



Custodian of Good Governance

**OFFICE OF THE PUBLIC SERVICE COMMISSION  
REPUBLIC OF SOUTH AFRICA**

National Office: Private Bag X121, Pretoria, 0001, Tel: (012) 352 1000, Fax: (012) 325 8382  
Public Service Commission House, Office Park Block B, 536 Francis Baard Street, Arcadia, 0083

Enquiries: Mr. S Ngcobo

[sphamandlan@opsc.gov.za](mailto:sphamandlan@opsc.gov.za)

(012) 352 1036

**OPSC 002/24**

**REQUEST FOR PROPOSAL FOR THE APPOINTMENT OF A SUITABLE  
INDEPENDENT INTERNAL AUDIT SERVICE PROVIDER THAT CAN PROVIDE AND  
MAINTAIN AN INTERNAL AUDIT SERVICE TO THE PUBLIC SERVICE  
COMMISSION (PSC) AND THE AUDIT COMMITTEE FOR A PERIOD OF 3 YEARS**

**REQUIRED BY: OFFICE OF THE PUBLIC SERVICE COMMISSION**

1. Kindly furnish us with a proposal for the above-mentioned services.
2. **The General Contract Conditions (GCC), as well as the SBD1, SBD 3.3, SBD4 and SBD6.1 are attached for full completion thereof.**
3. These forms must be returned with your bid. Each bid document must be submitted in an envelope together with the required documents stipulating the following information: **Name and Address of the Bidder, Bid Number and closing Date of Bid.**
4. No briefing session is scheduled.
5. The bid should be mailed to The Director-General, Office of the Public Service Commission, Private Bag X121, PRETORIA, 0001, **Attention: Director: Supply Chain Management**, to reach the destination no later than the closing date and time, alternatively must be deposited in the bid box at: Public Service Commission House, Office Park Block B, 536 Francis Baard Street, Arcadia Pretoria 0002, no later than the closing date and time (i.e. **23 January 2025 at 11h00**).

**SUPPLY CHAIN MANAGEMENT**

**DATE: 29 NOVEMBER 2024**



**PROVINCIAL OFFICES:**

**Free State** T: (051) 448 8696 F: (051) 448 4135 **Eastern Cape** T: (043) 643 4704 F: (043) 642 1371 **KwaZulu-Natal** T: (033) 345 9998 F: (033) 345 8505  
**Gauteng** T: (011) 833 5721 F: (011) 834 1200 **Northern Cape** T: (053) 832 6222 F: (053) 832 6225 **Mpumalanga** T: (013) 755 4070 F: (013) 752 5814  
**North West** T: (018) 384 1000 F: (018) 384 1012 **Western Cape** T: (021) 421 3980 F: (021) 421 4060 **Limpopo** T: (015) 291 4783 F: (015) 291 4683

**PARLIAMENTARY OFFICE** T: (021) 418 4940 F: (021) 418 1362

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE OFFICE OF THE PUBLIC SERVICE COMMISSION</b>					
BID NUMBER:	OPSC 002/24	CLOSING DATE:	23 JANUARY 2025	CLOSING TIME:	11:00
DESCRIPTION	THE APPOINTMENT OF A SUITABLE INDEPENDENT INTERNAL AUDIT SERVICE PROVIDER THAT CAN PROVIDE AND MAINTAIN AN INTERNAL AUDIT SERVICE TO THE PUBLIC SERVICE COMMISSION (PSC) AND THE AUDIT COMMITTEE FOR A PERIOD OF THREE (3) YEARS				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
PUBLIC SERVICE COMMISSION HOUSE					
OFFICE PARK BLOCK B					
536 FRANCIS BAARD STREET					
ARCADIA,0083					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	SPHAMANDLA NGCOBO		CONTACT PERSON	EUTYCHUS SEBATI	
TELEPHONE NUMBER	012 352 1036		TELEPHONE NUMBER	012 352 1166	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	SPHAMANDLAN@OPSC.GOV.ZA		E-MAIL ADDRESS	EUTYCHUSS@OPSC.GOV.ZA	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

## PART B

### TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .
2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER: .....

CAPACITY UNDER WHICH THIS BID IS SIGNED: .....  
(Proof of authority must be submitted e.g. company resolution)

DATE: .....

**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: ..... BID NO.: OPSC 002/24.....

CLOSING TIME 11:00

CLOSING DATE: 23 JANUARY 2025...

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)	
1.	The accompanying information must be used for the formulation of proposals.		
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.	R.....	
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	.....	R.....	..... days
	.....	R.....	..... days
	.....	R.....	..... days
	.....	R.....	..... days
5.1	Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.		
	DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY AMOUNT
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
	TOTAL: R.....		

