

BID NUMBER:	ZNB 5622/2026-H
BID DESCRIPTION:	APPOINTMENT OF A SERVICE PROVIDER TO PROCESS AND COLLECT CLAIMS IN RESPECT OF KZN DEPARTMENT OF HEALTH, INCLUDING INJURY-ON-DUTY SUPPLIER CLAIMS, ROAD ACCIDENT FUND SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT NO 56 OF 1996 (AS AMENDED) AND COLLECTION OF DEPARTMENTAL DEBTS IN ACCORDANCE WITH CHAPTER 5, SEC 38(C) OF THE PFMA NO.01 OF 1999. ON BEHALF OF THE KWAZULU-NATAL DEPARTMENT OF HEALTH
PERIOD	THREE-YEAR PERIOD CONTRACT (36 MONTHS)
Closing Date:	04 JUNE 2026
Closing Time:	11:00 AM
Physical Address for Collection or Delivery of Bid Documents	KZN Department of Health Central Supply Chain Management Unit Old Boys School 310 Jabu Ndlovu Street Pietermaritzburg, 3201
Name of Bidder:	
CSD Registration Number:	
Income Tax Reference Number:	

KWAZULU-NATAL PROVINCIAL GOVERNMENT BIDDING FORMS

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**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	ZNB 5622/2026-H	CLOSING DATE:	04/06/2026	CLOSING TIME:	11:00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO PROCESS AND COLLECT CLAIMS IN RESPECT OF KZN DEPARTMENT OF HEALTH, INCLUDING INJURY-ON-DUTY SUPPLIER CLAIMS, ROAD ACCIDENT FUND SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT NO56 OF 1996 (AS AMENDED) AND COLLECTION OF DEPARTMENTAL DEBTS IN ACCORDANCE WITH CHAPTER 5, SEC 38(C) OF THE PFMA NO.01 OF 1999. ON BEHALF OF THE KWAZULU-NATAL DEPARTMENT OF HEALTH FOR A THREE-YEAR PERIOD CONTRACT (36 MONTHS)				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
CENTRAL SUPPLY CHAIN MANAGEMENT DIRECTORATE (OLD BOYS SCHOOL BUILDING), 310 JABU NDLOVU STREET, PIETERMARITZBURG 3200					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Demand Management		CONTACT PERSON	Mr. M. Mahlaba	
TELEPHONE NUMBER	(033) 815 8361		TELEPHONE NUMBER	(033) 395 2111	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Scm.demand@kznhealth.gov.za		E-MAIL ADDRESS	mvusi.mahlaba@kznhealth.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?			<input type="checkbox"/> YES <input type="checkbox"/> NO		
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

**PART B
TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER:

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

DATE:

SECTION A

SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS

PLEASE NOTE THAT THIS BID IS SUBJECT TO TREASURY REGULATIONS 16A ISSUED IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT, 1999, THE KWAZULU-NATAL SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and visa versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted. Photocopies of the original bid documentation may be used, but an original signature must appear on such photocopies.
3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
4. Bids submitted must be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and address of the bidder, the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, such bids may be rejected as being invalid.
7. All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids. Where, however, a bid is received open, it shall be sealed. If it is received without a bid number on the envelope, it shall be opened, the bid number ascertained, the envelope sealed and the bid number written on the envelope.
8. A specific box is provided for the receipt of bids, and no bid found in any other box or elsewhere subsequent to the closing date and time of bid will be considered.
9. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
10. No bid submitted by telefax, telegraphic or other electronic means will be considered.
11. Bidding documents must not be included in packages containing samples. Such bids may be rejected as being invalid.
12. Any alteration made by the bidder must be initialed.
13. Use of correcting fluid is prohibited
14. Bids will be opened in public as soon as practicable after the closing time of bid.
15. Where practical, prices are made public at the time of opening bids.
16. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.
17. Bidder must initial each and every page of the bid document.

SECTION B

REGISTRATION ON THE CENTRAL SUPPLIERS DATABASE

1. In terms of the National Treasury Instruction Note, all suppliers of goods and services to the State are required to register on the Central Suppliers Database.
2. Prospective suppliers should register on the CSD website www.csd.gov.za
3. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then.
 - 3.1. The Department may, without prejudice to any other legal rights or remedies it may have to cancel a bid, or a contract awarded to such supplier.
 - 3.2. The supplier would become liable for any damages if a less favourable bid is accepted, or less favourable arrangements are made.
4. **The same principles as set out in paragraph 3 above are applicable should the supplier fail to request updating of its information on the Central Suppliers Database, relating to changed particulars or circumstances.**
5. IF THE SUPPLIER IS NOT REGISTERED AT THE CLOSING TIME OF THE BID, THE SUPPLIER WILL BE DISQUALIFIED AT THE BID EVALUATION PROCESS.

SECTION C

DECLARATION THAT INFORMATION ON CENTRAL SUPPLIER DATABASE IS CORRECT AND UP TO DATE
(To be completed by bidder)

THIS IS TO CERTIFY THAT I (name of bidder/authorized representative), WHO
REPRESENTS (state name of bidder)CSD Registration
Number.....

AM AWARE OF THE CONTENTS OF THE CENTRAL SUPPLIER DATABASE WITH RESPECT TO THE BIDDER'S DETAILS AND
REGISTRATION INFORMATION, AND THAT THE SAID INFORMATION IS CORRECT AND UP TO DATE AS ON THE DATE OF
SUBMITTING THIS BID.

AND I AM AWARE THAT INCORRECT OR OUTDATED INFORMATION MAY BE A CAUSE FOR DISQUALIFICATION OF THIS
BID FROM THE BIDDING PROCESS, AND/OR POSSIBLE CANCELLATION OF THE CONTRACT THAT MAY BE AWARDED ON
THE BASIS OF THIS BID.

.....
SIGNATURE OF BIDDER OR AUTHORISED REPRESENTATIVE

DATE:

SECTION E

BIDDER NAME	
--------------------	--

LEGISLATION ON DISCLOSURE OF INTEREST

The Public Service Act 103 of 1994 indicates in section 30(1) that "No employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department."

Furthermore, in terms of the Public Service Regulations paragraph 13(c), "An employee shall not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act"

Treasury Regulations 16A8.4 further indicates that "If a supply chain management official or other role player, or any close family member, partner or associate of such official or other role player, has any private or business interest in any contract to be awarded, that official or other role player must-(a) disclose that interest; and (b) withdraw from participating in any manner whatsoever in the process relating to that contract."

CLARITY ON HOW TO DISCLOSE

Clause 2.2 of the Bidders Disclosure (SBD4), require the bidder to disclose a relationship with any person employed by the entire KZN Department of Health, even if that person is not employed by the procuring institution. The Department may use other Computer Assisted Techniques to verify possible interest, should you be found to have failed to disclose correctly, your bid/quotation will be treated as a false declaration, treated as non-responsive and disqualified.

For example, if the tender is advertised or invited by Addington Hospital, yet the person with interest is employed by Manguzi Hospital, as long as that official is employed by the Department of Health, the bidder is required to disclose interest. Therefore, the question is, do you, or any person connected with the bidder, have a relationship with any person who is employed by the KZN Department of Health? If so, please furnish particulars on Bidders Disclosure (SBD4) section 2.2.1, as attached below,

I read the above clarity on disclosure of interest and I commit to disclose as directed, should I fail to disclose correctly, I am aware of the consequences, which may include disqualification of my offer.

BIDDER SURNAME AND INITIALS

SIGNATURE

DATE

This document must be signed and submitted together with your bid

SECTION E

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 the table below.

Full Name	Identity Number	Name of State institution

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

2.2.1. If so, furnish particulars:

.....
.....

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

2.3.1 If so, furnish particulars:

.....
.....

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

3. DECLARATION

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

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

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

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

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

This document must be signed and submitted together with your bid

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.

SECTION F:

THE NATIONAL INDUSTRIAL PARTICIPATION PROGRAMME (NOT APPLICABLE)

INTRODUCTION

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

1. PILLARS OF THE PROGRAMME

1.1. The NIP obligation is benchmarked on the imported content of the contract. Any contract having an imported content equal to or exceeding US\$ 10 million or other currency equivalent to US\$ 10 million will have a NIP obligation. This threshold of US\$ 10 million can be reached as follows:

- i) Any single contract with imported content exceeding US\$10 million.
or
 - ii) Multiple contracts for the same goods, works or services each with imported content exceeding US\$3 million awarded to one seller over a 2-year period which in total exceeds US\$10 million.
or
 - iii) A contract with a renewable option clause, where should the option be exercised the total value of the imported content will exceed US\$10 million.
or
 - iv) Multiple suppliers of the same goods, works or services under the same contract, where the value of the imported content of each allocation is equal to or exceeds US\$ 3 million worth of goods, works or services to the same government institution, which in total over a two (2) year period exceeds US\$10 million.
- a. The NIP obligation applicable to suppliers in respect of sub-paragraphs 1.1 (a) to 1.1 (c) above will amount to 30 % of the imported content whilst suppliers in respect of paragraph 1.1 (d) shall incur 30% of the total NIP obligation on a *pro-rata* basis.

