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Eastern Cape Provincial Treasury

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SCMO-22/23-002

APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND INSTALLATION OF WATER TANKS FOR THE EASTERN CAPE PROVINCIAL GOVERNMENT FOR A PERIOD OF THIRTY - SIX (36) MONTHS AS AND WHEN REQUIRED

NAME OF BIDDER:	
CSD NUMBER	
CLOSING DATE	05/05/2023
CLOSING TIME	11H00 am
BID TOTAL AMOUNT (INCLUDING VAT)	R.....

SUPPLY CHAIN MANAGEMENT
PROVINCIAL TREASURY
TYAMZASHE BUILDING (OLD STANDARD BANK BUILDING),
PHALO AVENUE
BHISHO
5605

ENQUIRIES: MS N. NGCEBETSHA
EMAIL ADDRESS:
NOSIPHO.NGCEBETSHA@ECTREASURY.GOV.ZA

ENQUIRIES: MS A. POPI
EMAIL ADDRESS:
ANDISWA.POPI@ECTREASURY.GOV.ZA



VISION: We envision a prosperous province supported by sound financial and resource management.



SBD1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE PROVINCIAL TREASURY					
BID NUMBER:	SCMO-22/23-002	CLOSING DATE:	05 MAY 2023	CLOSING TIME:	11H00
DESCRIPTION	APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND INSTALLATION OF WATER TANKS TO THE EASTERN CAPE GOVERNMENT FOR A PERIOD OF THIRTY - SIX (36) MONTHS AS AND WHEN REQUIRED				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS) PROVINCIAL TREASURY, SUPPLY CHAIN MANAGEMENT UNIT, TYAMZASHE BUILDING, (OLD STANDARD BANK BUILDING), PHALO AVENUE, BHISHO, 5605					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Nosipho Ngcebetsha		CONTACT PERSON	Andiswa Popi	
TELEPHONE NUMBER	083 740 2080		TELEPHONE NUMBER	083 740 4757	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Nosipho.ngcebetsha@ectreasury.gov.za		E-MAIL ADDRESS	Andiswa.popi@ectreasury.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 OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
SIGNATURE OF A BIDDER		DATE	
TOTAL BID PRICE	R.....				
CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)					



QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?

YES NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA?

YES NO

DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?

YES NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?

YES NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?

YES 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:



BID ADVERT

The Eastern Cape Province seeks services of an experienced and capable panel of service providers for the Supply, Delivery and Installation of Water Tanks over a period of three (3) years. The prospective bidders must meet the following minimum requirements:

- Must have offices within the Eastern Cape Province (provide the bid, utility bill under the owner's name or entity name/ lease agreement with proof of three (3) rental payments made before the closing date of the bid).
- Provide a list of completed similar contracts with contactable references (provide letters under the client letterheads with available contact numbers).
- The bidder must supply test certificates (valid certificate of conformance) from independent authorities verifying that the product complies with SANS1731:2017 or relevant Agrément SA certificate. The certificate must bear the name of the manufacturer submitting the bid or the name of the manufacturer in the agreement with the bidder. These certificates may not be older than a year.
- The bidder must submit a Manufacturer's Guarantee: A minimum of 5 years full guarantee.
- Bidders must submit together with the bid, letters of supply agreement from local (Eastern Cape Province) manufacturers.

Bidders will be evaluated in terms of the Revised Preferential Procurement Regulations 2022 where the 90/10-point system shall be applied. Bid documents will be available as from **14 April 2023** from the Supply Chain Management Unit, former Standard Bank Building, next to Standard Bank ATM, Ground Floor, Tyamzashe Building, BHISHO. There will be no briefing session and bidders will be required to send electronic emails for any enquiries related to the bid from **14 April 2023** until **05 May 2023**.