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

Name of Bidder: .....

- 5.2 Other expenses, for example accommodation (specify, eg. Three star hotel, bed and breakfast, telephone cost, reproduction cost, etc.). On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY	AMOUNT
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
.....	.....	.....	R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid .....  
 7. Estimated man-days for completion of project .....  
 8. Are the rates quoted firm for the full period of contract? \*YES/NO  
 9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index. ....  
 .....  
 .....  
 .....

\*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

OFFICE OF THE PUBLIC SERVICE COMMISSION  
 Office Park Block B  
 536 Francis Baard Street  
 Arcadia  
 0083

**Technical Enquiries:**Mr. Eutychus Sebati, Deputy Director: Financial Management, email: [eutychusebati@opsc.gov.za](mailto:eutychusebati@opsc.gov.za)

Tel No. (012) 352 1166

**Bid Enquiries:**Mr Sphamandla Ngcobo, Deputy Director: Supply Chain Management, email: [SphamandlaN@opsc.gov.za](mailto:SphamandlaN@opsc.gov.za)

Tel No. (012) 352 1036

## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

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

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

Full Name	Identity Number	Name of institution	State

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

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

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

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

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

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

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

institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.

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

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

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

.....	.....
Signature	Date
.....	.....
Position	Name of bidder



## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to RFQ's and tender:

- 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 To be completed by the organ of state

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

1.3 Points for this tender (even in the case of a tender for income-generating contracts) shall be awarded for:

- (a) Price; and
- (b) Specific Goals.

### 1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

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

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

$$\begin{array}{ccc}
 \text{80/20} & \text{or} & \text{90/10} \\
 \\
 P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right) & \text{or} & P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right)
 \end{array}$$

Where

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

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

#### 3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) & \text{or} & Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) \end{array}$$

Where

- Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

#### 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system;
- then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

*(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)*

*Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)*

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
Black Owned	8 points	
Women	6 points	
People with Disability –	3 points	
Youth	3 points	

Refer to the attached Guideline (Page 6 of 6) on how to claim points for the above specific allocated goals.<sup>1</sup>

#### DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company
- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as

<sup>1</sup> For points claimed by the bidder, the required certified proof must be submitted together with SBD 6.1. Failure to submit **certified proof** will result in the claimed points not allocated to the bidder

indicated in paragraph 1 of this form;

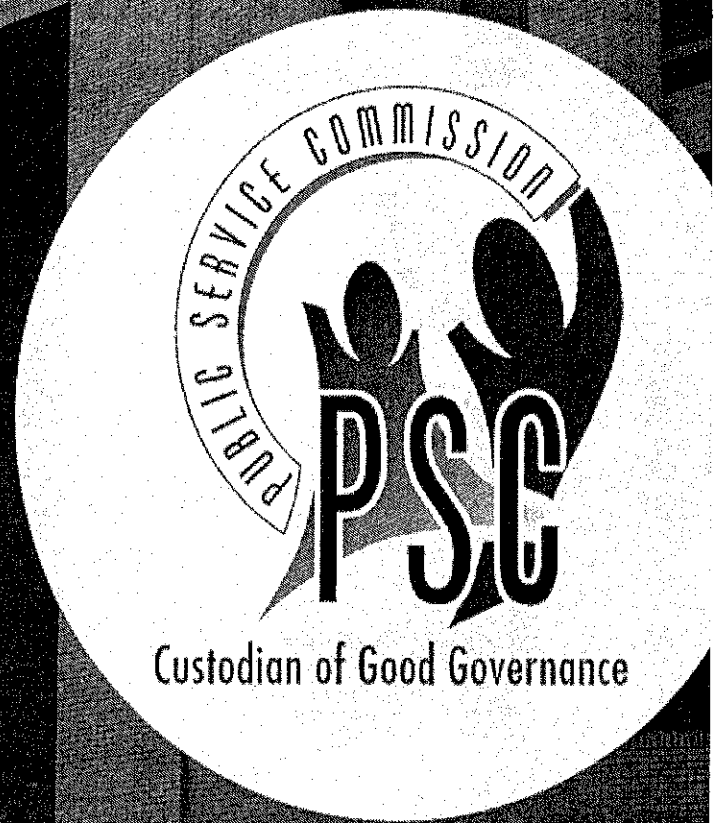
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering 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 tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
  - (e) forward the matter for criminal prosecution, if deemed necessary.

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	.....
DATE:	.....
ADDRESS:	.....
	.....
	.....
	.....
	.....