1.2. To satisfy the NIP obligation, the DTI would negotiate and conclude agreements such as investments, joint ventures, sub-contracting, licensee production, export promotion, sourcing arrangements and research and development (R&D) with partners or suppliers.

1.3. A period of seven years has been identified as the time frame within which to discharge the obligation.

2. REQUIREMENTS OF THE DEPARTMENT OF TRADE AND INDUSTRY

- 2.1. In order to ensure effective implementation of the programme, successful bidders (contractors) are required to, immediately after the award of a contract that is in excess of **R10 million** (ten million Rands), submit details of such a contract to the DTI for reporting purposes.
- 2.2. The purpose for reporting details of contracts in excess of the amount of R10 million (ten million Rands) is to cater for multiple contracts for the same goods, works or services; renewable contracts and multiple suppliers for the same goods, works or services under the same contract as provided for in paragraphs 1.1(b) to 1.1. (d) above.

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

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

4. PROCESS TO SATISFY THE NIP OBLIGATION

- 4.1. Once the successful bidder (contractor) has made contact with and furnished the DTI with the information required, the following steps will be followed:
 - (i) the contractor and the DTI will determine the NIP obligation;
 - (ii) the contractor and the DTI will sign the NIP obligation agreement;
 - (iii) the contractor will submit a performance guarantee to the DTI;
 - (iv) the contractor will submit a business concept for consideration and approval by the DTI;
 - (v) upon approval of the business concept by the DTI, the contractor will submit detailed business plans outlining the business concepts;
 - (vi) the contractor will implement the business plans; and the contractor will submit bi-annual progress reports on approved plans to the DTI.

4.2. The NIP obligation agreement is between the DTI and the successful bidder (contractor) and, therefore, does not involve the purchasing institution.

Bid number: ZNB 5622/2026-H Closing date: 04 JUNE 2026	
Name of bidder.....	
Postal address	
.....	
Signature.....	Name (in print)
Date.....	

SECTION G

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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to Bid:

- 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**

- a. The applicable preference point system for this Bid is the 80/20 preference point system.
- b. The 80/20 preference point system will be applicable in this Bid. The lowest/ highest acceptable Bid will be used to determine the accurate system once Bids are received.

1.3 Points for this Bid (even in the case of a Bid 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 Bid are allocated as follows:

	POINTS	POINTS
PRICE	80	90
SPECIFIC GOALS	20	10
Total points for Price and SPECIFIC GOALS	100	100

1.5 Failure on the part of a Bidder to submit proof or documentation required in terms of this Bid to claim points for specific goals with the Bid, 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 Bidder, either before a Bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“Bid”** 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 Bidding process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money Bided 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) “**Bid 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:

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

Where

- Ps = Points scored for price of Bid under consideration
- Pt = Price of Bid under consideration
- Pmin = Price of lowest acceptable Bid

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:

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

Where

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

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 Bid. For the purposes of this Bid the Bidder 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 Bid:

- 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 Bid documents, stipulate in the case of—
- (a) an invitation for Bid for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable Bid will be used to determine the applicable preference point system; or
 - (b) any other invitation for Bid, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable Bid 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 Bid 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 Bidders: The Bidder must indicate how they claim points for each preference point system.)

The specific goals allocated points in terms of this Bid	Number of points allocated (80/20 or 90/10 System) (To be completed by the organ of state)	Number of points claimed (80/20 or 90/10) (To be completed by the Bidder)
In terms of Departmental Preferential Procurement Regulation Policy 2024, Companies who are at least 100% owned by Black Africans	20 or 10 points (To be allocated for HDP goals)	

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 Bid, 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 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 Biding 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 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:

**EME'S AND QSE'S MUST COMPLETE THE FOLLOWING APPLICABLE AFFIDAVIT FORM TO CLAIM PREFERENCE POINTS
SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO/MACRO ENTERPRISE**

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

- a) The contents of this statement are to the best of my knowledge a true reflection of the facts.
- b) I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name (If Applicable):	
Registration Number	
Enterprise Physical Address:	
Type of Entity (CC, (Pty) Ltd, Sole Prop etc.):	
Nature of Business:	
Definition of "Black People"	<p>As per the Broad-Based Black Economic Empowerment Act 53 of 2003 as Amended by Act No 46 of 2013 "Black People" is a generic term which means Africans, Coloureds and Indians –</p> <ul style="list-style-type: none"> a) who are citizens of the Republic of South Africa by birth or descent; or b) who became citizens of the Republic of South Africa by naturalisation- <ul style="list-style-type: none"> i) before 27 April 1994; or ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date;"
Definition of "Black Designated Groups"	<p>"Black Designated Groups means:</p> <ul style="list-style-type: none"> a) unemployed black people not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution; b) Black people who are youth as defined in the National Youth Commission Act of 1996; c) Black people who are persons with disabilities as defined in the Code of Good Practice on employment of people with disabilities issued under the Employment Equity Act; d) Black people living in rural and under developed areas; e) Black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011;"

c) I hereby declare under Oath that:

1. The Enterprise is _____% Black Owned as per Amended Code Series 100 of the amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as amended by Act No 46 of 2013,
2. The Enterprise is _____% Black Female Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
3. The Enterprise is _____% Black Designated Group Owned as per Amended Code Series 100 of the Amended Codes of Good Practice issued under section 9 (1) of B-BBEE Act No 53 of 2003 as Amended by Act No 46 of 2013,
4. Black Designated Group Owned % Breakdown as per the definition stated above:
 - (i) Black Youth % = _____%
 - (ii) Black Disabled % = _____%
 - (iii) Black Unemployed % = _____%
 - (iv) Black People living in Rural areas % = _____%
 - (v) Black Military Veterans % = _____%
5. Based on the Financial Statements/Management Accounts and other information available on the latest financial year-end of _____, the annual Total Revenue was R10,000,000.00 (Ten Million Rands) or less
6. Please Confirm on the below table the B-BBEE Level Contributor, **by ticking the applicable box.**

100% Black Owned	Level One (135% B-BBEE procurement recognition level)	
At least 51% Black Owned	Level Two (125% B-BBEE procurement recognition level)	
Less than 51% Black Owned	Level Four (100% B-BBEE procurement recognition level)	

- a) I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the Owners of the Enterprise, which I represent in this matter.
- b) The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: ____/____/____

Stamp

Signature of Commissioner of Oaths

SECTION H:

GENERAL CONDITIONS OF CONTRACT (GCC)

In terms of Treasury Regulation 16A6.3 (a) (i) "The accounting officer must ensure that bid documentation and the general conditions of a contract are in accordance with the instructions of the National Treasury."

Bidders are expected to be familiar with the general conditions applicable to government bids, contracts and orders; and rights and obligations of all parties involved in doing business with government.

Bidders are therefore required to initial each page of the attached **Annexure A** for General Conditions of Contract (GCC) and return with the bid document.

<i>I hereby confirm that I have read the General Conditions of Contract (GCC) as published by the National Treasury and I confirm that I fully understands its contents and conditions. I also confirm that I am willfully committing to abiding by its contents.</i>			
Name:		Signature:	
Title/ Role:		Date:	

Note: Should you fail to submit **initialed** Annexure A for General Conditions of Contract (GCC) and return with the bid document as well as to sign this schedule, your bid may be disqualified.

SECTION I:

SPECIAL CONDITIONS OF CONTRACT (SCC)

1. ADDITIONAL DEFINITIONS

In addition to the definitions contained in paragraph 1 of the GCC, the following terms shall be interpreted as indicated:

"Accounting Officer"	means a person described in Section 36 of the Public Finance Management Act, Act No. 1 of 1999 (As amended by Act 29 of 1999).
"Contract Duration"	means the period between the commencement and termination of the contract.
"Confidential Information"	means but is not limited to contents of the contract, or any provision thereof, or any specification, plan, know-how, drawing, pattern, sample, or information furnished by or on behalf of the Department in connection therewith, to any person other than a person employed by contractor or service provider in the performance of the contract.
"Department"	means the KwaZulu-Natal Department of Health.
"Head of Department"	means the Head of Department for KwaZulu-Natal Department of Health as defined in Schedule 2 Column 1 and 2 of the Public Service Act 1994 (Proclamation 103 of 3 June 1994, as amended).
"Health Facilities"	means Head Office, District Offices, Hospitals, Community Health Centres, Specialized Centres and Clinics under the auspices of the Department of Health in the Province
"ISO Standards"	means standards recognized by International Standard Organisation
"Parties"	means the KwaZulu-Natal Department of Health and Contractor or Service provider
"Province"	means the Province of KwaZulu-Natal.
"ROE"	means the Rate of Exchange.
"SABS"	means the South African Bureau of Standards
"SANS"	means the South African National Standards.
"Vendor"	means Contracted Supplier or Service Provider

2. INTERPRETATIONS

In amplification of the provisions of paragraph 2 of the GCC, unless inconsistent with the context, an expression which denotes:

- 2.1 Any gender includes the other genders.
- 2.2 A natural person includes a juristic person and vice versa.
- 2.3 The singular includes the plural and vice versa.
- 2.4 When any number of days is prescribed in this Contract, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.
- 2.5 Figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 2.6 Any reference in this contract to "goods" includes works and/or services.
- 2.7 The written and signed contract represents the final agreement between the parties and it super cedes any prior oral agreements or discussions of the Contract.
- 2.8 All annexures and appendices shall form part of the contract.
- 2.9 The headings used throughout the Contract do not have any special significance save to ensure the easy reading of the contract.
- 2.10 Words and phrases defined in this Contract shall bear the meaning assigned to them throughout this Contract.
- 2.11 Words and phrases used in this Contract which are defined or used in any statute or regulation which applies to the subject matter, professional person.
- 2.12 The bid is issued in accordance with Section 217 of the Constitution, The Public Finance Management Act, Treasury

Regulations 16A and National Treasury regulations and guidelines.

