The President, Deputy President and other judges of the Supreme Court of Appeal;
- e) The Judge President, Deputy Judge President and other judges of each of the High Courts;
- f) Regional and district magistrates of the Magistrates' Courts;
- g) The judges of other courts established by an Act of Parliament; and
- h) Members of a Presidential Commission.

3. ENFORCEMENT OF THIS TREASURY INSTRUCTION

- 3.1. Section 38(1)(b) of the PFMA requires accounting officers of departments, trading entities or constitutional institutions to be responsible for the effective, efficient, economical and transparent use of their respective institutions' resources. Sections 38(1)(c)(iii) and 51(1)(b)(iii) of the PFMA also require accounting officers and accounting authorities to take effective and appropriate steps to manage the available working capital of their respective institutions efficiently and economically.
- 3.2. Accounting officers and accounting authorities are therefore required to implement control measures to ensure that all expenditure incurred by their respective institutions is necessary, appropriate and cost-effective. Accounting officers and accounting authorities are also required to ensure that all invoices related to amongst others travel related transactions are paid within 30 days from receipt of an invoice, unless otherwise agreed in a contract or other agreement with the supplier.
- 3.3. Accounting officers and accounting authorities are also responsible for ensuring that all employees in their respective institutions are mindful of the current economic realities of scarcity and intensify efforts to improve efficiency in expenditure and exercise oversight over supply chain management processes and procedures.

4. COMPLIANCE WITH COST CONTAINMENT MEASURES

Institutions must assist employees involved in the arrangement of travel to comply with the provisions of this Treasury Instruction to avoid possible irregular and fruitless and wasteful expenditure.

5. COST CONTAINMENT MEASURES

5.1 GENERAL PRINCIPLES

- 5.1.1 Institutions will allow the Travel Booker⁷ or the appointed Travel Management Company (TMC), to make travel arrangements on behalf of the Institution that is in line with the provisions of the Institution's Travel Policy and this Treasury Instruction.

⁷ Travel Booker: means the person coordinating travel reservations with the Travel Management Company consultant on behalf of the Traveller.

- 5.1.2 Travel Bookers, TMCs and Travellers must impartially consider the rates and fares available. Travel bookings must not be based on personal preferences for a particular travel service provider, access to lounges or the accumulation of reward and loyalty points.
- 5.1.3 Travel Bookers or the TMC must compare the best price of the day of various airline fares, accommodation establishment rates and car rental rates before confirming a booking, maintaining the principles of competitiveness and cost effectiveness in supporting the Institution's sustainability.
- 5.1.4 Institutions must make bookings:
 - a) utilising the government negotiated corporate rates and fares where applicable, e.g. discounted air fares with airlines;
 - b) utilising their institutional negotiated rates and fares;
 - c) where the TMC can obtain better rates or fares; or
 - d) for accommodation within the maximum allowable rates as prescribed by the National Treasury.
- 5.1.5 In cases where the trip includes both air and land arrangements, Travel Bookers or the TMC must select the mode and combination thereof that is the most cost-effective and practical, taking into account the total cost of the trip.
- 5.1.6 The double payment of expenses is prohibited, e.g. an official cannot claim for meal expenses if meals are already included in the accommodation and, or conference arrangements.
- 5.1.7 Accounting officers and accounting authorities must reduce an allowance where the Institution or another party or host are paying for the claimed expenses. The Institution must recover the over payment from the Traveller in accordance with applicable the prescripts.

5.2 EMPLOYEES TRAVELLING ON SAME ENGAGEMENTS

- 5.2.1 Accounting officers and accounting authorities must implement policies and procedures to restrict the number of officials and persons appointed on policy considerations⁸ travelling to the same event, conference, consultation or meeting to reasonable and necessary representation, including representations to Parliament or Provincial Legislatures.
- 5.2.2 Where more than one Traveller/official is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services in order to reduce the cost. This provision also applies to SMS officials using their own vehicle or MMS that has structured for a vehicle allowance.
- 5.2.3 The provisions of paragraphs 5.2.1 and 5.2.2 of this Treasury Instruction does not apply to:
 - a) Accounting officers (AO)/Directors-General or person holding equivalent ranks in departments;

⁸ Policy Advisors appointed in terms of section 12A of the Public Service Act, 1994.