## SPECIFIC GOALS AND POINTS ALLOCATION



GOAL	Points out of 20 (80/20)	Certified Required Proof	Points Claimed	Proof Attached Yes / No
<b>Black Owned</b>	Max = 8 Points	B-BBEE status level issued by an authorised body or person; or a Sworn Affidavit as prescribed by the B-BBEE Codes of Good Practice		
EME/QSE/Generic 100% owned	8 Points			
EME/QSE/Generic => 51% owned	6 Points			
EME/QSE/Generic < 51% owned	3 Points			
<b>Women Owned</b>	Max = 6 Points	B-BBEE status level issued by an authorised body or person; or a Sworn Affidavit as prescribed by the B-BBEE Codes of Good Practice		
EME/QSE/Generic 100% owned	6 Points			
EME/QSE/Generic => 51% owned	4 Points			
EME/QSE/Generic < 51% owned	2 Points			
<b>Youth</b>	Max = 3 Points	B-BBEE status level issued by an authorised body or person; or a Sworn Affidavit as prescribed by the B-BBEE Codes of Good Practice		
EME/QSE/Generic 100% owned	3 Points			
EME/QSE/Generic => 51% owned	2 Points			
EME/QSE/Generic < 51% owned	1 Point			
<b>People with Disability</b>	Max = 3 Points	B-BBEE status level issued by an authorised body or person; or a Sworn Affidavit as prescribed by the B-BBEE Codes of Good Practice		
EME/QSE/Generic 100% owned	3 Points			
EME/QSE/Generic => 51% owned	2 Points			
EME/QSE/Generic < 51% owned	1 Point			
		To claim points on disability the person / bidder needs to provide proof of disability (medical report, letter from authorised body or person before points can be claimed in this category)		



**THE APPOINTMENT OF A SUITABLE INDEPENDENT  
INTERNAL AUDIT SERVICE PROVIDER THAT CAN  
PROVIDE AND MAINTAIN AN INTERNAL AUDIT SERVICE  
TO THE PUBLIC SERVICE COMMISSION (PSC) AND THE  
AUDIT COMMITTEE FOR A PERIOD OF THREE (3) YEARS**

## **1. OBJECTIVE**

- 1.1 The objective of this bid is to invite and appoint a suitable independent Internal Audit Service Provider that can provide and maintain an Internal Audit service to the Public Service Commission (PSC) and the Audit Committee.

## **2. VISION OF THE PSC**

- 2.1 An impartial and innovative champion of public administration excellence in South Africa.

## **3. MISSION**

- 3.1 To actively promote the constitutional values and principles as well as service excellence in public administration practices which result in a capable, ethical, innovative, and developmental state.

## **4. CONSTITUTIONAL MANDATE**

- 4.1 The PSC is an independent institution established in terms of Chapter 10 of the Constitution. It derives its mandate from sections 195 and 196 of the Constitution, 1996<sup>1</sup>, which set out the values and principles governing public administration, which it promotes, amongst the other functions it does.<sup>1</sup>

## **5. ROLE OF INTERNAL AUDIT**

- 5.1 Internal Audit is an independent, objective assurance and consulting activity, designed to add value and improve the operational functioning of the Public Service Commission (PSC).

## **6. OBJECTIVES OF INTERNAL AUDIT**

- 6.1 Its objectives are to:

- (i) ensure a systematic and disciplined approach to evaluate and improve the effectiveness and efficiency of risk management and governance processes within the PSC;
- (ii) ensure compliance with the Public Finance Management Act and Treasury Regulations; and
- (iii) assess, evaluate and improve the effectiveness and efficiency of control measures within the PSC.

## **7. ORGANISATIONAL STATUS OF INTERNAL AUDIT**

- 7.1 The Internal Audit function falls under the administration of the Director-General and functionally under the oversight of the Audit Committee of the PSC. The Internal Audit will be responsible for the following:

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<sup>1</sup> The Constitution of the Republic of South Africa, 1996 (promulgated by Proclamation No. 108 of 1996).



- 7.1.1 the independence of the internal audits;
- 7.2.2 broad oversight in respect of audits;
- 7.3.3 considering of audit report; and
- 7.4.4 monitoring the implementation of audit recommendations.