Completed Bid documents, enclosed in sealed envelopes, must be deposited into the Bid Box situated at the Supply Chain Management Unit, former Standard Bank Building, next to Standard Bank ATM, Ground Floor, Tyamzashe Building, BHISHO on or before **05 May 2023** at **11:00**, clearly marked: **SCM0-22/23-002: APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY AND INSTALLATION OF WATER TANKS TO THE EASTERN CAPE GOVERNMENT FOR A PERIOD OF THIRTY -SIX (36) MONTHS AS AND WHEN REQUIRED**

BIDDERS SHALL TAKE NOTE OF THE FOLLOWING BID CONDITIONS:

- (a) The Department does not bind itself to accept the lowest bid or any other bid and reserves the right to accept the whole or part of the bid.
- (b) The department reserves the right to negotiate the final terms and conditions of the contract with the successful bidder prior to awarding the contract.
- (c) Bids which are late, incomplete, submitted by facsimile or electronically, will not be accepted and use of correction fluid will render the bid non-responsive
- (d) The documents must remain intact and the supporting document must be attached at the back of the bid document.
- (e) Declaration pages must be fully completed and signed.



STANDARD BID DOCUMENT CHECKLIST COMPLETED BY THE BIDDER

#	Requirement	Complied	
		Yes	No
A	Invitation to Bid (SBD1) fully completed		
B	Proof of registration on the Centralised Supplier Database (If not registered on CSD must do so before the award of the tender).		
C	The pricing Schedule is fully completed by the bidder, failure to do so will result in the bidder being disqualified for non-completion		
D	Bidders Disclosure (SBD 4) is fully completed by the bidder.		
E	Preferential points Claim (6.1) fully completed by the bidder.		
F	JV / Consortium agreement and joint CSD Registration (if applicable)		
H	Reference letters for completed similar contracts with contactable references (provide letters under the client letterheads with available contact numbers		
I	Proof of Eastern Cape Office (utility bill under the bidder's name or entity name/ lease agreement with proof of three (3) rental payments made before the closing date of the bid)		
J	Letter of supply agreement from a local manufacturer within the Eastern Cape Province		
K	Manufacturer's Guarantee: Minimum of 5 years full guarantee.		
L	Test certificates (valid certificate of conformance) from independent authorities verifying that the product complies with SANS1731:2017 or relevant Agrément SA certificate. The certificate must bear the name of the manufacturer submitting the bid or the name of the manufacturer in the agreement with the bidder. These certificates may not be older than a year.		



BID STRATEGY

APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR THE SUPPLY, DELIVERY, AND INSTALLATION OF WATER TANKS TO THE EASTERN CAPE GOVERNMENT FOR A PERIOD OF THIRTY - SIX (36) MONTHS AS AND WHEN REQUIRED

1. BACKGROUND

The Eastern Cape Provincial Government endorsed implementing the Local Economic Development Procurement Framework (LEDPF), which seeks to promote an Eastern Cape Based manufacturing sector and create jobs to stimulate the social economic conditions. A value chain and localization analysis were conducted wherein a number of existing industries were identified with manufacturing capabilities within the province and then this provided an opportunity for the Eastern Cape Provincial Government to explore opportunities through procurement of goods and services with the province in line with the said LEDPF. Storage water tanks have been identified as one of the commodities that contribute towards the Socio-Economic condition in the Eastern Cape. The short- and medium-term use of water tanks will be targeting Human Settlement developments, schools, health care facilities and other government buildings, however, over the long-term special programmes ensuring all households and the province does have water tanks.

2. PURPOSE

2.1 The purpose of this bid is to appoint a panel of service providers per region for the Supply, Delivery and Installation of water tanks for the Provincial Departments and Public Entities of the Province of the Eastern Cape for the period of thirty-six (36) months as and when required.

2.2 The bid will be awarded for the identified regions as follows:

<i>NORTHERN REGION</i>	<i>SOUTHERN REGION</i>	<i>EASTERN REGION</i>	<i>WESTERN REGION</i>
❖ CHRIS HANI	❖ AMATHOLE DISTRICT	❖ OR TAMBO	❖ NELSON MANDELA
❖ JOE GQABI	❖ BUFFALO CITY	❖ ALFRED NZO	❖ SARAH BAARTMAN

2.3 All responsive service providers will be appointed per region that they have bid for, i.e. bidder will be eligible for the appointment in one (1) Region only. In this regard, bidders need to indicate the Regions for which they are bidding, If the bidder fails to indicate the Region that they are bidding for that will result in disqualification. The department reserves the right to appoint multiple service providers in the Region.