- b) Deputy Directors-General or persons holding equivalent ranks in departments;⁹
- c) AO/Chief Executive Officer of constitutional institutions;
- d) Officials at the level of management that report directly to the AO of a constitutional institution;
- e) Members of the Board of a public entity (schedule 2 and 3 of the PFMA);
- f) The Chief Executive Officer or other person in charge of a public entity;
- g) Members of the executive committee that report directly to the Chief Executive Officer or to any other person in charge of a public entity;
- h) Non-executive members serving on any Governance Committee of Institutions;¹⁰ and
- i) Officials of departments, constitutional institutions and public entities performing official duties in Parliament or in a provincial legislature other than those referred to in paragraph 5.2.1 above.

5.3 AIR TRAVEL

5.3.1 National Treasury has negotiated with some domestic airlines for upfront discounted air fares for government employees travelling on official business. Copies of the agreements are available on request. Due to confidentiality clauses in the agreements, National Treasury cannot publish the discounts in the public domain.

5.3.2 Travel bookers must consider the following when selecting a fare for air travel:

- a) Fare class: all air travel must be booked using the best price of the day and in the class of travel permitted under this instruction.
- b) Fare type: the use of restricted fare types as follows:
 - i. where there is a high degree of certainty of arrival or departure times, Travellers, Travel Bookers and TMC must consider restricted fare types;
 - ii. where there is a possibility that a scheduled meeting will not proceed, or there is uncertainty around the time that a scheduled meeting may conclude, Travellers, Travel Bookers and TMC must consider whether the additional cost of flexible fares outweighs the cost of possible changes or cancellation fees.
- c) Value for money: Travellers, Travel Bookers and TMC must compare fare classes and types across airlines servicing the particular route required.
- d) Advance booking: in order to benefit from the available best price of the day, domestic travel should be booked at least seven days in advance, where possible. The most cost effective options are available when making travel bookings/reservations more than 14 days prior to departure.

⁹ This does not apply to persons holding other ranks/positions in departments but who are remunerated at salary levels 15.

¹⁰ These Governance Committees include audit, risk, social and ethics and remuneration committees.

International travel should be booked at least three weeks in advance, where possible.

5.3.3 Institutions must use the negotiated discounted rates. The agreements are **not exclusive** agreements and, before confirming a booking, Institutions must ensure that their appointed TMCs or Travel Booker, compare the discounted rates with all other airline rates that is servicing the specific route, including the low cost carriers.

5.3.4 In order to make full use of the corporate discounts, institutions must instruct their TMCs or Travel Bookers to book against the relevant deal codes¹¹ assigned to Government by the airlines.

5.3.5 Air Travel (including travel to neighbouring and regional countries) that are five hours or less (from origin airport to destination airport)

5.3.5.1 The standard of air travel for **Domestic air travel** of five hours or less must be in **economy class**, with consideration of **restricted fare types** as described in 5.3.2(b). Any exceptions to this rule must be approved by the AO/Accounting Authority (AA) or delegated official.

5.3.5.2 Business class is permitted in exceptional cases for trips less than five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.

5.3.5.3 Despite paragraphs 5.3.5.1 and 5.3.5.2, AO/AAs or delegated officials of Institutions may approve the purchase of business class tickets–

- a) for Travellers with disabilities;¹²
- b) for Travellers with special needs¹³ based on medical grounds;
- c) where the business class ticket is the same price or cheaper than the economy class ticket to the same destination.¹⁴

5.3.5.4 In cases where economy class flights are not available,¹⁵ Travel Bookers or TMC are not allowed to book business class unless approved by the AO/AA or delegated official, where it has been confirmed that the airline class was full and no other applicable flights are available.

5.3.6 International Air Travel exceeding five hours

5.3.6.1 International travel requires the approval of the most senior official or a duly delegated official of the Institution.

¹¹ The code that the Travel Management Companies must quote/insert when making the booking in order to benefit from the negotiated discounted fares. The Government Institution will not get the discount if the deal code is not used.

¹² Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair.

¹³ Special needs means a distinctly different need of a Traveller that requires the AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.

¹⁴ A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes.