## **8. SCOPE OF INTERNAL AUDIT WORK**

- 8.1 To perform and fulfil all the internal audit functions, including corporate governance matters as prescribed in the Public Finance Management Act, and Treasury Regulations.
- 8.2 To conduct risk-based audit assessments as per the standards and guidelines set out by the South African Institute of Internal Auditors.
- 8.3 To evaluate the effectiveness of risk management and corporate governance systems against the international standards and provide advice where necessary.
- 8.4 To review and update the Internal Audit and the Audit Committee Charters.
- 8.5 To liaise with Auditor-General South Africa to ensure alignment of the audit work to be performed.
- 8.6 To develop and cost a three-year rolling audit plan and an annual audit plan.
- 8.7 To report the results of all audit assignment conducted to the management, Audit Committee and the Public Service Commission.
- 8.8 To perform any other audit assignment as requested by the management and the Public Service Commission.
- 8.9 To perform any other audit assignment as directed by the Audit Committee in consultation with management.

## **9. SPECIFIC SKILLS REQUIRED**

- 9.1 The bidders should display extensive knowledge and understanding of the following Government practices/ prescripts/ regulations:
  - finance and supply chain management;
  - risk management;
  - performance information;
  - positive track record in leading in-house internal audits;
  - positive track record in implementing outsourced/ co-sourced internal audit;
  - information systems; and
  - forensic investigations;

## **10. FEES AND PAYMENT**

- 10.1 Bidders must take note of the prescribed rates as set out by Auditor-General South Africa (AGSA) and must use such rates as a guideline and exceeding the rates as prescribed by the AGSA, will result in the bid being disqualified.

## **11. CONTENT OF BID PROPOSAL**

- 11.1 The bid proposal should include the following:
  - **Proposed methodology statement and approach to conduct this project addressing the following areas:**
    - Detail on what activities will need to be carried out to achieve the responsibilities of Internal Audit;
    - Risk assessment methodology to be used to develop plans;

- Identifying possible challenges that may deter delivery and how these could be addressed;
  - Indicate the process to be followed should there be a request to conduct special assignments and investigations into any matter or activity affecting the probity, interest and operating efficiency of the Public Service Commission;
  - Demonstrate an in-depth understanding in risk based audits, focus should be put also on value add activities;
  - Demonstrate how you will assist the Public Service Commission in developing and implementing an effective combined assurance model;
  - Description of ways to bring innovation, best practice to the function to assist in enhancing performance and ensuring continuous improvement, influence and value add to the Public Service Commission.
- **Qualifications and experience of team members**
    - Detailed Curriculum vitae (CVs) of the audit team members and the manager who will be responsible for managing the internal audits for the duration of the contract should be attached;
    - Detailed CV of the person who will be signing the audit plan and reports should also be attached.
- **Membership of Professional Association**
    - The team members of the bidder must be registered with the Internal Institute of Auditors (IIASA) and/or South African Institute of Chartered Accountants (SAICA)/ Independent Regulatory Board of Auditors (IRBA);
    - Proof of annual subscription to the Professional Practices Framework of the IIASA must be provided.
- **Experience in providing Internal Audit Services in the Public Sector**
    - Advanced understanding of and sufficient exposure to the Public Finance Management Act (PFMA) of 1999 and Treasury Regulations;
    - Experience in the auditing of public entities, with at least three references including current and/ or previous clients. Copies of appointment letters should be attached;
    - Reference should state the size of audits and the size of client base;
    - Demonstrate ability to carry out specialised audits including capacity to operate in any area within the country;
    - Demonstration of the firm's substantial internal audit experience;
    - Specialised skills, expertise and value-added services in the field of internal audit with an emphasis on best practice methodology, tools and technology used;
    - Availability of forensic audit skills and tools;
    - Availability of risk management skills and tools;
    - Availability of information systems audit skills and tools; and
    - Specialised skills, expertise and value-added service.
- **Ability to provide the services and adequate institutional support**
    - Summary of the bidder's profile, mission and vision statement, values and long term strategies and objectives;
    - Shareholding and management structure (organogram);
    - Employment Equity Policy;
    - Years in business;
    - Turnover fees for the past three years; and
    - Professional staff complement.

- **Costed activity plan**
- A detailed costed activity plan (Audit Plan) per year over the three year period

### **13. COMMENCEMENT AND DURATION OF CONTRACT**

- 13.1 The contract shall commence from the date of appointment and shall be valid for a period of three (3) years.

### **14. AVAILABILITY AND ACCESSIBILITY**

- 14.1 Although the bidder might not be provided with office space at the PSC, it remains a requirement that the service provider be readily accessible during normal working hours (08h00 to 17h00) at all times. The operational requirements of the PSC might necessitate that the service provider be contacted after normal working hours. Given the above, the bidder will be required to appoint a senior member of its staff who will be able to facilitate the provisioning of any information to the management of the PSC.
- 14.2 The successful bidder will have unlimited access to all the necessary information of the PSC within its normal working hours (08h00 to 17h00).