- 2.4 Bidders will be appointed per region; the participating department will be required to equitably distribute demand between the bidders awarded per region. This process may entail equalising prices for a given region by making counter-offers.
- 2.5 In the event that there is no responsive bidder within a particular region, consideration will be given to responsive bidders within the nearest region.
- 2.6 The successful service provider/s will be required to supply, deliver, and install the water tanks ordered to where they are required.
- 2.7 In the cases where tanks are required for Turnkey projects, the appointed service provider/s must work with the appointed service providers for water tanks.

3. OVERALL OBJECTIVES

The following are the overall goals for the project:

- 3.1 To ensure that there is a supply of water for the Eastern Cape communities.
- 3.2 To support local economic development by affording the local suppliers an opportunity to supply, deliver and install water tanks for the Eastern Cape Provincial Government and Public Entities.
- 3.3 To encourage that, all manufacturing processes and finished product takes place within the Eastern Cape Province by creating an opportunity for new manufacturers to establish factories within the Province.
- 3.4 To create additional permanent jobs by ensuring sustainability to the existing businesses.
- 3.5 Creating an ongoing and sustainable supply of water storage facilities.

4. SCOPE OF WORK AND EXPECTED DELIVERABLES

- 4.1 Successful service providers will be required to supply, deliver, and install water tanks of various sizes SANS 1731:2017 or relevant Agreement SA certified manufactured in the Eastern Cape. It will be the responsibility of the successful supplier to ensure that the storage water tanks that are supplied are defect free. `



S/No.	PRODUCT SPECIFICATIONS												
1.	<p>Material: All water tanks must be polyethene water tank manufactured Linear Low-Density Polyethylene (LLDPE), Ultra-Violet (UV) stabilized raw materials, acceptable colour available and comply with F&DA regulation 177.1520 for food contact application. The supplier is to provide a recommended overflow and anti-scour</p> <p>The tank material must be classified as non-combustible and must have been tested in accordance with SANS 1731:2017 or equivalent</p>												
2.	<table border="1"> <tr> <td data-bbox="467 560 815 595">Tank Capacity</td> <td data-bbox="823 560 1417 595">2500L</td> </tr> <tr> <td></td> <td data-bbox="823 595 1417 631">4500L</td> </tr> <tr> <td></td> <td data-bbox="823 631 1417 667">5000L</td> </tr> <tr> <td></td> <td data-bbox="823 667 1417 703">5500L</td> </tr> <tr> <td></td> <td data-bbox="823 703 1417 739">6000L</td> </tr> <tr> <td></td> <td data-bbox="823 739 1417 770">10 000L</td> </tr> </table>	Tank Capacity	2500L		4500L		5000L		5500L		6000L		10 000L
Tank Capacity	2500L												
	4500L												
	5000L												
	5500L												
	6000L												
	10 000L												
3.	Shape: Cylindrical / Vertical												
4.	<p>Water tanks must be fitted with a</p> <ul style="list-style-type: none"> ❖ 40mm inlet connector at the top ❖ 40mm outlet connector at the bottom ❖ 480mm clip-on lid comprising of two (2) sections, i.e. inner lid with leaves/ rubble trap and outer lid that seals the inlet. ❖ The tank should be fitted with a 40x 20mm plastic tap & reducer ❖ Access Hatch not less than 400mm, not greater than 700mm diameter, lockable, located on top of the tank 												
5.	The prices in the Pricing Schedule are to be fully inclusive of all these variables.												
6.	Water tanks shall carry a minimum of five (5) years of manufacturer's replacement guarantee												
7.	<p>7.1. Branding: Inclusion of Eastern Cape Provincial Government Logo Size approximately 400mm x 200 mm high, in 3 places along the diameter a spacing of 120 °, placed not lower than 50 cm from the base, not higher than 150 cm from the base.</p> <p>7.2. The manufacturer details (Engraved on the tank): Name and contact number/s of manufacturer Date of manufacture Manufacturer serial number Tank Capacity</p>												
8.	The tank stand must be at least 0,5 meters from the ground on the side where the tap is mounted to the base of the tank and the tank must not overhang the tank stand therefore the whole weight of the tank must be fitted on the tank stand. The tank stand must be designed by a competent person. The tank must be anchored on the stand through the tie-down method. Ensure that the anchoring mechanism is not too tight to cause damage to the tank. The supplier is to provide a recommended concrete base design, for level and sloped terrains (10 degrees, 20 degrees & 30 degrees), including details for securing the tank to the base.												