3. ACCEPTANCE OF A BID

- 3.1 The Department of Health Bid Adjudication Committee is under no obligation to accept any bid.
- 3.2 The financial standing of a bidder and its ability to render services may be examined before the bid is considered for acceptance.

4. COMPLIANCE WITH SPECIFICATION

- 4.1 Offers must comply strictly with the specification. Offers exceeding specification requirements will be deemed to comply with the specification.
- 4.2 The quality of services or supply must not be less than what is specified.

5. PERFORMANCE STANDARDS

- 5.1 Rendering of a comprehensive, all-inclusive service to process supplier claims and collect fees from State departments commencing with the Road Accident Fund (RAF) and the Workmen's Compensation Commissioner (COID) in respect of health services rendered by the KwaZulu-Natal Department of Health, to patients who attended the Department's facilities.
- 5.2 Rendering of a comprehensive, all-inclusive service to collect all outstanding departmental debts in respect of ex-employees, deceased debtors where the estate is still open and supplier debtors..
- 5.3 A schedule with respect to the value of invoices raised for a 12-month period per state department is available on request from the Department.
- 5.4 A schedule in respect of departmental debts is available on request from the department.

6. EQUAL BIDS

- 6.1 If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for B-BBEE.
- 6.2 If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points, the contract must be awarded to the tenderer that scored the highest points for functionality.
- 6.3 If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

7. LATE BIDS

- 7.1 Bids are permissible to be submitted prior to closing date and time this is to avoid unfortunate or unplanned circumstances that could prevent the bidder from arriving on time during the closing date. If the bidder fail to arrive on time the department will not be held liable.
- 7.2 Bids are late if they are received at the address indicated in the bid documents after the closing date and time.

8. MORE THAN ONE OFFER/ COUNTER OFFERS

- 8.1 Should the bidder make more than one offer, where applicable, against any individual item, such offer/s must be detailed in the Schedule of Additional Offer/s. The Department reserves its rights in and to the consideration of any additional offer/s subject to compliance with specification and the bidding conditions.
- 8.2 Bidders' attention is drawn to the fact that counter offers with regard to any of the abovementioned Special Terms and Conditions will invalidate such bids.
- 8.3 Bidders are at liberty to bid for one, a number of items, or bid for all items. If a bidder is not bidding for all the items, the

appropriate price page must reflect: 'nil quote'.

9. ONLY ONE OFFER RECEIVED

9.1 Where only 1 offer is received, the Department of Health will determine whether the price is fair and reasonable. Proof of reasonableness will be determined as follows:

- (i) Comparison with prices, after discounts, to the bidder's other normal clients and the relative discount that the State enjoys;
- (ii) Where this is not possible, profit before tax based on a full statement of relevant costs; and
- (iii) In all cases, comparison with previous bid prices where these are available.

10. AWARD OF BID(S)

10.1 The Department of Health Bid Adjudication Committee reserves the right to award the bid to one or more than one bidder, provided that the respective bidders' offers comply with the specification and meets all the conditions attached to the bid. Note for panels this will be applicable during price quotation phase.

10.2 Notification of the intention to award the bid shall be in the same media that the bid was advertised.

10.3 In terms of Provincial Treasury Practice Note Number: SCM-07 of 2006, Section 5: Appeal Procedure, 5.1 "A bidder aggrieved by a decision of the Departmental Bid Adjudication Committee or a delegate of an Accounting Officer may appeal to the Bid Appeals Tribunal in the prescribed manner" The bidder must, within five working days of the publication of the notice of intention to award, in the Government Tender Bulletin, deliver a written notification of an intention to appeal to Provincial Treasury, Secretariat, Bid Appeals Tribunal, Tel no: 033-897 4200. After all appeals, should they be lodged, have been dealt with by the Bid Appeals Tribunal, the successful bidder (s) shall be notified in writing by a duly authorised official of the Department of Health, Central Supply Chain Management Unit. A formal contract will then be entered into by parties, using service level agreement or Standard Bidding Document for formal contracts.

11. REGISTRATION ON THE CENTRAL SUPPLIER DATABASE (CSD)

11.1 A bidder submitting an offer must be registered on the Central Supplier Database. A bidder who has submitted an offer and is not registered on the Central Supplier Database will not be considered.

11.2 Each party to a joint venture/ consortium must be registered on the Central Suppliers Database at the _____ time of submitting the bid.

12. EMPLOYEES TRADING WITH THE ORGANS OF THE STATE

12.1 The Public Service Act 103 of 1994 indicates in section 30(1) that "No employee shall perform or engage himself or herself to perform remunerative work outside his or her employment in the relevant department, except with the written permission of the executive authority of the department."

12.2 Furthermore, in terms of the Public Service Regulations paragraph 13(c), "An employee shall not conduct business with any organ of state or be a director of a public or private company conducting business with an organ of state, unless such

employee is in an official capacity a director of a company listed in schedule 2 and 3 of the Public Finance Management Act”

- 12.3 If a bidder is found to be employed by the state, through the verification of Central Supplier Database (CSD) Report, DPSA, the bid will be immediately disqualified. If it is discovered through other Computer Assisted Audit Technics, that the bidder is employed by the state, the award or contract may be immediately terminated.

13. VALIDITY PERIOD OF BID AND EXTENSION THEREOF

- 13.1 The validity (binding) period for the bid will be **180 days** from close of bid. However, circumstances may arise whereby the department may request bidders to extend the validity (binding) period. Should this occur, the department will request bidders to extend the validity (binding) period under the same terms and conditions as originally offered for by bidders. This request will be done before the expiry of the original validity (binding) period. If the request to extend is sent to bidders and no response received the departmental will assume that the bidder is in agreement with an extension.

14. CHANGE OF ADDRESS

- 14.1 Bidders must advise the Department of Health's Central Supply Chain Management Unit, Contract Section, should their ownership and/or address (domicilium citandi et executandi) details change from the time of bidding to the expiry of the contract.

15. INVOICES AND PAYMENTS

- 15.1 All invoices must be submitted in the original format.
- 15.2 All invoices submitted by the Contractor must contain the word "INVOICE" for non-VAT vendors or "TAX INVOICE" for VAT vendors only. VAT number must be reflected for VAT vendors.
- 15.3 A tax invoice shall be in the currency of the republic of South Africa and shall contain the following particulars:
- (a) The name, address and registration number of the supplier;
 - (b) The name and address of the recipient;
 - (c) An individual serialized number and the date upon which the tax invoice is issued;
 - (d) A description of the goods or services supplied;
 - (e) The quantity or volume of the goods or services supplied
 - (f) The value of the supply, the amount of tax charged and the consideration for the supply; or
 - (g) Where the amount of tax charged is calculated by applying the tax fraction to the consideration, the consideration for the supply and either the amount of the tax charged, or a statement that it includes a charge in respect of the tax and the rate at which the tax was charged.
- 15.4 A Contractor shall be paid by the institution concerned, in accordance with services rendered. The service must be accepted and signed off by the relevant delegated official.
- 15.5 Should a Contractor indicate a special discount on his/her account provided payment is made within a certain time, every effort shall be made to take advantage of such discount. Where discounts or rebates received by the Department, the Contractor to provide credit note.
- 15.6 Any query concerning the non-payment of accounts must be directed to the institution concerned. The following protocol will apply if accounts are queried:
- (i) Contact must be made with the officer-in-charge of Logistics and Accounts Payable;
 - (ii) If there is no response from Logistics and Accounts Payable, the Chief Director: Finance may be contacted.

- (iii) Failing all of the above, the Contractor may contact the Office of Chief Financial Officer supplying the following details:
- a) Name/s of person/s contacted at the Institution and dates; and
 - b) Details of outstanding account.
 - c) The Chief Financial Officer will then take the appropriate action.

16. VALUE ADDED TAX (VAT)

16.1. All bid prices must be inclusive of all applicable taxes.

16.2 It is compulsory for a bidder to register for VAT under the following circumstances:

- 16.2.1. Where the value of taxable supplies made in any consecutive 12-month period exceeded or is likely to exceed R1 million; or
- 16.2.2. Where in terms of a written contractual obligation, the value of taxable supplies to be made in a 12-month period will exceed R1 million.
- 16.2.3. **Note:** Bidders who meet the above requirement must register as VAT vendors, if successful, as soon as possible to avoid penalties from SARS.