### **15. LEGISLATIVE AND REGULATORY FRAMEWORK**

- 15.1 This bid and all contracts emanating there will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

### **16. TAX LEGISLATION**

- 16.1 Bidders must be compliant when submitting a proposal to the PSC and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991). It is a condition of this bid, that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Services (SARS) to meet the bidder's tax obligations. The tax compliance status requirements are also applicable to foreign bidders/ individuals who wish to submit bids.
- 16.2 It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.
- 16.3 Bidders are required to be registered on the Central Supplier Database (CSD) and the National Treasury shall verify the bidder's tax compliance status through the CSD.
- 16.4 Where Consortia/ Joint Ventures/ Sub-contractors are involved, each party must be registered on the CSD and their tax compliance status will be verified through the CSD.

## **17. PROCUREMENT LEGISLATION**

- 17.1 The PSC has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003).

## **18. VALUE ADDED TAX**

- 18.1 All bid prices must be inclusive of 15% Value Added Tax (VAT). Failure to comply with this condition may invalidate the bid.

## **19. SUBMISSION OF BIDS**

- 19.1 Bidders must submit in hard copy format (paper document) which is inclusive of one (1) original document and four (4) copies of the original document to the PSC on or before the closing date and time. The hard copy of the bid will serve as the legal bid document. Each bid should be submitted in a separate suitable cover on which the name and address of the bidder, the bid number and closing date must be clearly endorsed. The PSC will utilise the two (2) envelope system, and therefore, the financial proposal must be enclosed in a separate envelope and also clearly endorsed as such.

## **20. LATE BIDS**

- 20.1 Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration, and where practicable, be returned unopened to the bidder.

## **21. COUNTER CONDITIONS**

- 21.1 Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions by bidders may result in the invalidation of such bids. The PSC reserves the right to change any information in, or to issue any addendum to the bid before the closing date and time. If the PSC exercises its right to change information in terms of the above clause, it may seek amended bid documents from all bidders.

## **22. SUPPLIER DUE DILIGENCE**

- 22.1 The PSC reserves the right to conduct supplier due diligence prior the final award or at any time during the contract period.

## **23. COMMUNICATION**

- 23.1 The PSC will communicate with bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary. Any communication to any government official or a person acting in an advisory capacity for the PSC in respect of this bid between the closing date and the award of the bid, by the bidder is discouraged.

- 23.2 All communication between the bidder and the PSC must be done in writing.

## 24. SERVICE LEVEL AGREEMENT

- 24.1 Upon award the PSC and the successful bidder will conclude a Service Level Agreement (SLA) within 90 days regulating the specific terms and conditions applicable to the services being procured by the PSC in line with the requirements indicated in the terms of reference.

## 25. EVALUATION CRITERIA

**ALL PROPOSALS WILL BE EVALUATED TO DETERMINE COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS OF THE BID DOCUMENTS AND TERMS OF REFERENCE**

### Functional Proposal:

Bidders must submit their functional proposal in a sealed envelope/ file with the name of the bidder, closing date and time and the bid number clearly indicated on the envelope/ file. This envelope/ file should contain the functional proposal and compulsory forms; SBD Forms and General Conditions of Contract; as well as the original/ originally certified copy of the B-BBEE certificate or Affidavit and Financial information.

### PHASE 1: COMPLIANCE WITH MINIMUM REQUIREMENTS OF BID

Bidders not complying with the requirements/ conditions of the bid documents and Terms of Reference will be eliminated from the evaluation process and therefore will not be considered further. This phase is not scored and bidders who fail to comply with all the mandatory criteria will be disqualified.

**Table 1: Documents that must be submitted for Pre-qualification**

Document that must be submitted	Non-submission will result in disqualification	
SBD 4 Bidders Disclosure Form		Complete, sign off and date
Registration on Central Supplier Database (CSD)		<p>Service providers must be registered on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> to obtain your vendor number.</p> <p>In case of a Joint Venture (JV)/ Consortium /Partnership, each member must submit proof of registration with the National Treasury's CSD.</p> <p>Submit proof of registration in the CSD with your bid proposal.</p>

<b>Certification</b>		Internal Institute of Auditors (IIASA) and/or South African Institute of Chartered Accountants (SAICA)/ Independent Regulatory Board of Auditors (IRBA
<b>Pricing Schedule</b>		Submit full details of the pricing proposal.  <b>In a separate envelope</b>

## PHASE 2: FUNCTIONALITY EVALUATION

The technical/ functional proposals will be evaluated individually by a member of the evaluation panel on score sheets and the value scale for each criterion is indicated at the bottom part.

The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.