5. REQUIREMENTS

- 5.1 The goods delivered should strictly be according to specifications or else the buying entity reserves the right to reject the goods.
- 5.2 The water tanks must be delivered and installed in the required quantity, and quality, at the right time, and at the right location.
- 5.3 The successful service provider/s must supply, deliver, and install water tanks of required SANS standards or Agrément certified. In a case where the standard may change, the successful service provider/s must agree to comply within 3 months without compromising the delivery chain in line with the signed contract.
- 5.4 Transport costs for each order shall be determined based on the applicable Department of Transport tariffs at that given point in time.

6. CONSORTIA / JOINT VENTURE

- 6.1 It is recognized that the bidder may wish to form consortia or joint ventures to provide the Goods.
- 6.2 In response to this invitation a consortia / joint venture shall comply with the following requirements: -
 - 6.2.1 Consortium/JV Agreement shall be signed to be legally binding on all consortium / joint Venture members;
 - 6.2.2 A bidder may not participate in more than one JV in this bid as this may lead to disqualification.
 - 6.2.3 One of the members shall be nominated by the others as authorised to be a lead member and this authorization shall be included in the agreement entered into between the consortium / joint venture members;
 - 6.2.4 The lead member shall be the only authorized party to make legal statements, communicate with the Provincial Treasury and receive instructions for and on behalf of any and all the members of the consortium/joint venture member, and
 - 6.2.5 A copy of the agreement entered into by the consortium/joint venture members must be submitted with the bid.
 - 6.2.6 The entity must have a bank account independent from the partners, a separate joint BEE certificate and a separate JV BEE Certificate.

7. INSURANCE AND GUARANTEE

- 7.1 It is the responsibility of the successful service provider/s to insure the goods up to the point of delivery.
- 7.2 A guarantee of five (5) years, in respect of manufacturing defects must be provided linked to a full (100%) refund or replacement.
- 7.3 Have public liability cover to the value of R5m, for any claim that may arise in the event the product malfunctions due to manufacturing defects resulting in loss or damage of property and lives.

8. CONTRACT PERIOD

- 8.1 The successful service provider/s:
 - 8.1.1 shall render the required service over an initial period of thirty-six (36) months.
 - 8.1.2 will be expected to deliver goods within seven (7) working days from the date of receiving the government official purchase order, subject to that order falling within an annual projection received from the same buying entity, at least 2 weeks before the order is placed.

9. BID EVALUATION CRITERIA

The bid will be evaluated in three (3) stages as follows:

9.1 STAGE 1- PRELIMINARY EVALUATION- ADMINISTRATIVE COMPLIANCE

- 9.1.1 The minimum requirements for this phase were applicable to all bidders. Failure to meet these requirements result in a bid not being considered for further evaluation:
 - 9.1.1.1 Bidders must be registered on the Central Supplier Database (CSD) prior to the closing of the bid;
 - 9.1.1.2 The pricing schedule must be fully completed by bidders. Appropriately signing all documents and including a letter/resolution delegating or confirming the authority of the individual signing all documents;
 - 9.1.1.3 In the event of consortia /joint ventures, a signed agreement by all parties must submitted with the bid (**Compulsory**); and
 - 9.1.1.4 Bidders must be a legal entity or partnership.