¹⁵ A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes

- 5.3.6.2 The standard of air travel for international flights exceeding five hours shall be **economy class**, however, the AO/AA or delegated official may approve a higher class based on the merits of each request.
- 5.3.6.3 Business class is permitted for trips that exceed five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.
- 5.3.6.4 Business class tickets may only be purchased for the following persons, unless the person elects to fly economy class:
- a) Directors-General or persons holding equivalent ranks in departments;
 - b) Deputy Directors-General or persons holding equivalent ranks in a department;¹⁶
 - c) Persons appointed on grounds of policy considerations in terms of section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities);
 - d) AO/CEO of constitutional institutions;
 - e) Officials at the level of management that report directly to the AO of a constitutional institution;
 - f) Members of Boards of public entities (schedule 2 and 3 of the PFMA);
 - g) The CEO or other person in charge of the public entity;
 - h) Members of the executive committee that report directly to the CEO or to any other person in charge of the public entity; and
 - i) Non-executive members serving on any Governance Committee of an Institution.¹⁷
- 5.3.6.5 Despite paragraphs 5.3.6.2 to 5.3.6.4, the AO/AA or delegated official may approve the purchase of business class tickets–
- a) for Travellers with disabilities;¹⁸
 - b) for Travellers with special needs¹⁹ based on medical grounds;
 - c) where the business class ticket is the same price or cheaper than the economy class ticket to the same destination;²⁰
 - d) For a Traveller accompanying a person entitled to travel at a higher class if the traveller is required to maintain contact with that person for business purposes, e.g. travelling together to make a presentation shortly after arrival.
- 5.3.6.6 In cases where economy class flights are not available Travel Bookers or TMCs are not allowed to book business class unless approved by the AO/AA

¹⁶ This does not apply to persons holding other ranks/positions but who are remunerated at salary levels 14 or 15.

¹⁷ These Governance Committees include audit committees and risk management committees

¹⁸ Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair.

¹⁹ The term 'Special needs' means a distinctly different need of a Traveller that requires the AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.

²⁰ A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes.

or delegated official, where it has been confirmed that the airline class was full and no other applicable flights are available.

5.4 ACCOMMODATION

- 5.4.1 AA/AO must ensure that domestic accommodation expenditure does not exceed the maximum allowable rates set out in the Domestic Accommodation Rate Grid enclosed as **Annexure A** to this Treasury Instruction. National Treasury will review the rates as and when necessary.
- 5.4.2 Domestic overnight accommodation for travellers is limited to instances where—
- a) the distance travelled exceeds 300 kilometres on a return journey (150km each way) from the place of work to the destination;
 - b) the meeting/ conference/workshop is held over a number of days; or
 - c) the event finishes after hours.
- 5.4.3 When choosing domestic or international accommodation, the Travel Booker or TMC must choose the lowest rate available at suitable accommodation establishments within reasonable distance from place of duty. The Travel Booker will select the most appropriate star rating, based on what is allowed in this Instruction, business requirements and total cost of travel (typically, accommodation rates plus transportation costs).
- 5.4.4 Domestic accommodation selected must not exceed the maximum allowable rates as prescribed by National Treasury. Any exceptions to this rule must be approved by the AO/AA or delegated official.
- 5.4.5 The AO/AA or delegated official may only approve domestic accommodation costs that exceed the maximum allowable rates under the following circumstances:
- a) during peak holiday periods;²¹
 - b) when the demand is high and the accommodation establishments are sold out;
 - c) the accommodation that is still available is priced higher than the maximum allowable rates. In this case the Travel Booker will book the most reasonable option and retain a record of why the maximum was exceeded;
 - d) when officials are required to stay over in the accommodation establishment where the Official Business is conducted to avoid additional traveling cost; and
 - e) if there is an operational requirement.²²
- 5.4.6 Expense claims for meals may not be paid to the Traveller if meals are already included in the accommodation rate or conference fee.

²¹ Peak holiday period means a period during South African school holidays and public holidays as provided for in the South African calendar.

²² Example: VIP Protectors to stay in the same hotel as their VIP; Visiting Heads of State / Heads of Government; during major events such as WEF, SADC etc. where the hiring of an operational room in the hotel where the VIP's are accommodated is necessary. Furthermore is it sometimes an operational requirement for an entire delegation to stay in the same place of accommodation to reduce additional travelling cost.

- 5.4.7 Special dietary requirements must be considered when the most relevant accommodation option is booked. If the accommodation establishment does not cater for special dietary requirements, then a room excluding meals must be booked (bed-and-breakfast or room only). The Traveller may claim the actual expenditure for the Meals (not exceeding the maximum daily amount and must be accompanied by receipts as supporting evidence).
- 5.4.8 In cases where the accommodation establishment does not offer meal facilities, the Travel Booker or TMC must book the room only or bed-and-breakfast options. The Traveller may claim the actual expenditure for the meals (not exceeding the maximum daily amount and must be accompanied by receipts as supporting evidence).
- 5.4.9 Some accommodation establishments do not offer meal facilities and will provide meal vouchers in lieu of the meal which can be redeemed at facilities with which the establishment have made arrangements. The Traveller must not request or demand cash from an accommodation establishment in lieu of the meal cost included in the Institution's Travel Accommodation Voucher. Such action is misconduct and must be dealt with in terms of the Institution's Disciplinary Policy. In exceptional cases, where the accommodation establishment offers cash because there is no alternative, it may be accepted.