The **methodology criterion** shall be evaluated using the value scores as set out in the Table below

<b>Performance</b>	<b>Description</b>	<b>Score</b>
Excellent	Answer far exceeds the functionality requirements	5
Very Good	Answer meets and exceeds the functionality requirements	4
Good	Answer meets all functionality requirements	3
Average	Answer partially meets the functionality requirements	2
Poor	Answer fails to meet the functionality requirements	1

The score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of **70%** will be evaluated further and scored in terms of **Pricing and Specific goals** indicated hereunder. Bidder that achieves a score **below 70%** will be eliminated.

**Short listed service providers will be evaluated based on the following evaluation criteria:**

## FUNCTIONALITY EVALUATION CRITERIA

#	Evaluation Criteria	Sub-Weight Allocation	Elements	Total Weight
1.	Methodology	20	<p>Proposed methodology statement and approach to conduct this project addressing the following elements:</p> <ul style="list-style-type: none"> <li>- Detail on what activities will need to be carried out to achieve the responsibilities of Internal Audit.</li> <li>- Risk assessment methodology/ies to be used to develop plans.</li> <li>- Identifying possible challenges that may deter delivery and how these could be addressed.</li> <li>- Indicate the process to be followed should there be a request to conduct special assignments and investigations into any matter or activity affecting the probity, interest and operating efficiency of the Public Service Commission.</li> </ul> <ul style="list-style-type: none"> <li>• Excellent = 5 Points</li> <li>• Very good = 4 Points</li> <li>• Good = 3 Points</li> <li>• Average = 2 Points</li> <li>• Poor = 1 Point</li> </ul>	40
		10	<ul style="list-style-type: none"> <li>- Demonstrate an in-depth understanding in risk-based audits, focus should be put also on value add activities.</li> <li>- Training plan to capacitate officials on risk management.</li> <li>- Planning related to risk management.</li> <li>- Monitoring of risk assessment plans.</li> <li>- Conduct a risk-based audit.</li> </ul> <ul style="list-style-type: none"> <li>• Excellent = 5 Points</li> <li>• Very good = 4 Points</li> <li>• Good = 3 Points</li> <li>• Average = 2 Points</li> <li>• Poor = 1 Point</li> </ul>	
		5	<ul style="list-style-type: none"> <li>- Demonstrate how you will assist the Public Service Commission in developing and implementing an effective combined assurance model.</li> </ul>	

#	Evaluation Criteria	Sub-Weight Allocation	Elements	Total Weight
			<p>What kind of combined assurance model? What does it entail?</p> <ul style="list-style-type: none"> <li>• Excellent = 5 Points</li> <li>• Very good = 4 Points</li> <li>• Good = 3 Points</li> <li>• Average = 2 Points</li> <li>• Poor = 1 Point</li> </ul>	
		5	<p>- Description of ways to bring innovation, best practice to the function to assist in enhancing performance and ensuring continuous improvement, influence and value add to the Public Service Commission.</p> <ul style="list-style-type: none"> <li>• Excellent = 5 Points</li> <li>• Very good = 4 Points</li> <li>• Good = 3 Points</li> <li>• Average = 2 Points</li> <li>• Poor = 1 Point</li> </ul>	
2.	Qualifications and experience of Staff assigned to the Project	10	<p>Qualification and experience of Staff assigned to this project:</p> <p>Provide curriculum vitae (CVs) of team members who will be allocated to this project indicating their defined roles and responsibilities, details of qualifications; relevant experience and skills. Provide originally certified copies of certificates within the last three (3) months from the closing date of the bid.</p> <p><b>Academic qualifications (Weight = 5):</b></p> <ul style="list-style-type: none"> <li>• National Diploma = 1</li> <li>• Degree/ BTECH = 3</li> <li>• Honours/ Post Grad Diploma = 4</li> <li>• Masters = 5</li> </ul> <p><b>Team experience (Weight = 5):</b></p> <ul style="list-style-type: none"> <li>• Less than 2 years = 0 Points</li> <li>• 2 years = 3 Points</li> <li>• 3 - 4 years = 4 Points</li> <li>• 5 or more years = 5 Points</li> </ul>	10