9.2 STAGE 2: EVALUATION IN TERMS OF SPECIAL CONDITIONS

- 9.2.1 Must have offices within the Eastern Cape Province (provide with the bid, utility bill under the owner's name or entity name/ lease agreement with proof of three (3) rental payments made before the closing date of the bid).
- 9.2.2 Provide one (1) completed similar contract with contactable reference/s (provide letters under the client letterheads with available contact numbers).
- 9.2.3 The bidder must supply test certificates (valid certificate of conformance) from independent authorities verifying that the product complies with SANS 1731:2017 or relevant Agrément SA certificate. The certificate must bear the name of the manufacturer submitting the bid or the name of the manufacturer in the agreement with the bidder. These certificates may not be older than a year.
- 9.2.4 Bidders must indicate the region they are bidding for.
- 9.2.5 The bidder must submit a Manufacturer's Guarantee: A minimum of 5 years full guarantee.
- 9.2.6 Bidders must submit together with the bid, letters of supply agreement from local (Eastern Cape Province) manufacturers. If the bidder has more than one supply agreement, the bidder must provide the test certificates for all the manufacturers they have entered into an agreement.
- 9.2.7 Manufacturer whose test certificate was not submitted will not be allowed to participate in the activities as initiated by this bid.

Failure to meet any of the above requirements will result in your bid not being considered for further evaluation

9.3 STAGE 3: EVALUATION OF BIDS ON PRICE AND SPECIFIC GOALS

- 9.3.1 In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Act (Act 5 of 2000), responsive bids will be adjudicated by the department on the 90/10 preference points system in terms of which points are awarded to bidders on the basis of:
- The bid price (maximum 90 points); and
 - Specific Goals (maximum 10 points).
- 9.3.2 To enforce the implementation of RDP goals and to ensure Local Economic Development for procurement, the maximum **10** points for preference points shall be allocated as follows:

The specific goals allocated points in terms of this bid	Number of points allocated (90/10) system) (To be completed by the organ of state)
Enterprises located in Eastern Cape Province	6
Promotion of Youth	2
Persons with disability	1
Women	1

9.3.3 CLAIMING OF POINTS FOR SPECIFIC GOALS

9.3.3.1 Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding and the proof must be in a form of an ID Copy, CSD report and Company Registration document - CIPC.

9.3.3.2 Preference points allocated for persons with disabilities may only be claimed if there is sufficient evidence that such a person has ownership of 51% or more of the enterprise shareholding and the proof must be in a form of an ID Copy, CSD report and Medical Certificate.

9.3.3.3 Preference points allocated for the promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding and the proof must be in a form of an ID Copy, CSD report and Company Registration document- CIPC.

9.3.3.4 Preference points for Locality may be allocated for the promotion of enterprises located within the Eastern Cape Province and may be claimed by submission of proof that the enterprise is located within the borders of Eastern Cape Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within the Eastern Cape Province.

10. BID PRICING STRUCTURE

10.1 Prices quoted must be inclusive of all applicable taxes.

10.2 All prices quoted should be in South African currency and must be valid for at least hundred and twenty days after the date of closure.

10.3 Prices shall be firm for the first twelve months after the award of the bid. Prices will be escalated in years 2 and 3 using Consumer Price Indices (CPI) published by the Department of Statistics.

11. PRICE NEGOTIATION

11.1 Prices may be negotiated based on the lowest acceptable price.

12. REGISTRATION AS A VAT VENDOR

12.1 Non-Vat vendors who submit bids for contracts that would, if successful, take their annual turnover above the threshold of R1 million must include Vat in the prices quoted and must therefore immediately upon award of the contract, register with South African Revenue Service (SARS) as a VAT vendor.

12.2 Where a supplier is not VAT registered at the point of contracting and did not include VAT in their prices, but registers during the contract period as a VAT registration. The contracted price with the supplier will not increase, but will be deemed to be a contract price which is inclusive of VAT, therefore bidders must determine the implications hereof and price accordingly.

13. GENERAL CONDITIONS OF THE BID

13.1 Bids must be based strictly on the Technical Specification to ensure consistent product compliance.

13.2 The Department reserves the right to conduct in-loco inspections prior to the final award of the bid and at regular intervals thereafter.

13.3 All bid documents must be completed and signed.

13.4 All bids must be deposited in the tender box situated at the reception area of the Supply Chain Management Unit, Standard Bank Building at the Provincial Treasury at Phalo Avenue, Bisho.