5.4.10 Domestic Accommodation

- 5.4.10.1 South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through amongst others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.
- 5.4.10.2 In order to promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in exceptional cases, the use of establishments which are not graded by the Grading Council may be permitted.
- 5.4.10.3 Institutions may enter into agreements, through the normal procurement process, with accommodation facilities to secure rates that are lower than the maximum allowable rates prescribed by National Treasury.
- 5.4.10.4 The maximum allowable rates are per star grading and type (room only, bed-and-breakfast or dinner-bed-and-breakfast) for domestic accommodation within which a Traveller is allowed to be accommodated in accordance with his or her organisational level or position within the Institution.
- 5.4.10.5 The standard class of domestic accommodation must be a **three-star** establishment or equivalent accommodation establishment, unless approved otherwise by the AO/AA or delegated official.
- 5.4.10.6 The following persons may stay in a **four-star** establishment or equivalent accommodation establishment, unless the person elects to stay in a lower graded establishment:

- a) AO/Director-General or persons holding equivalent ranks in departments;
- b) Deputy Directors-General or persons holding equivalent ranks in departments;
- c) Persons appointed on grounds of policy considerations in terms of Section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities);
- d) AO/CEO of constitutional institutions.
- e) Officials at the level of management that report directly to the AO of a constitutional institution;
- f) Members of the AA (Board) of public entities (schedule 2 and 3 of the PFMA);
- g) The CEO or other person in charge of a public entity;
- h) Members of the CEO's executive committee that report directly to the CEO or to any other person in charge of a public entity; or
- i) Non-executive members serving on any Governance Committee of Institutions.²³

5.4.10.7 Despite paragraphs 5.4.10.5 and 5.4.10.6 above, a higher star graded establishment may be booked (irrespective of the organisational level or position) under the following circumstances:²⁴

- a) Where the rate of the higher star graded establishment is equal or lower than the lower star graded establishment and within the limits of the maximum allowable rates permitted;
- b) the higher star graded establishment is the only available option due to location and availability;
- c) the institution has negotiated lower rates with the higher star graded establishment and the rates are within the limits of the maximum allowable rates permitted.
- d) in all cases the principle of cost-effectiveness must prevail. The lowest rate available at suitable accommodation establishments within reasonable distance from place of work. The Travel Booker will determine the most appropriate star rating, based on an assessment of government business requirements and total cost of travel (typically, accommodation rates plus transportation costs).

5.4.10.8 In exceptional cases the AO/AA or delegated official may approve a deviation from paragraphs 5.4.10.5 and 5.4.10.6 above with justifiable reasons and accurately recorded for audit purposes.

5.4.11 International Accommodation

5.4.11.1 International travel requires the approval of the most senior official or a duly delegated official of the Institution.

²³ These Governance Committees include audit, risk and remuneration committees.

²⁴ A Complete and accurate trail of such cases must be kept by the Institution for audit purposes.

- 5.4.11.2 The approval submission must comply with the requirements of the National Travel Policy Framework, with specific reference to the financial implications and be approved by the most senior official or a duly delegated official.