#	Evaluation Criteria	Sub-Weight Allocation	Elements	Total Weight
3.	Professional Association Membership	10	<p>The core management team should be in possession of at least a CIA or CA (SA) qualification and have current knowledge of auditing standards. Furthermore, must be registered and in good standing with either of the following professional bodies : IIASA; ISACA; SAICA; IRBA &amp; IRMSA, and/or any other relevant professional bodies. Institute of Internal Auditors of South Africa (IIA) (SA). Provide proof of membership (originally certified copy within last three (3) months).</p> <p>Professional Bodies examples:</p> <ul style="list-style-type: none"> <li>• Institute of Internal Auditors of South Africa (IISA)</li> <li>• Information Systems Audit and Control Association (ISACA)</li> <li>• South African Institute of Chartered Accountants (SAICA)</li> <li>• Institute of Regulatory Board of Auditors (IRBA)</li> <li>• Institute of Risk Management of South Africa (IRMSA)</li> </ul> <p>Membership of equivalent bodies recognised in South Africa will be considered</p> <p>Allocate 2 points for each Professional Membership</p>	10
4.	Bidder's experience	20	<p>The bidder must have at least five (5) years' experience in conducting internal audits in the Public Sector. Provide a certified copy of an appointment letter and reference letter from five (5) clients (current/previous) serviced within the last five years from the closing date of this bid for contracts with a minimum duration of three years.</p> <p>The reference letter must contain the following information:</p> <ul style="list-style-type: none"> <li>- Entity's name</li> <li>- Project name</li> <li>- Amount of the tender</li> <li>- Duration of the contract</li> </ul>	20

#	Evaluation Criteria	Sub-Weight Allocation	Elements	Total Weight
			<ul style="list-style-type: none"> <li>- Originally signed appointment letter</li> <li>- Name of Contact Person and Telephone numbers</li> </ul> <p>No appointment/reference letters or one letter = 0 Points</p> <p>Two letters = 2</p> <p>Three letters = 3</p> <p>Four letters = 4</p> <p>Five letters or more = 5</p>	
5.	Capacity to deliver	<p>5</p> <p>5</p> <p>5</p> <p>5</p>	<p>The service provider must provide proof of quality assurance reviews of internal audit work performed by an external independent accredited service provider within the last five (5) years.</p> <p>Entity's experience in the auditing profession:</p> <ul style="list-style-type: none"> <li>- Entity's profile, the organizational chart must be included.</li> <li>- Testimonial from two (2) client(s) confirming service quality provided for in internal audit work, including how long the entity has been offering internal audit services to the Public Sector clients; and</li> <li>- The supervisor must have at least five (5) years' experience in conducting and supervising internal audits. Proof of experience of the Engagement (Senior Manager) who will be responsible for this project. Furnish CV and certified copies of qualifications certificates and membership of professional associations.</li> </ul> <p>• Less than 2 years = 0 Points</p>	20

#	Evaluation Criteria	Sub-Weight Allocation	Elements	Total Weight
			<ul style="list-style-type: none"> <li>• 2 years = 3 Points</li> <li>• 3 - 4 years = 4 Points</li> <li>• 5 or more years = 5 Points</li> </ul>	
<b>TOTAL</b>				<b>100</b>

### PHASE 3: PRICE AND PRICE AND SPECIFIC GOALS EVALUATION

Only Bidders that have met the 70-point threshold in Phase 2 will be evaluated in Phase 3 for price and Specific Goals. Price and Specific Goals will be evaluated as follows:

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) as Amended, responsive bids will be adjudicated on the 80/20-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 80 points)
- Specific Goals (maximum 20 points) – certificate to be provided

#### Stage 1: Price evaluations (80 points)

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

The following formula will be used to calculate the points for price:

Where

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

#### Stage 2 – Specific Goals Evaluation (20 Points)

##### (a) Specific Goals Points allocation

A maximum of 20 points may be allocated to a bidder for attaining the specific goals as promoted by the OPSC in accordance with the table below:

<b>Black owned enterprises</b>	Max = 8 points
EME/QSE/Generic 100% owned	8 points
EME/QSE/Generic => 51% owned	6 points
EME/QSE/Generic < 51% owned	3 points
<b>Women owned businesses</b>	Max = 6 points
EME/QSE/Generic 100% owned	6 points
EME/QSE/Generic => 51% owned	4 points
EME/QSE/Generic < 51% owned	2 points
<b>Youth</b>	Max = 3 points
EME/QSE/Generic 100% owned	3 points
EME/QSE/Generic => 51% owned	2 points
EME/QSE/Generic < 51% owned	1 point
<b>People with Disability</b>	Max = 3 Points
EME/QSE/Generic 100% owned	3 points
EME/QSE/Generic => 51% owned	2 points
EME/QSE/Generic < 51% owned	1 point

- (b) Specific goals points may be allocated to bidders on submission of the following documentation or evidence:
- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
  - B-BBEE Certificate
- (c) Non-submission will lead to a zero (0) score on specific goals as contemplated in section 2(1)(d) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and the Preferential Procurement Regulations of 2022.
- (d) The State may before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard to preference. The points scored will be rounded off to the nearest 2 decimals. In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number of preference points for B-BBEE. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**NOTE:** The OPSC reserves the right not to award the contract

## **THE TOTAL COST WILL BE USED TO CALCULATE POINTS FOR PRICE**

1. Rate per AGSA's approved rates
2. Time required for Audits, i.e. planning and reporting, core audit services and other audit services
3. Additional costs - i.e. disbursements, etc.