16.3. A bidder may also choose to register voluntary for VAT if the value of taxable supplies made or to be made is less than R1 million but has, under certain circumstances, exceeded R50 000 in the past period of 12 months.

16.4. **VAT will not be included** after an award of the bid or during contract management period. It is the responsibility of every bidder to correctly forecast whether they will require to register for VAT during the life of this contract based on the proposed bid amount

17. ENTERING OF DEPARTMENTAL STORES

17.1 No representative from a company shall be permitted to enter the department premises, buildings or containers where stores are kept unless he/she is accompanied by the responsible official in charge of stores. Before entering the hospital/clinic premises, buildings or containers where stores are kept, the company representative must in writing, motivate why entry is necessary and written authority must be obtained to enter from the Head of the Institution or delegated official.

18. DEPARTMENTAL PROPERTY IN POSSESSION OF A CONTRACTOR

18.1 The Department's property supplied to a Contractor for the execution of a contract remains the property of the Department and shall at all times be available for inspection by the Department or its representatives. Any such property in the possession of the Contractor on the completion of the contract shall, at the Contractor's expense, be returned to the Department forthwith.

18.2 The Contractor shall be responsible at all times for any loss or damages to the Department's property in his possession and, if required, he shall furnish such security for the payment of any such loss or damages as the Department may require.

19. IRREGULARITIES

19.1 Companies are encouraged to advise the Department of Health timeously of any possible irregularities which might come to their notice in connection with this or other contracts.

20. UNSATISFACTORY PERFORMANCE

In amplification of paragraph 21; 22 and 23 of the GCC, unsatisfactory performance occurs when performance is not in accordance with the contract conditions.

- (i) The institution shall warn the Contractor by registered/certified mail or email that action will be taken in accordance with

the contract conditions unless the Contractor complies with the contract conditions and delivers satisfactory supplies or services within a specified reasonable time (7 days minimum). If the Contractor does not perform satisfactorily despite the warning the department will, take necessary and appropriate action such as termination of contract in terms of its delegated powers.

- (ii) When correspondence is addressed to the Contractor, reference will be made to the contract number/item number/s and an explanation of the complaint.

21 RESTRICTION OF BIDDING

The Accounting Officer or his/her delegate must:

- a) Notify the supplier and any other person of the intention to restrict it doing business with Department by registered mail or email. The letter of restriction must provide for:
 - i. The grounds for restriction;
 - ii. The period of restriction which must not exceed 10 years;
 - iii. A period of 14 calendar days for the supplier to provide reasons why the restriction should not be imposed.
- b) The Accounting Officer his/her delegate:
 - i. May regard the intended penalty as not objected to and may impose such penalty on the supplier, should the supplier fail to respond within the 14 days; and
 - ii. Must assess the reasons provided by the supplier and take the final decision.
- c) If the penalty is imposed, the Accounting Officer must inform National Treasury of the restriction within 7 calendar days and must furnish the following information:
 - i. The name and address of the entity/ person to be restricted;
 - ii. The identity number of individuals and the registration number of the entity; and
 - iii. The period of restriction.
- d) National Treasury will load the details on the Database of Prohibited Vendors.
- e) The restriction period applicable will be based on the value of award/s made to the supplier over a financial year. The table below illustrates the restriction period that will be applicable per the award threshold:

22 CONTRACTOR'S LIABILITY

- 22.1 In the event of the contract being cancelled by the Department in the exercise of its rights in terms of these conditions, the Contractor shall be liable to pay to the Department any losses sustained and/or additional costs or expenditure incurred as a result of such cancellation, and the Department shall have the right to recover such losses, damages or additional costs by means of set-off from moneys due or which may become due in terms of the contract or any other contract or from guarantee provided for the due fulfilment of the contract and, until such time as the amount of such losses, damages or additional costs have been determined, to retain such moneys or guarantee or any deposit as security for any loss which the Department may suffer or may have suffered.
- 22.2 The Contractor may be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in supply or service rendered or if the goods or service as a result of such defect, latent or otherwise, does not conform to any condition or requirement of the contract.

23 RIGHTS TO PROCURE OUTSIDE THE CONTRACT

23.1 If contracted service become available from National Treasury transversal contract, the Department reserve a right to cancel the contract with a winning bidder (s) by giving thirty (30) days' notice. If it in the advantage and interest of the department to participate on transversal contract.

24. PATENTS

24.1 The Contractor shall pay all royalties and expenses and be liable for all claims in respect of the use of patent rights, trademarks or other protected rights, and hereby indemnifies the Department against any claims arising there from.

25 WAIVER

25.1 The granting by any party of any indulgence or postponement shall not be a waiver of its rights arising from this contract to demand full and specific performance of the contract.

25.2 No favor, delay or relaxation or indulgence on the part of any party in exercising any power or right conferred on each party in terms of this contract shall operate as a waiver of such power or right nor preclude any other or further exercises thereof or the exercise of any other power or right under this contract.

26 BREACH

26.1 Any termination notice referred to in GCC paragraph 23.1 shall be preceded by written notice requiring the defaulting party to remedy a breach of this contract within seven (7) days of the date of receipt of the notice.

26.2 If the defaulting party fails to remedy the breach within the seven (7) days, the aggrieved party shall be entitled without notice, in addition to any other remedy available to them at law or under this contract:

26.3 To claim specific performance of any obligation whether or not the due date for performance has arrived; or

26.4 To terminate this contract in accordance with paragraph 23.1 of the GCC, against the defaulting party, in either event without prejudice to the aggrieved party's rights to claim damages.

26.5 The Contractor shall immediately advice the Department of the same, upon which the Department shall, in its sole and absolute discretion, decide whether to proceed with this contract or to terminate forthwith. Failure by the Contractor to advise the Department of a conflict of interest shall amount to a material breach of this contract.

26.6 A Party shall be deemed to be in breach of this Contract should the Party fail to comply with any material provisions of this Contract.

26.7 The aggrieved Party shall be obliged to first attempt to settle the matter by way of consultation with the defaulting Party. If the consultation fails, then the aggrieved Party shall promptly give the defaulting seven (7) days written notice to remedy the breach. If the defaulting Party fails to comply with such notice, the aggrieved Party may, without prejudice to any other's right at law:

26.7.1 Cancel this Contract in the event the defaulting Party committed a material breach.

26.7.2 Claim specific performance by the defaulting Party if such is a competent remedy in the circumstance.

26.7.3 Claim damages suffered, as limited under this Contract.

27. PREFERENCES

- 27.1 Should the Contractor apply for preferences in the submission of his bid, and it is found at a later stage that these applications were incorrect or made under false pretenses, the Department may, at its own right:
- i. Recover from the Contractor all costs, losses or damages incurred or sustained by the Department as a result of the award of the Contract; and/or
 - ii. Cancel the contract and claim any damages which the Department may suffer by having to make less favourable arrangements after such cancellation.
 - iii. The Department may impose penalties, however, only if provision therefore is made in the Special Conditions of Contract and Bid.

28. SEVERABILITY

- 28.1 The finding of any invalidity to any provision of the contract shall not render the whole contract a nullity. A court of law or arbitrator may sever the invalid provision and the remainder of the contract shall remain enforceable.

29. CONTRACT, VARIATIONS AND EXTENSION

- 29.1 Consideration for expansion, variation or extension of contract will be in line with National Treasury Instruction notes and the KZN Department of Health Policy and delegations.

30. CESSION OF CONTRACT

- 30.1 The Contract will be personal to the winning bidder, who shall not sub-let, assign, cede or make over the Contract or any part thereof, or any share of interest therein, to any other person without the written consent of the Department, and on such conditions as it may approve.
- 30.2 This sub-clause shall not apply to sub-contracts given to regular suppliers of winning bidder for materials and minor components relating to the services supplied. The Department reserves the right to require winning bidder to submit, for noting, the names of such sub-contractors to ascertain their registration on the Central Suppliers Database and they must be legal entities.

31. CONTRACT AMENDMENTS / VARIATIONS

- 31.1 In amplification of paragraph 18 of the GCC, any amendments/variations, of the Contract shall come into effect in terms of the conditions contained in on "**Contract Amendments/Variations Register**". This register must be signed by the duly authorised signatories of winning bidder and the Head of Department: Health or his/her delegated official.
- 31.2 Contracted winning bidder shall not, in performing its obligation, vary from the terms and conditions stated in this Contract whether by way of addition thereto or by way of omission therefrom, without the prior written consent from the Department (Accounting Officer/delegated official), and no claim on the part of winning bidder for any extra payments on the grounds of any alterations or extra work will be entertained.
- 31.3 If, after the commencement of the contract, the cost or duration of the services is altered as a result of changes in, or in additions to, any statute, regulation or by-law, or the requirements of any authority having jurisdiction over any matter in respect of the contract, then the contract price and time for completion shall be adjusted in order to reflect the impact of those changes, provided that, within 14 days of first having become aware of the change, winning bidder shall furnish the Department with a detailed justification for the adjustment to the contract price.