5.5 GROUND TRANSPORTATION

- 5.5.1 In cases where the Official Business trip includes both air and road travel, Travel Bookers or TMCs must select the mode and combination thereof that is the most cost-effective and practical, taking into account the total cost of the Official Business trip and time consumed.
- 5.5.2 Where more than one Traveller is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services in order to reduce the cost. This provision also applies to SMS officials using their own vehicle or MMS that has structured for a vehicle allowance.
- 5.5.3 Travellers may make use of public transport such as Uber, Gautrain, taxi, municipal bus services, etc. or shuttle services when travelling to and from the airport if it is safe and more cost effective than the cost of car rental and, or, the cost of parking and, or, kilometres claimed.
- 5.5.4 AOs/AAs are responsible for the cost-effective management of travel reimbursement and vehicle hire (car rental) expenses and for the adoption of policies and procedures to this effect.
- ### **5.5.5 Car Rental**
- 5.5.5.1 The Travel Booker or TMC must book a rental vehicle for the period that it is actually required for Official Business.
- 5.5.5.2 The Traveller must return the rental vehicle within the specified rental period or notify the Travel Booker or TMC to make additional arrangements with the Car Rental Company. If the Traveller fails to inform the Travel Booker or the TMC, where it was in his or her ability to do so, and additional charges are incurred, the Institution will settle the account, and if the Traveller is found liable, recover the amount from the Traveller.
- 5.5.5.3 If the Traveller needs to extend the rental period for Official Business purposes, the Traveller must obtain approval from the Authorising Official and the TMC will issue a Travel Voucher for the extended period.
- 5.5.5.4 The various Car Rental Companies use different groups and, or SIPP codes to categorise their vehicles. Please refer to **Annexure B** for the various Car Rental Companies' Group and SIPP code categorisation.
- 5.5.5.5 The default car types to be booked are vehicles categorised as **"Mini, Economy or Compact"** also known as **Group B**, subject to availability and cost effectiveness.
- 5.5.5.6 The following officials may hire a higher class vehicle (categorised as "Intermediate, Standard, Premium or Luxury"), unless the person elects to hire a "Mini, Economy or Compact" type of vehicle:

- a) AO/Director-General or persons holding equivalent ranks in departments;
 - b) AO and CEO of constitutional institutions;
 - c) Members of the Boards of public entities (schedule 2 and 3 of the PFMA); and
 - d) The CEO or other person in charge of a public entity.
- 5.5.5.7 Officials with a disability who require the use of an automatic vehicle or officials who have a restriction on their driver's license may hire a "Mini, Economy or Compact" type of vehicle with an automatic transmission. The hiring of an automatic vehicle for any other Traveller must be approved by the AO/AA or delegated official.
- 5.5.5.8 Despite paragraphs 5.5.5.5 to 5.5.5.7 above, AOs/AAs or delegated officials may approve the hiring of an "Intermediate, Standard, Premium or Luxury" type vehicle, minibus, bus (above 16 seater) or passenger van in instances where:
- a) three or more Travellers are travelling together;
 - b) the return journey to be travelled exceeds 400 kilometres to and from the destination (return journey);
 - c) the special needs²⁵ of a Traveller (based on medical grounds) are to be catered for;
 - d) extra luggage must be accommodated;
 - e) transportation of more than 16 passengers; or
 - f) transporting of foreign dignitaries.
- 5.5.5.9 A different class of vehicle (e.g. Intermediate or Standard sports utility vehicle or 4X4) may be hired if required for a particular terrain. Mountainous and gravel roads are considered difficult terrain and vehicles with higher ground clearance may be required.
- 5.5.5.10 A Traveller is permitted to accept a higher category of rental vehicle if such an upgrade is offered free of charge. A Traveller is, under no circumstances, allowed to demand such an upgrade.

5.6 ENGAGEMENT OF TRAVEL MANAGEMENT COMPANIES

- 5.6.1 The Institution may appoint one or more Travel Management Companies. This must be done in accordance with the applicable prescripts and instructions issued by National Treasury to effectively and efficiently manage the Institution's travel services.
- 5.6.2 The working relationship between the TMC and the Institution shall be regulated by a Service Level Agreement, which amongst others, shall require the TMC to:
- a) obtain the best possible travel arrangements with the most competitive option when making travel bookings. In doing so, the TMC must be mindful of cost and value for money and provide competitive rates and best prices; and

²⁵ The term 'Special needs' means a distinctly different need of a Traveller that requires AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.