13.5 The department reserves the right to appoint multiple service providers per region.

13.6 Substitute Suppliers: Every supplier appointed in this bid will remain a substitute supplier to every other bidder in the event a bidder fails.

13.7 If the successful bidders want to change the manufacturer in the course of the contract, the new manufacturer must be made known to Provincial Treasury. The test certificate for the new manufacturer must be submitted together with the supplier agreement.

13.8 The bid intends to establish a rate agreement which could be extended at the discretion of the Provincial Treasury



14. UNSATISFACTORY WORK

- 14.1 Due to the importance attached to this project by the Department, successful bidders will be expected to observe the bid conditions and clauses contained in this specification.
- 14.2 The Department reserves the right to terminate the contract with immediate effect, should a service provider/manufacture perform unsatisfactorily and fails to remedy such poor or non-performance within seven days of receipt of a written request to do so. This excludes cases that can be mutually agreed upon to be beyond the reasonable control of the supplier and could be viewed to be a supervening impossibility to perform.
- 14.3 Where the Department is compelled to cancel the Agreement with a bidder or bidders due to a continued breach of the Agreement, and subsequent failure by the bidder or bidders to remedy such breach, the mechanism stipulated in terms of the Service Level Agreement will be invoked.

15. IN LOCO INSPECTION

- 15.1 The Department reserves the right to perform an in-loco site visit at any and all proposed manufacturing sites of bidders to verify their existence, capacity to manufacture and storage capacity.

16. BID VALIDITY

- 16.1 Bid documentation submitted by the bidder will be valid and open for acceptance for a period of 120 calendar days from the closing date.

17. COMMUNICATION

All communication or correspondence concerning this bid should be directed as follows:

With regard to the SCM Specific information:	With regard to Technical/Project Specific Information
Ms Nosipho Ngcebetsha Provincial Treasury Bhisho Nosipho.ngcebetsha@ectreasury.gov.za	Ms Andiswa Popi Provincial Treasury Bhisho Andiswa.Popi@ectreasury.gov.za

PRICING SCHEDULE

REGION BIDDING FOR: _____

NB: THE FIGURE FOR THE TOTAL BID PRICE SHOULD BE TRANSFERRED TO SBD 1 (INVITATION TO BID)

ITEM	DESCRIPTION	COST
Water tanks	2 500L	R.....
	4 500L	R.....
	5000L	R.....
	5 500L	R.....
	6 000L	R.....
	10 000L	R.....
Tank stand		R.....
SUB TOTAL		R.....
VAT @15%		R.....
TOTAL BID PRICE (INCLUSIVE OF VAT)		R.....

NB:

1. This will be a three (3) year term contract. The requested price is only for the first (1st) year of the contract. Prices for the second (2nd) and the third (3rd) years of the contract will be determined by considering the prevailing CPI rates.
2. Bidders must ensure that they quote for all items as per detailed product specification in paragraph 4.2 and failure to do so will results in disqualification.



BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

2.1.2 If so, furnish particulars:

.....
.....

2.2 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**

2.2.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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

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

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

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

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



SBD 6.1

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

The applicable preference point system for this tender is the 90/10 preference point

The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

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

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

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

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

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

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

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)
Enterprises located in Eastern Cape Province	6	
Youth	2	
Women	1	
Persons with disability	1	

DECLARATION WITH REGARD TO COMPANY/FIRM

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

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

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

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

(a) disqualify the person from the tendering process;

- (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
- (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
- (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution, if deemed necessary.

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

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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General Conditions of Contract

1. Definitions

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

RSA.

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

obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

5.4 The supplier shall permit the purchaser to inspect the supplier’s records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

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

7. Performance security

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

8. Inspections, tests and analyses

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

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

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

9. Packing

9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

10.2 Documents to be submitted by the supplier are specified in SCC.

11. Insurance

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

12. Transportation

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

13. Incidental services

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

- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;

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

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

14. Spare parts

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

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

15. Warranty

15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take

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

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 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 anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which

may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (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.