32. INTELLECTUAL PROPERTY

32.1 In amplification of paragraph 6 of the GCC, the intellectual property discovered or created as the direct or indirect result of this contract shall remain the property of the Department.

33. INSOLVENCY

33.1 In the event to winning bidder institutes insolvency proceedings or has insolvency proceedings involuntarily instituted against it, the Department may terminate this Contract immediately.

33.2 In the event of assets and monies issued to winning bidder in terms of this Contract, such assets and monies shall be excluded from the estate of winning bidder and shall be returned immediately upon clause 40.1 coming into effect.

34. DISPUTE RESOLUTION

34.1 If any dispute arises between the Department and Contractor, in connection with the Specification and deliverables, either party may give the other notice in writing of the existence of such dispute, and the same shall thereupon be referred to arbitration in South Africa by a person mutually agreed upon by both parties. The submission shall be deemed to be a submission to arbitration within the meaning of the terms of the arbitration laws in force in the Republic of South Africa.

35. DOMICILLIA CITANDI ET EXECUTANDI

For the purpose of this contract, the parties choose their respective domicillia citandi et executandi as follows:

The Department Physical and Postal Address:

Department Name	The KwaZulu-Natal Department of Health
Physical Address	Natalia Building, 330 Langalibalele Street, Pietermaritzburg, 3201
Postal Address:	Private Bag X9051, Pietermaritzburg, 3200
Telephone numbers	033 – 395 2294
Telefax:	Nil

The Contractor or Bidder Physical and Postal Address:

Bidder/ Contractor Name	
Physical Address	
Postal Address:	
Telephone numbers	
Telefax:	
Email Address	

- 35.1 The parties hereby choose domicilium citandi et executandi for all notices and processes to be given and served in pursuance hereof at their respective addresses given on the first page of this Contract. Any notice of any change in such address shall be given in writing by the parties concerned and delivered by hand or sent by registered mail to the other party, upon notification of which address so notified shall serve as the new citandi et executandi.
- 35.2 A party may at any time change that party's domicilium by notice in writing, provided that the new domicilium is in the Republic of South Africa and consists of, or includes, a physical address at which the process can be served.
- 35.3 Any notice to a party:
- 35.3.1 Sent by prepaid registered post in a correctly addressed envelope, to it, shall be deemed to have been received on the 7th (seventh) day after posting unless the contrary is proved);
 - 35.3.2 Delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its domicilium, shall be deemed to have been received on the day of delivery; or
 - 35.3.3 Sent by telefax or email to its chosen telefax or email number, shall be deemed to have been received on the date of dispatch (unless the contrary is proved).

36. PERIOD OF CONTRACT

- 36.1 The period of this contract is three (3) years (36 months).

Note: For this type of a service the price quotation or bid will be done after the panel has been awarded and established.

37. QUOTATION PROCESS

- 37.1 Once panel has been established, the quotation rotation system for companies will apply, this rotation system will first prioritise all companies who are at least 51% owned by Black Africans, Black People, Black People who are Women, Black People who are Youth, Black People who are Military Veterans and Persons with Disabilities, this is to promote Historically Disadvantaged Persons (HDP's) and to achieve Reconstructive Development Goals (RDP Goals).
- 37.2 The quotation procedure will be applied as and when Professional Services will be required, the Department will invite quotation by issuing engagement letter which details the scope of work and applicable negotiated rates, should the service provider agree to the scope and negotiated rates, the order will be issued without advertising on eTender as this would have been already conducted during establishment of the Panel. Note. The service provider must commence work once the order has been issued, should you continue to provide services without official letter, the department will not be held liable for payments.

SECTION J: TERMS OF REFERENCE / SPECIFICATION

TO PROCESS AND COLLECT CLAIMS IN RESPECT OF KZN DEPARTMENT OF HEALTH, INCLUDING INJURY-ON-DUTY SUPPLIER CLAIMS, ROAD ACCIDENT FUND SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT NO56 OF 1996 (AS AMENDED) AND COLLECTION OF DEPARTMENTAL DEBTS IN ACCORDANCE WITH CHAPTER 5, SEC 38(C) OF THE PFMA NO.01 OF 1999. ON BEHALF OF THE KWAZULU-NATAL DEPARTMENT OF HEALTH FOR A THREE-YEAR PERIOD CONTRACT (36 MONTHS).

SCOPE OF WORK TO BE PERFORMED

TERMS OF REFERENCE

Additional documentation provided by you must clearly show the paragraph in the bid document to which it relates, please.

1. SCOPE OF SERVICE

- 1.1. Rendering of a comprehensive, all-inclusive service to process supplier claims and collect fees from State departments commencing with the Road Accident Fund (RAF) and the Workmen's Compensation Commissioner (COID) in respect of health services rendered by the KwaZulu-Natal Department of Health, to patients who attended the Department's facilities.
- 1.2. Rendering of a comprehensive, all-inclusive service to collect all outstanding departmental debts in respect of ex-employees, deceased debtors where the estate is still open and supplier debtors..
- 1.3. A schedule with respect to the value of invoices raised for a 12-month period per state department is available on request from the Department.
- 1.4. A schedule in respect of departmental debts is available on request from the department.

2. CONTRACT DURATION / TERM

This contract will run for the duration of 3 years

3. SPECIFICATION

3.1. TECHNICAL REQUIREMENTS: RAF AND COID

- 3.1.1. Successful bidder or contractor to provide a 24 hour per day, 7 days a week merit investigation assessment anywhere in the KwaZulu-Natal Department of Health, within 48 hours after admission/visit, for all motor vehicle accident and injury-on-duty patients receiving treatment at institutions under the control of the Department of Health
- 3.1.2. Bidder to clearly indicate how they intend to provide a service in the completion, submission and settlement of supplier claims in terms of Section 17 (5) of the Road Accident Fund Act No 56 of 1996 (as amended) and the Compensation Of Injuries and Diseases Act (COIDA of 1993. Supplier Claims to be submitted on a full documentation basis i.e. full compliance. A formal presentation to the Department, before the awarding of the bid, may be requested in this regard.
- 3.1.3. Bidder must submit a monthly progress report on every supplier claim to both the relevant hospital as well as the Directorate: Management Accounting, KZN DoH.

The Bidder must supply the following reports, amongst others:

- a) Age analysis, per Institution, of all supplier claims submitted to the RAF and COID
- b) A report, per Institution, that indicates the current status of the accounts with RAF and COID.

- c) A progress report, per Institution that indicates the number and value of supplier claims, received, submitted, offers received payments and outstanding balance, as at close of each month.
 - d) A summary on the age analysis, supplier claims submitted, repudiated and paid per month as well as supplier claims due to prescribe.
 - e) Overall picture of KZNDOH book in terms of accepted, registered unknown and submitted supplier claims to COID.
 - f) Invoices, medical and employer reports submitted to COID
 - g) Remittance detail and full allocation of payments in respect of RAF & COID payments.
 - h) Employer documentation outstanding from the hospital for COID supplier claims.
 - i) Medical reports outstanding from the hospital for RAF & COID.
 - j) Invoices supplier claims awaited from the hospitals for submission to RAF & COID
- 3.1.4. The bidder must be able to handle the electronic compilation of supplier claims which includes the import of scanned documents. Evidence hereof must be provided.
- 3.1.5. Bidder must advise the hospital in respect of supplier claims, which were originally allocated as RAF & COID, but are later found to have no valid claim. Reasons or evidence for the de-selection must be provided to the hospitals.
- 3.1.6. Bidder to indicate specific measures that will be taken to avoid the prescription of supplier claims
- 3.1.7. The bidder must conduct monthly reconciliations on supplier claims between the KZNDOH systems and their own system for both the RAF and COID debt. The scope of the reconciliation is an elaborate one and will be determined by KZNDOH. Bidder must address discrepancies with the Institutions. Bidder to fix errors, where identified, in the bidder's system before the next reconciliation. Bidder must explain the methodology that will be followed in terms of the reconciliation process. Experience and an example of reconciliation in this regard, must also be indicated
- 3.1.8. KZN will also perform reconciliation on a quarterly basis, in which instance the contractor will be required to supply a full set of the data in their system. Where requested by the Department, the bidder must supply an electronic file of all data pertaining to the supplier claims, including information that reflects the claim details as recorded in both the bidder, RAF & COID data as well as information obtained after submissions. The required information will be specified by the Department.
- 3.1.9. Bidder must be able to, at own cost, reprint supplier claims for resubmission to RAF & COID, where required and at short notice of a week or less
- 3.1.10. The bidder will be required to obtain all RAF undertakings for further treatment, where required, from the patient or legal representative
- 3.1.11. The bidder will be required to meet the COID requirements with regards to the successful submission of supplier claims, including the capturing of supplier claims in the COID system where required
- 3.1.12. The bidder will be responsible to obtain a copy of the patient's ID documents should the hospital be unsuccessful in doing so.
- 3.1.13. Bidders will be required when necessary to generate an invoice in respect of amended supplier claims, KZNDOH will specify the format

- 3.1.14. The bidder must obtain all documentation related to RAF & COID supplier claims, which are required from the patient (or legal representative), employer and service provider.
- 3.1.15. The bidder must obtain all relevant authorization forms from the state departments where required for successful supplier claims.
- 3.1.16. In terms of COID supplier claims the bidder must arrange a clinical resource for completion of statutory medical reports, where required. Bidder must quote separately for completion of medical reports including the number of reports per fee, and the medical qualification of the person completing the report. Different fees can be quoted depending on the clinical qualification of the person completing the report.