- b) constantly provide feedback on bookings including any pertinent information regarding the Official Business trip to the Traveller, and resolutions of any concerns raised by Travellers on the services rendered by the TMC.
- 5.6.3 The Institution must manage the TMCs to deliver cost-effective and operationally efficient support in achieving the Institution's mandate.
- 5.6.4 All rates offered by TMCs to Institutions for domestic air and land arrangements must be net and non-commissionable.²⁶ This will include rates offered by domestic airlines, hotels, car rental companies and the informal accommodation market e.g. Guest Houses, Bed & Breakfast or similar establishments.
- 5.6.5 A transparent relationship between the Institution and the TMC must be maintained and any commissions earned through an Institution's volumes will be reimbursed to that Institution. Where it is found or suspected that commissions are earned by the TMC for a specific Institution's travel bookings, the Institution may demand that all these commissions be declared and reimbursed to the relevant Institution or set-off against the TMC fees to the credit of the Institution.
- 5.6.6 Institutions will only pay the transaction fees or management fees as agreed in the Service Level Agreement between the parties and the actual cost of the airline ticket, Accommodation, car hire or shuttle service.
- 5.6.7 In the absence of the contracted services of a Travel Management Company, Institutions must administer the procurement of travel related services via the prescribed procurement processes.
- 5.6.8 Only the services as approved and described on the Travel Voucher that correspond with the Travel Authorisation Form is for the account of the Institution and the TMC only invoices this to the Institution. The Institution may instruct the TMC to invoice all other unauthorised expenses separately to the Institution. The Institution must settle the account, and if the Traveller is found liable, recover the amount from the Traveller, subject to the applicable prescripts.
- 5.6.9 In the event of an After-Hours Reservation, the TMC must execute the request based on a verbal approval or approval via Short Message Service (SMS) or email from the Authorising Official. The Institution must present the Travel Authorisation Form or purchase order to the TMC within 72 hours after the request was executed by the TMC or where not practical, within 24 hours upon return to the place of work, to avoid irregular or fruitless and wasteful expenditure. The TMC must follow up with the Institution and upon failure by the Institution to submit the Travel Authorisation Form or purchase order, the TMC may proceed to invoice the transaction.

5.7 EXPENSE MANAGEMENT AND REIMBURSEMENT

- 5.7.1 Institutions must have a travel and subsistence policy (Institutional Travel Policy) in terms of which the Institution will pay employees who are required to spend at least one night away from their usual place of residence on local travel for business

²⁶ The net and non-commissionable rate means a rate that does not include any third party reward, i.e. a rate that is not marked up to include any commissions.

purposes, an allowance for each night away to cover personal expenses such as meals, refreshments and laundry.

- 5.7.2 Travel expenses must be properly documented and approved according to the Institutional Travel Policy and/or procedures. It is each Traveller's responsibility to adhere to these policies and/or procedures when involved with travel expenditure on behalf of the Institution. Further, it is the responsibility of the Authorising Official to be familiar with the reason for the expenditure and to be satisfied that they have been reported and claimed in a manner consistent with the Institution's policies and/or procedures.
- 5.7.3 The DPSA annually publishes a "Financial Manual for the Purposes of Calculation and Application of Allowances and Benefits" and issues Circulars indicating any adjustments of allowances and tariffs contained in the Financial Manual.
- 5.7.4 The PSCBC Resolution 3 of 1999 makes provision for various kinds of remunerative allowances and benefits related to travel.
- 5.7.5 Institutions to which the DPSA Financial Manual and the PSCBC Resolution 3 of 1999 do not apply must use the published South African Revenue Service (SARS) subsistence allowance and advance rates.
- 5.7.6 Institutions must familiarise themselves with these provisions and apply them accordingly.

5.8 REIMBURSABLE EXPENSES

The following expenses are reimbursable via the Institution's expense claim policy and/or procedures while on Official Business. Institutions may only reimburse costs on submission of proof of expenditure.

- a) parking costs at airports, hotels and conferences;
- b) toll fees (excluding SAPS and DOD who are exempt);
- c) laundry expenses;
- d) cost of meals (if not included in the Accommodation voucher);
- e) mileage on the use of private vehicle;
- f) use of business centres and communication at Accommodation Establishments or event facilities;
- g) business travel vaccination requirements;
- h) visas or expenses related to obtaining business visas or passports;
- i) excess luggage if it is for business purposes;
- j) loss as a result of exchange rate fluctuations;
- k) public transport expenses;
- l) refuelling of hired vehicles; or
- m) any other expense related to the Official Business trip on a case-by-case basis and approved by the Authorising Official.

5.9 NON-REIMBURSABLE EXPENSES

- 5.9.1 The following expenses may not be claimed:

- a) Tips or gratuities for waitering staff included in the bills for meals;
- b) room service or tray service;
- c) alcoholic beverages;
- d) consumable items taken from mini bars in an accommodation establishment;
- e) personal phone calls;
- f) private travelling;
- g) internet connectivity for private purposes at accommodation establishments, airports and other public places;
- h) overweight and, or over-limit baggage expenses, unless it is due to Official Business purposes;
- i) fees incurred to access the health club or fitness centres of accommodation establishments; and
- j) any other expenses not directly linked to official business.