**TOTAL COST FOR A PERIOD OF THREE (3) YEARS INCLUSIVE OF VAT**

## **FAILURE TO COMPLY TO THE COSTING STRUCTURE WILL LEAD TO THE DISQUALIFICATION OF THE BID**

### **26. DOCUMENTATION TO BE SUBMITTED**

#### **26.1 Please note the following:**

26.1.1 All of the documentation must be submitted, with no omissions whatsoever. Where a particular form or format of documentation is stipulated, this is the only form or format in which these documents must be submitted. Failure to adhere to these requirements may result in the disqualification of the entire proposal.

#### **26.2 Proposal drafted in response to the Terms of Reference (ToR).**

26.2.1 Bidders are required to draft a proposal that will clearly indicate how they will fulfil the requirements as set out in the ToR.

26.2.2 Bidders should include the following information when drafting their proposals:

- (i) Proposals must contain the details of the proposed approach/ methodology to be adopted to deliver the service in accordance with the ToR;
- (ii) Qualifications and experience of team members;
- (iii) Membership of Professional Association;
- (iv) Experience in providing Internal Audit Services in the Public Sector; and
- (v) Ability to provide the services and adequate institutional support

#### **26.3 Validity of proposals**

26.3.1 The proposals must include a statement as to the period for which the proposal remains valid. The proposal must be valid for at least ninety (90) days from the due date for the submission of all bids.

#### **26.4 Number of proposals**

26.4.1 Each bidder must provide 5 (five) hard copies of their entire proposal. All submitted proposals will become the property of the PSC, and will not be returned. No late submissions will be accepted under any circumstances.

- 26.4.2 The PSC will not disclose any details pertaining to the responses received, to any other participant, as this is regarded as confidential information.
- 26.4.3 Envelopes must not contain documents relating to any Request for Proposal (RFP) other than the one referred to in this RFP.
- 26.4.4 The responses to the RFP will be opened as soon as is practical after the expiry of the time advertised for receiving them.

## **27. CONTACT DETAILS FOR ANY ENQUIRIES**

### **NATIONAL OFFICE**

**Postal address:** The Office of the Public Service Commission  
Private Bag X121  
PRETORIA  
0001

**Physical address:** Public Service Commission House  
Office Park Block B  
536 Francis Baard Street  
Arcadia  
0083

#### **Bid and technical enquiries:**

All enquiries related to the technical content of the Terms of Reference as well as bid enquiries may be directed in writing to the officials listed below:

#### **Technical Enquiries:**

**Mr. Eutychus Sebati**, Deputy Director: Financial Management, email: [eutychuss@opsc.gov.za](mailto:eutychuss@opsc.gov.za)

**Tel No.** (012) 352 1166

#### **Bid Enquiries:**

**Mr Sphamandla Ngcobo**, Deputy Director: Supply Chain Management, email: [SphamandlaN@opsc.gov.za](mailto:SphamandlaN@opsc.gov.za)

**Tel No.** (012) 352 1036

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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

**July 2010**

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

**NOTES**

The purpose of this document is to:

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

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

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



## TABLE OF CLAUSES

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

## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such

obligations of the supplier covered under the contract.

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

**2. Application**

- 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

**3. General**

- 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)

**4. Standards**

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

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

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

**6. Patent rights**

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

**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

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

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

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

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

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

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

#### **15. Warranty**

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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

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| <b>16. Payment</b>                              | <p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.</p> <p>16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>   |
| <b>17. Prices</b>                               | <p>17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.</p>  |
| <b>18. Contract amendments</b>                  | <p>18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.</p>   |
| <b>19. Assignment</b>                           | <p>19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.</p>   |
| <b>20. Subcontracts</b>                         | <p>20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.</p>   |
| <b>21. Delays in the supplier's performance</b> | <p>21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.</p> <p>21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the</p> |



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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

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

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

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

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

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

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

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

may be due to him

**25. Force  
Majeure**

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

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

**26. Termination  
for insolvency**

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

**27. Settlement of  
Disputes**

27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

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

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of  
liability**

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

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

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

Js General Conditions of Contract (revised July 2010)