NB: This will be an optional requirement in terms of utilizing the bidder's clinical resource in this regard.

- 3.1.17. Bidder to indicate if the knowledge and capacity exists to generate invoices at COID tariffs, based on clinical information reflected on the invoices supplied by the institution. Proof of similar work previously/currently undertaken must be provided with the bid document as substantiation.
- 3.1.18. Bidder must control the supplier claims and inform the hospital on payment. All payments by RAF & COID must be paid directly into the Department's bank account and the bidder will have to supply a remittance advice for ALL payments received.
- 3.1.19. Bidder must be fully capacitated to electronically submit claims to RAF and all COID Funders through an electronic interface and data exchanges.
- 3.1.20. Bidder must be fully capacitated to receive remittance detail from RAF and COID funders and allocate the payments made by these funders on their claims processing system and advise the Department of these allocations within the same month of receiving the payments.

3.2 TECHNICAL REQUIREMENTS: DEPARTMENTAL DEBTS

- 3.2.1 Bidder to clearly indicate how they intend to provide a service of collect the departmental debts in accordance with the PFMA 01 of 1999 and the national credit regulations (NCR).
- 3.2.2 Bidder to clearly indicate how they intend to provide a service in the completion, submission and settlement of Departmental debts. A formal presentation to the Department, before the awarding of the bid, may be requested in this regard.
- 3.2.3 Bidder must submit a monthly progress report on every debtor's claim to both the relevant hospital as well as the Directorate: Management Accounting, KZN DoH.
The Bidder must supply the following reports, amongst others:
 - a) Age analysis, per Institution, of all debts identified by the Department
 - b) A report, per Institution, that indicates the status of the debts.
 - c) A progress report, per Institution that indicates the number and value of debts collected
 - d) Remittance detail and proof of payment to the Department of collections made
- 3.2.4 Bidder to indicate specific measures that will be taken to avoid the prescription of staff debts.
- 3.2.5 The bidder must conduct monthly reconciliations on staff debts between the KZNDOH systems and their own system. The scope of the reconciliation is an elaborate one and will be determined by KZNDOH. Bidder must address discrepancies with the Institutions. Bidder to fix errors, where identified, in the bidder's system before the next reconciliation. Bidder must explain the methodology that will be followed in terms of the reconciliation process. Experience and an example of reconciliation in this regard, must also be indicated.
- 3.2.6 Department will also perform reconciliation on a quarterly basis, in which instance the contractor will be required to supply a full set of the data in their system. Where requested by the Department, the bidder must supply an electronic file of all data pertaining to the staff debts.

- 3.2.7 The bidder will be responsible to obtain a copy of the debtor's personal information should the hospital be unsuccessful in doing so.
- 3.2.8 The bidder shall not proceed with collections where the deceased estate has been closed.
- 3.2.9 Bidder to indicate if the knowledge and capacity exists to generate statements of the debts, based on the information supplied by the Department.
- 3.2.10 Bidder must control the debt claims and inform the Debt Management component at Head Office on payment. All payments by Debtors must be paid directly into the Department's bank account and the bidder will have to supply a remittance advice for ALL payments received.
- 3.2.11 Bidder must be fully capacitated to electronically submit statements to debtors where possible

3.3. BID REQUIREMENTS

- 3.3.1. The bidder must indicate the number, level of experience and qualifications of staff that will be dedicated to this project.
- 3.3.2. The bidder must indicate the details of the Information Technology (IT) systems to be used with reference to at least, the functionality of the system specific to supplier claims, volume of supplier claims processed through the system, the number of users and the technology utilized by the system. Their system must also be able to cater for ad-hoc requests on short notice. The system must also be able to monitor the progress of all supplier claims until it is settled by RAF & COID.
- 3.3.3. Bidder must be able to submit supplier claims and debt statements electronically to RAF, COID and debtors where and when required. All software developments in this regard are for the bidder's account.
- 3.3.4. In order to demonstrate capacity in terms of resources and IT systems evidence must be submitted indicating capacity to manage supplier claims in excess of R500 million and 100 000 invoices.
- 3.3.5. Also, to demonstrate capacity in terms of resources and IT systems evidence must be submitted indicating capacity to manage approximately 550 staff and supplier debtors with the total balance of approximately R20 million.
- 3.3.6. The bidder must only collect Departmental debts that are more than R3 000.00 (three thousand)
- 3.3.7. Bidder must undertake to handle all existing outstanding debts and supplier claims in respect of RAF & COID as well as new debts and supplier claims. All debts and supplier claims will be handed over on a regular basis
- 3.3.8. The successful bidder will liaise with the specifically identified official at Directorate: Revenue Management, once the bid has been awarded.
- 3.3.9. The bidder to indicate the following:
- (a) Names of existing clients from whom supplier claims are lodged against the RAF and COID and for how long they have been clients.
 - (b) Track record of results obtained for these clients with reference to at least the number and value of supplier claims processed in the past year, recovery period of these supplier claims, from date of treatment to money paid to clients, cost of treatment and the value recovered from RAF and COID.
- 3.3.10. The bidder will ensure that the claims process, which they adopt complies with all National and Provincial legal and ethical requirements applicable to the KZNDOH.

- 3.3.11. The bidder will ensure that all KZNDOH supplier claims comply with the submission format as specified by RAF and COID accordingly.
- 3.3.12. The Department reserves the right to accept or reject any or all of the bid offers received.
- 3.3.13. The successful bidder will be acting exclusively on behalf of the KZNDOH and should have no ties with either the patients, or any representative of the patient acting on their behalf, other than where required for performance in terms of the bid.
- 3.3.14. A service level agreement, based on the terms of the bid, to ensure the mutual understanding and acceptability of the procedures of handling Departments debts, supplier claims and relationships with hospitals and Emergency Medical Services, will be entered into with the successful bidder.
- 3.3.15 All monies payable by Debtors, RAF and COID will be paid into the main bank account of the KZNDOH.
- 3.3.16. If the RAF and COID do not settle the supplier claim, the bidder must investigate and advise the institution if the merits warrant that a summons be served. The institution will instruct the State Attorney accordingly, or may request the bidder to issue summons. All legal costs to be recovered from RAF and COID accordingly.
- 3.3.17 If the Debtors do not settle their debt the bidder must have the authority and capacity to blacklist and/or involve the court to provide orders for the attaching or selling of property to satisfy the debt
- 3.3.18 The bidder must investigate all repudiations and must ensure that supporting evidence is supplied to the hospitals for supplier claims repudiated. Where necessary repudiations must be resolved with RAF & COID
- 3.3.19. Confidentiality must be maintained in respect of all supplier claims handled in terms of this bid. Bidder must ensure compliance with applicable legislation in this regard
- 3.3.20 The successful bidder shall show clearly the status with corresponding documentation for conclusion of outstanding supplier claims on completion of the contract period, up to and inclusive of the last calendar day of the contract period. This shall include new cases for processing, up to and inclusive of the last calendar day of the contract period. All data in the bidder's IT system pertaining to supplier claims (settled, outstanding or otherwise) in terms of this contract must also be supplied in an electronic format as specified by the Department. All scanned documents pertaining to supplier claims (settled outstanding or otherwise) must also be supplied in an electronic format as specified by the Department. A final reconciliation between the Bidder, RAF and COID as well as between the Bidder and the Department will have to be conducted and reported on as specified by the Department.
- 3.3.21 All claims for supplier claims reported as at the last day of the contract must still be finalized by the bidder. The bidder must ensure that adequate resources in terms of IT and administrative support are available for the purpose.
- 3.3.22. The Department will indicate disposal instructions, for the bidder's account regarding documentation supplied to the bidder which is no longer required by the Department.
- 3.3.23 Bidder must submit a detailed plan which provides the methodology to be adopted in complying with the specification; track record of results obtained for clients with reference to at least the number and value of supplier claims processed in the past year, recovery period of these supplier claims, from date of treatment to money paid to clients, cost of treatment and the value recovered from RAF and COID

3.4 LOCAL REQUIREMENTS

- 3.4.1. The bidder must provide detailed training including procedure manuals, to the staff of the Department regardless of the geographic location of the trainees.
- 3.4.2 The successful bidder must provide office and support facilities in Kwa-Zulu Natal and shall provide services relating to all branches of the RAF and COID nationally. The KZNDOH will engage in regular meetings with the contractor to enhance the interaction with the hospitals. It is therefore a requirement that bidders have an established branch and a dedicated project manager within Kwa-Zulu Natal who could be consulted at short notice to deal with the aforementioned and/or any other queries.