5.10 KILOMETERS TRAVELLED

Institutional policies must make provision for the management of kilometres claimed when using a private vehicle for Official Business purposes. Specific focus should be given to the following areas:

- 5.10.1 Kilometers claimed. All claims must be based on the actual distance travelled calculated from the place of work to the destination.
- 5.10.2 Kilometer claim rate.²⁷ Traveller will be compensated for the official kilometres travelled, either according to the Tariffs for the Use of Motor Transport, as determined by the DoT or the SARS kilometre rates, whichever is applicable to the Institution.
- 5.10.3 Incorrect mileage and engine size: Where it is found or suspected that travellers are claiming incorrect mileage or incorrect engine size in an attempt to defraud government, the Institution may institute disciplinary actions and deduct the amount from the Traveller's salary, subject to applicable prescripts.

6. APPLICABILITY

This Treasury Instruction applies to all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA.

7. REPEAL OF NATIONAL TREASURY INSTRUCTION

National Treasury Instruction No. 4 of 2017/2018 on Cost Containment Measures related to Travel and Subsistence dated 25 May 2017 is hereby repealed.

²⁷ <https://www.sars.gov.za/AllDocs/OpsDocs/Guides/PAYE-GEN-01-G03%20-%20Guide%20for%20Employers%20in%20respect%20of%20Allowances%20-%20External%20Guide.pdf>

8. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

- 8.1 Accounting officers of departments and constitutional institutions must bring the contents of this Instruction to the attention of:
- a) Chief Financial Officers and supply chain management officials of their respective departments and constitutional institutions;
 - b) Accounting authorities of public entities reporting to their executive authorities.
- 8.2 Heads of provincial treasuries are requested to bring the contents of this Instruction to the attention of accounting officers, chief financial officers and supply chain management officials in their respective provincial departments.
- 8.3 Accounting authorities of Schedules 2 and 3 public entities must bring the contents of this Instruction to the attention of Chief Financial Officers and supply chain management officials of their respective public entities.

9. AUTHORITY FOR THIS INSTRUCTION

This Treasury Instruction is issued in terms of section 76(4)(b) and (c) of the of the Public Finance Management Act, 1999 (Act No. Act 1 of 1999).

10. EFFECTIVE DATE

This Treasury Instruction takes effect on 1 September 2022.

11. CONTACT INFORMATION

- 11.1 Accounting officers and accounting authorities of departments, constitutional institutions, public entities and government business enterprises may submit formal enquires in terms of this Treasury Instruction to:

The Chief Procurement Officer
National Treasury
Private Bag X115
PRETORIA
0001

For attention: The Chief Procurement Officer
cpo@treasury.gov.za

- 11.2 Queries related to this Treasury Instruction may be submitted to:

Phale Naake
Director: Strategic Procurement
012 315 5883
phale.naake@treasury.gov.za



MOLEFE ISAAC FANI
ACTING CHIEF PROCUREMENT OFFICER
DATE: 7 July 2022

ATTACHMENTS

- ANNEXURE A: MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACOMMODATION
AND MEALS**
- ANNEXURE B: CAR RENTAL GROUPS AND SIPP CODES**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ANNEXURE A:

MAXIMUM ALLOWABLE RATES FOR THE DOMESTIC ACCOMMODATION AND MEALS

1. GRADING AS A REQUIREMENT IN GOVERNMENT TO ONLY STAY IN GRAGED ACCOMMODATION ESTABLISHMENTS

- 1.1 South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through amongst others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.
- 1.2 In order to promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in instances where graded accommodation is not available, the use of establishments which are not graded by the Grading Council may be permitted.

2. MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACCOMMODATION

- 2.1 Table 1 indicates the maximum allowable rates per accommodation type and per star grading of the establishment that may be booked for Travellers on Official Business.
 - 2.1.1 **BAND 1:** This band is for a Room only and the price is inclusive of VAT and the Tourism Levy. The Band to be booked where a traveller only requires lodging and will be taking his/her meals elsewhere. Expenses for meals can be claimed within the maximum daily amount as indicated below.
 - 2.1.2 **BAND 2:** This band is for a room and includes breakfast as part of the rate. The price is inclusive for VAT and the Tourism Levy. The Band to be booked where a traveller requires lodging and will be taking his/her breakfast at the establishment. Only expenses for lunch and dinner can be claimed up to the maximum as indicated below.
 - 2.1.3 **BAND 3:** This band is for a room and includes breakfast and dinner as part of the rate. The price is inclusive for VAT, the Tourism Levy and two (2) soft drinks. The Band to be booked where a traveller requires lodging and will be taking his/her breakfast and dinner at the establishment. Only expenses for lunch can be claimed.

TABLE 1:

Vouchers Includes	Band 1	Band 2	Band 3
	Room Only Tourism Levy VAT	Room & Breakfast Tourism Levy VAT	Room, Breakfast & Dinner Tourism Levy VAT 2x non-alcoholic beverages at Dinner
Graded Hotel or Boutique Hotel			
1 Star	R630	R780	R1 000
2 Star	R980	R1 120	R1 350
3 Star	R1 190	R1 310	R1 530
4 Star	R1 360	R1 470	R1 700
5 Star	R2 280	R2 401	R2 740
Graded Bed & Breakfast, Country House or Guest House			
1 Star	R350	R530	R740
2 Star	R540	R710	R920
3 Star	R980	R1 150	R1 350
4 Star	R1 090	R1 260	R1 460
5 Star	R1 300	R1 480	R1 680
Graded Self-Catering			
	Band 1	Band 2	Band 3
1 Star	R630		
2 Star	R980		
3 Star	R1 190		
4 Star	R1 360		
5 Star	R1 570		
Maximum for Meals			
Breakfast	R 120		
Lunch	R 170		
Dinner	R 190		
Maximum	R 480		

Note: Expenses for parking is NOT included in Bands 1, 2 and 3 and may be claimed separately by travelers.

3. MAXIMUM ALLOWABLE RATES FOR MEAL EXPENSES

- 3.1 Institutions to only reimburse officials for meal expenses within the limits as set out in Table 2. Receipts of actual expenditure to be provided with the claim in all cases.
- 3.2 National Treasury will set these maximum allowable amounts and review it periodically.

TABLE 2:

Claims for Meal Expenditure			
Description	What does it imply if the expense type is selected?	Maximum Amount	
Breakfast and Lunch provided	– May claim for actual expenditure for Dinner expenses within the limits of the maximum amount.	R 190.00	= R480
Breakfast and Dinner provided	– May claim for actual expenditure for Lunch expenses within the limits of the maximum amount.	R 170.00	
Lunch and Dinner provided	– May claim for actual expenditure for Breakfast expenses within the limits of the maximum amount.	R 120.00	
Breakfast provided	– May claim for actual expenditure for lunch and dinner within the limits of the maximum amount.	R 360.00	=R170 + R190
Lunch provided	– May claim for actual expenditure for breakfast and dinner within the limits of the maximum amount.	R 310.00	=R120 + R190
Dinner provided	– May claim for actual expenditure for breakfast and lunch within the limits of the maximum amount.	R 290.00	=R120 + R170

3.3 Domestic Trips Longer than 24 Hours

- a) Expenditure on Meals and non-alcoholic liquid refreshments can be claimed in the following circumstances:

Breakfast

- If it is not included in the Accommodation arrangements; and, or,
- If the Traveller leaves his or her residence or Place of Work before 06h00.
- Up to the maximum as set out in Table 2.

Lunch

- Lunch may only be claimed if it is not provided by the host.
- Up to the maximum as set out in Table 2.

Dinner

- If it is not included in the Accommodation arrangements; and, or,
 - If the Traveller returns to his or her residence or Place of Work after 20h00.
 - Up to the maximum as set out in Table 2.
- b) Officials cannot claim expenses for meals if the rate of the Accommodation establishment already includes dinner and, or, breakfast or if the host provides lunch, or if the conference fee includes lunch and, or, dinner.
- c) When a Traveller stays in an accommodation establishment that does not provide for meals, or does not cater for special dietary requirements such as Halaal or Kosher, he or she may claim reasonable actual expenditure for meal expenses within the maximum daily amount set out in Table 2 . Supporting evidence is required as proof of actual expenditure.

2.1 Domestic Trips Less than 24 Hours

- a) When an Official Business trip is less than 24 hours, the official may claim expenses for meals and non-alcoholic liquid refreshments where meals are not provided by the host. Supporting evidence is required as proof of actual expenditure. Meal expenses may be claimed under the following conditions:
- i. Three (3) meals where the Official leaves his or her Place of Work or residence before 06h00 and only returns to his or her Place of Work or residence after 20h00, provided that the total cost of all three meals does not exceed the maximum daily amount as set out in Table 2 above;
 - ii. Any two (2) meals if the total duration of the trip is more than 8 hours but less than 14 hours, provided that the total cost of the two meals does not exceed the maximum amount as set out in Table 2 above.
 - iii. Any one meal if the total duration of the trip is more than 4 hours but less than 8 hours, provided that the total cost of the meal does not exceed the maximum daily amount as set out in Table 2 above.

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