3.5 FEES

- 3.5.1. The successful bidder will, solely dependent on the successful recovery of monies from the Departmental Debtors, RAF and COID, be paid a managerial fee. Bidders must indicate the percentage managerial fee that will be payable.
- 3.5.2. The managerial fee is due to the bidder within 30 days of receipt of the payment allocation based on the remittance detail received from the funder.
- 3.5.3. The Contractor shall submit an invoice to the office of the Directorate: Revenue Management on a monthly basis, reflecting per hospital, the amounts recovered for the month for Departmental Debts, RAF and COID, and the percentage commission being claimed.

3.6. GENERAL

- 3.6.1. The successful bidder shall remain accountable for all monies outstanding from the RAF and COID and shall complete the processing of all supplier claims up to and including the last day of the contract period.
- 3.6.2. The fees of the above- mentioned supplier claims shall be as stated in 3.5, with the added proviso that one year after the termination of the contract period, there shall be no payment of managerial fees payable to the successful bidder whatsoever.

4. EVALUATION

- 4.1. All acceptable bidders will be evaluated in accordance with the following requirements
 - 4.1.1 Technical capacity to manage RAF supplier claims (total in excess of R500 million and 1 00 000 invoices) & COID supplier claims and ability to perform the merit assessment within 48 hours after the injury for all hospitalized cases.
 - 4.1.2 Bidders should provide references with contact details of similar project performed at either other Government Departments or corporate companies
 - 4.1.3 Legal capacity to support the supplier claim and prepare the summons where the bill remains unpaid after 120 days and give other legal support. The bidders must provide details as proof of their capacity in this regard.
 - 4.1.4 The Department will engage in regular meetings with the contractor in order to enhance the interaction with the hospitals. It is therefore a requirement that bidders either have an established branch or representative/s within KwaZulu-Natal who could be consulted at short notice to deal with the aforementioned and/or any other queries.
 - 4.1.5 The bidder must indicate the number, level of experience and qualifications of staff that will be dedicated to this project
 - 4.1.6 The bidder must indicate the details of the Information Technology (IT) systems to be used with reference to at least, the functionality of the system specific to supplier claims, volume of supplier claims processed through the system, the number of users and the technology utilized by the system. Their system must also be able to cater for ad-hoc requests on short notice. The system must also be able to monitor the progress of supplier claims until it is settled by RAF & COID respectively.
 - 4.1.7 Bidder must be able to submit supplier claims electronically to RAF and COID where and when required.
 - 4.1.8 In order to demonstrate capacity in terms of resources and IT systems evidence must be submitted indicating capacity to manage supplier claims in excess of R500 million and 1 00 000 invoices as well as demonstrate existing capacity to handle an electronic interface between the Department and the RAF and COID funders.
 - 4.1.9 Bidder to indicate the names of existing clients for whom supplier claims are lodged against the RAF and COID and for how long they have been clients.
 - 4.1.10 Track record of results obtained for these clients with reference to at least, number & value of supplier claims processed in the past year, recovery period of these supplier claims, from date of treatment to money paid to clients, cost of treatment, value recovered from RAF and COID and the number of defended matters out of the pool of supplier claims processed

5. SPECIAL CONDITIONS

- 5.1. The Department shall be entitled forthwith to terminate the contract by written notice to the Contractor if:
 - 5.1.1. An encumbrance takes possession or a receiver is appointed over any of the property or assets of the Contractor
 - 5.1.2. The Contractor makes any voluntary arrangements with its creditors or becomes subject to an administration order.
 - 5.1.3. The Contractor commits an act of insolvency or is placed under a provisional or final winding-up or judicial management order or fails to satisfy or take steps to have set aside any judgement taken against it within 7 (seven) days after such judgement has come to its notice.
 - 5.1.4. The Contractor commits a breach of the terms and conditions of the contract, all of which are declared material and fails to remedy such a breach.
 - 5.1.5. The Contractor abandons the Project (other than as a consequence of a breach by the Department of its obligations under this contract);
 - 5.1.6. The Contractor ceases to provide all or a substantial part of the services in accordance with this contract (other than as a Consequence of a breach by the Department of its obligations under this contract).
 - 5.1.7. The Department reserves the right to enter into negotiations with bidders (before the contract is concluded and contractors (after the contract is concluded) regarding inter alia price revisions, increases and service delivery should it be deemed necessary.

6. CONSEQUENCES OF TERMINATION, BREACH AND EXPIRY

- 6.1. Upon termination as a result of breach by Contractor, the Contractor shall:
 - 6.1.1. Within 30 (thirty) calendar days after termination, return to the various Instructing institutions, all the accounts and updated supporting information and Documentation related to the handed over debt:
 - a) The time and manner of the delivery of the said documentation will be as agreed upon between the parties.
 - b) Notwithstanding the above, the Department reserves the right to forthwith collect such documentation from the Contractor. The Contractor shall have no claim of whatsoever nature arising from such a collection of documentation by the Department.
 - 6.1.2. The collection of the debts that was transferred back to the Department, upon termination of the Agreement.
 - 6.1.3. Adhere and act in accordance with the process as set out in Contract
 - 6.1.4. Compile and serve on the Department a final reconciliation report within 30 (thirty) calendar days from the date of termination.
- 6.2. Termination as a result of expiry of the contract.
 - 6.2.1. The above prescripts will also apply in respect of the final reconciliation process at the expiry of this Agreement. It is recorded that no extension of the Agreement may be granted unless the final reconciliation process has been completed and serve on the Department.
 - 6.2.2. Prior to the Department exercising its right to extend the contract period, the Contractor shall provide the Department within 14 (fourteen) calendar days from the date of the expiry of the contract, with a detailed schedule in respect of debt in which the Contractor has initiated the collection process and has collected some of the outstanding debt.

- 6.2.3. The Department will serve a written notice on the Contractor within 30 (thirty) calendar days from date of receiving the Contractor's schedule, indicating whether the contract period will be extended or not.
- 6.2.4. In the event that the Department exercises its right to extend the contract, the following shall apply:
- a) The contract will be extended for an additional period of 12 (twelve) calendar months and may be terminated during this period by either party giving the other party 1 (one) month's written notice of its termination prior to the said termination.
 - b) In the event of such termination the same final reconciliation process as set out in this Agreement will apply.
 - c) The extension will be granted on the same terms and Conditions of this Agreement save as for the fact that the Department will cease to hand over any debt after the initial termination period.
 - d) At the expiry of the 12 (twelve) month period the Contractor will hand over all the relevant documentation to the Department within 30 (thirty) calendar days from date of termination.
- 6.3. Upon termination of this Agreement for whatever reason all and any confidential Information or any other information or documentation or records of whatever nature which came to the knowledge of and/or are in the possession or under control of the Contractor, through the existence of this Agreement, including any information relating to the debtor, must:
- 6.3.1. remain confidential and must not be disclosed by the Contractor to any third party without the Department's prior written consent.
 - 6.3.2. Be returned to the Department within 30 days of termination in the same electronic format as per the format in which the data was originally supplied by the Department to the Contractor. All documentation must be supplied in a format as specified by the KZNDOH.
- 6.4. Upon termination of this Agreement for whatever reason the Contractor must provide final reports to the Department in Microsoft Excel format in respect of each debt handed over in terms of this Agreement together with all available information on the debtor.

SECTION K: EVALUATION CRITERIA:

The Department will evaluate applications received before the closing date and time using three (3) evaluation stages, these are mandatory requirements. Should the applicant fail to comply, the application will be regarded as non-responsive and be disqualified. The criteria is as follows:

Stage 1: Administrative and Compulsory Requirements

Stage 2: Functionality Evaluation Criteria

Stage 3: Price and Preference Points

Stage 1: Administrative and Compulsory Requirements

Note: A bidder who fails to submit or return Administrative and Compulsory Requirements as stated above will be treated as non-responsive, the bid disqualified and not progress to the next stage of evaluation.

No.	Document Name	Included in the published bid document? (Yes/No)	To be returned by bidder? (Yes/No)
Administrative and Compulsory Requirements			
1.	Part A: Invitation To Bid (SBD 1)	Yes	Yes
2.	Part B: Terms And Conditions For Bidding (SBD 1)	Yes	Yes
3.	Section A: Special Instructions Regarding Completion Of Bid	Yes	Yes
4.	Section B: Registration On Central Suppliers Database (CSD)	Yes	Yes
5.	Section C: Declaration That Information On Central Suppliers	Yes	Yes
6.	Section D: Official Briefing Session Form (Not Applicable)	Yes	Yes
7.	Section E: Bidder's Disclosure (SBD 4)	Yes	Yes
8.	Section F: The National Industrial Participation Programme (SBD 5)	Yes	Yes
9.	Section G: Preference Points Claim Form (SBD 6.1)	Yes	Yes
10	Section H: General Conditions Of Contract (GCC)	Yes	Yes
11	Section I: Special Conditions Of Contract (SCC)	Yes	Yes
12	Section J: Evaluation Criteria	Yes	Yes
13	Section K: Authority To Sign A Bid	Yes	Yes
14	Section L: Specifications	Yes	Yes
15	Section M: Pricing Schedule (SBD 3.2)	Yes	Yes
Mandatory Requirements			
16	Copy of the Consortium/ Joint Venture/ Partnership agreement, if applicable	Yes If Applicable	Yes If Applicable
17	B-BBEE certificate indicating the B-BBEE status level of contributor. The B-BBEE certificate must be issued by a SANAS accredited verification agency or a sworn affidavit. Note: if this is submitted it will only be applicable or required from the awarded supplier in contract stage.	Yes (Sworn Affidavit)	Yes
19	Demonstrated experience substantiated by submitting detailed CV's, qualifications of the individuals who will be providing the service and actual examples of work undertaken by the bidder concerned.	No	Yes
20	Company profile/proposal	No	Yes

Stage 2: Functionality Evaluation Criteria

The evaluation of the functionality of the tender will be evaluated as per the criteria contained in the table below:

CRITERIA	RETURNABLES	SUB POINTS	POINTS
Capacity in terms of IT systems	<p>The bidder must indicate the details of the Information Technology (IT) systems to be used with reference to at least, the functionality of the system specific to</p> <ul style="list-style-type: none"> • Supplier claims processed via the system • Number of users and technology utilised • indicate capacity to manage supplier claims in excess of R500 million and 100 000 invoices. 	25	25
Demonstrated experience substantiated by submitting detailed CV's, qualifications of the individuals who will be providing the service and actual examples of work undertaken by the bidder concerned.	<ul style="list-style-type: none"> • More than five years' experience substantiated in cv's and examples of work undertaken • Four to five years' experience substantiated in cv's and examples of work undertaken • Three years' experience substantiated in cv's and examples of work undertaken • Less than three years' experience substantiated in cv's and examples of work undertaken 	25 15 10 5	25
Capability and Experience	<p>Company Experience Company profile/proposal and clearly indicate processing and collections process (RAF and COID) and related services, organizational structure; footprint and infrastructure to render the services;</p>	25	25
Execution plan	Detailed plan which provides the methodology to be adopted in complying with the specification; track record of results obtained for clients with reference to at least the number and value of supplier claims processed in the past year, recovery period of	25	25

CRITERIA	RETURNABLES	SUB POINTS	POINTS
	these supplier claims, from date of treatment to money paid to clients, cost of treatment and the value recovered from RAF and COID		
TOTAL POINTS		100	100
MINIMUM QUALIFYING SCORE: (Applicant that fails to obtain 70 minimum qualifying score for objective evaluation criteria will be rejected, treated as non- responsive, not be included as panelist)			

Phase 3: Price and Preference Points

This is final stage of evaluation, the 80/20 or 90/10 preference point system will be used to calculate points for price in respect of an invitation for tender for income generating contracts with a Rand value equal to or below R 50 million, inclusive of all applicable taxes

POINTS AWARDED FOR PRICE

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

80/20 or 90/10

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

Where

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

CATEGORY	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and Specific Goals must not exceed	100

Please Note:

1) HDP: Full points are allocated to companies who are at least 100% owned by Black Africans.

2) Proof to claim Specific Goals or required returnable documents are as follows:

- Ownership Certificate issued by the Companies and Intellectual Property Commission (CIPC).
- The Department reserve a right to verify this information submitted, using other computer assisted technics.

3) False Declaration

The procuring institution reserve a right to verify information submitted, should the bidder submit false or fraudulent proof to claim points for specific goals, the bidder may be immediately disqualified or contract may be terminated.

4) Scoring of points

Should the responsive bidder fail to submit proof to claim points for specific goals, the bid will not be disqualified but the offer will not score points for specific goals (zero points).

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

POINTS AWARDED FOR PRICE

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

80/20

or

90/10

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

Where

Ps = Points scored for price of Bid under consideration

Pt = Price of Bid under consideration

Pmax = Price of highest acceptable Bid

**SECTION M:
PRICING SCHEDULE**

Name of bidder.....	Bid number: ZNB 5622/2026-H
Closing Time 11:00	Closing Date: 04 JUNE 2026

OFFER TO BE VALID FOR **180** DAYS FROM THE CLOSING DATE OF BID.

BID DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO PROCESS AND COLLECT CLAIMS IN RESPECT OF KZN DEPARTMENT OF HEALTH, INCLUDING INJURY-ON-DUTY SUPPLIER CLAIMS, ROAD ACCIDENT FUND SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT NO56 OF 1996 (AS AMENDED) AND COLLECTION OF DEPARTMENTAL DEBTS IN ACCORDANCE WITH CHAPTER 5, SEC 38(C) OF THE PFMA NO.01 OF 1999. ON BEHALF OF THE KWAZULU-NATAL DEPARTMENT OF HEALTH FOR A THREE-YEAR PERIOD CONTRACT (36 MONTHS)

ITEM NO.	DISCRIPTION	BID COMMISSION IN SA CURRENCY(INCLU ALL COST AND VAT)
1.	To process and collect claims in respect of KZN Department of Health, including injury-on-duty supplier claims and road accident fund supplier claims in terms of section 17 (5) of the road accident fund Act no 56 of 1996 (as amended)	
1.1.	Percentage managerial fee	%

Required by: KWAZULU-NATAL DEPARTMENT OF HEALTH

-At: **VARIOUS INSTITUTIONS**

All prices must be inclusive of VAT.

.....
(Signature of Bidder)	Date	(Signature of Witness)	Date

**SECTION M:
PRICING SCHEDULE**

Name of bidder.....	Bid number: ZNB 5622/2026-H
Closing Time 11:00	Closing Date: 04 JUNE 2026

OFFER TO BE VALID FOR **180** DAYS FROM THE CLOSING DATE OF BID.

BID DESCRIPTION: APPOINTMENT OF A SERVICE PROVIDER TO PROCESS AND COLLECT CLAIMS IN RESPECT OF KZN DEPARTMENT OF HEALTH, INCLUDING INJURY-ON-DUTY SUPPLIER CLAIMS, ROAD ACCIDENT FUND SUPPLIER CLAIMS IN TERMS OF SECTION 17 (5) OF THE ROAD ACCIDENT FUND ACT NO56 OF 1996 (AS AMENDED) AND COLLECTION OF DEPARTMENTAL DEBTS IN ACCORDANCE WITH CHAPTER 5, SEC 38(C) OF THE PFMA NO.01 OF 1999. ON BEHALF OF THE KWAZULU-NATAL DEPARTMENT OF HEALTH FOR A THREE-YEAR PERIOD CONTRACT (36 MONTHS)

ITEM NO.	DISCRIPTION	BID PRICE IN SA CURRENCY(INCLU ALL COST AND VAT)
1.	To process and collect claims in respect of Departmental debts in accordance with Chapter 5, Sec 38(C) of the PFMA No.01 Of 1999.	
1.1.	Percentage Commission	%

Required by: KWAZULU-NATAL DEPARTMENT OF HEALTH

-At: **VARIOUS INSTITUTIONS**

All prices must be inclusive of VAT.

.....
(Signature of Bidder)	Date	(Signature of Witness)	Date

ANNEXURE A

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

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

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

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

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1. DEFINITIONS

The following terms shall be interpreted as indicated:

- 1.1. **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2. **“Contract”** means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3. **“Contract price”** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4. **“Corrupt practice”** means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5. **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6. **“Country of origin”** means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7. **“Day”** means calendar day.
- 1.8. **“Delivery”** means delivery in compliance of the conditions of the contract or order.
- 1.9. **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- 1.10. **“Delivery into consignees store or to his site”** means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11. **“Dumping”** occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12. **“Force majeure”** means an event beyond the control of the supplier and not involving the supplier’s fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13. **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14. **“GCC”** means the General Conditions of Contract.
- 1.15. **“Goods”** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16. **“Imported content”** means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17. **“Local content”** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18. **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19. **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20. **“Project site,”** where applicable, means the place indicated in bidding documents.
- 1.21. **“Purchaser”** means the organization purchasing the goods.
- 1.22. **“Republic”** means the Republic of South Africa.
- 1.23. **“SCC”** means the Special Conditions of Contract.

- 1.24. "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25. "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

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

3. General

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

4. Standards

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

5. Use of contract documents and information; inspection.

- 5.1. The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2. The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause except for purposes of performing the contract.
- 5.3. Any document, other than the contract itself mentioned in GCC clause 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 analysed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8. The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1. The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
 - a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

- e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2. Prices charged by the supplier for incidental services, if not included in the contract price for the goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the supplier for similar services.

14. Spare parts

- 14.1. As specified in SCC, the supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the supplier:
 - a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and
 - b) in the event of termination of production of the spare parts:
 - i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

16. Payment

- 16.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2. The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment of other obligations stipulated in the contract.
- 16.3. Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4. Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

- 17.1. Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

18. Contract amendments

- 18.1. No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

19. Assignment

- 19.1. The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

20. Subcontracts

20.1. The supplier shall notify the purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21. Delays in the supplier's performance

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

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

21.3. No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4. The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

21.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without 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 antidumping 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 wilful 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 (NIP) Programme

- 33.1. The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.

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.

General Conditions of Contract (revised July 2010)