

BID SPECIFICATION

INVITATION FOR BIDS	
APPOINTMENT OF PANEL OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 3 YEARS	
BID NUMBER:	MTPA/20252026/CEO/01
NAME OF THE BIDDER	
TOTAL BID AMOUNT	
CLOSING DATE:	05 AUGUST 2025
CLOSING TIME:	11h00 AM
BID DOCUMENTS COLLECTION ADDRESS	SUPPLY CHAIN MANAGEMENT UNIT PROCUREMENT OFFICE HALLS' GATEWAY, MATAFFIN MTPA FINANCE BLOCK E MBOMBELA, 1200 7H30 to 13H00 and 14H00 to 16H00 MTPA Website www.mpumalanga.com
BID DOCUMENT DELIVERY ADDRESS:	SUPPLY CHAIN MANAGEMENT UNIT PROCUREMENT OFFICE HALLS' GATEWAY, MATAFFIN MTPA FINANCE BLOCK E MBOMBELA, 1200
BID VALIDITY PERIOD:	90 DAYS (COMMENCING FROM THE ADVERT CLOSING DATE)
TECHNICAL RELATED QUERIES	lindiwem@mtpa.co.za 013 065 0632
SCM RELATED QUERIES	Noxolo.Mgwenya@mtpa.co.za 013 065 0873
DESCRIPTION OF THE BID	APPOINTMENT OF PANEL OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 3 YEARS

Bidders should ensure that bids are delivered timeously to the correct address. If the bid is late, it will not be accepted for consideration.

Bidders shall submit proposal responses in accordance with the prescribed manner of submissions as specified above. Bids received after the time stipulated shall not be considered.

Bidders are not allowed to contact any other MTPA staff in the context of this BID other than the indicated officials under SBD 1 or as indicated above.

NB: No proposal shall be accepted by MTPA if submitted in any manner other than as prescribed above.

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	MTPA/20252026/CEO/01	CLOSING DATE:	05 AUGUST 2025	CLOSING TIME:	11:00am
DESCRIPTION	APPOINTMENT OF PANEL OF INTERNAL AUDIT SERVICES FOR A PERIOD OF 3 YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
SUPPLY CHAIN MANAGEMENT UNIT PROCUREMENT OFFICE HALLS' GATEWAY, MATAFFIN MTPA FINANCE BLOCK E MBOMBELA, 1200					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Noxolo Mgwenya		CONTACT PERSON	Lindiwe Matibhe	
TELEPHONE NUMBER	013 065 0873		TELEPHONE NUMBER	013 065 0632	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	Noxolo.Mgwenya@mtpa.co.za		E-MAIL ADDRESS	lindiwem@mtpa.co.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]

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.

1. BACKGROUND

Section 51(1)(a)(ii) of the Public Finance Management Act, No. 01 of 1999, requires the establishment of an effective Internal Audit Activity (IAA) under the control and direction of an Audit Committee (AC), complying and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77.

Treasury Regulations 3.2.4. of Part 2, allows for the Internal Audit Activity to be partly or wholly contracted to an external organization with specialist audit expertise, provided that its selection is in accordance with the relevant government's competitive bidding procedures.

The Mpumalanga Tourism and Parks Agency (MTPA) has for the past three years been fully contracted to a panel of external service providers whose contract expired on the 31st of March 2025. This has necessitated a request for proposals to appoint a panel of suitable independent service providers and or consortium/ Joint Venture of service providers.

SECTION A

2. OBJECTIVES OF SERVICES TO BE PROVIDED

2.1. OVERALL OBJECTIVE

The overall objective of this bid is to appoint a panel of suitable independent service providers who can maintain and support an appropriate internal audit service to the MTPA Board and Management. Further to this assist the Agency to accomplish, its objectives by helping Management improve controls, business processes and business risk.

2.2. SPECIFIC OBJECTIVES

In terms of the Public Finance Management Act, The MTPA should have an effective internal audit function, which should also comply with the Institute of Internal Auditor (IIA) Standards.

2.2.1. The internal audit function should assist The MTPA in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of controls, risk management, and governance;

- 2.2.2. Assist the Audit, Risk & IT Committee (ARIC), and through them, the Board and Management in the effective discharge of their responsibilities, furnishing them with analysis reports, appraisals, recommendations, counsel and information concerning the activities reviewed and regular follow-up;
- 2.2.3. The scope of work of Internal Audit Activity is to determine whether the organisation's network of risk management, control and governance processes are designed and represented by management are adequate and functioning to ensure:
 - 2.2.3.1. Appropriate identification and management of risk;
 - 2.2.3.2. Appropriate interaction with various governance groups within the organization;
 - 2.2.3.3. Significant integrity of financial, managerial, operating and performance information is accurate, reliable, useful and timely;
 - 2.2.3.4. Effective operations;
 - 2.2.3.5. Resources are acquired economically, used efficiently and adequately protected;
 - 2.2.3.6. Programmes, plans and objectives are achieved;
 - 2.2.3.7. Compliance with laws and regulations; policies and contracts;
 - 2.2.3.8. Safeguarding of assets;
 - 2.2.3.9. Adequate information systems environment;
 - 2.2.3.10. Quality and continuous improvements are fostered in the organization's control processes; and
 - 2.2.3.11. Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

3. EXPECTED OUTCOMES AND DELIVERABLES

As indicated above the expected outcomes and deliverables will be:

- 3.1. Three-year Internal Audit Strategic Plan and detailed Annual Internal Audit Plan;
- 3.2. Audit reports, Audit findings and recommendations;
- 3.3. Mechanisms for follow-up on matters previously reported and feedback to the Audit Committee;
- 3.4. Follow-up reports of previous findings on internal and external audits;
- 3.5. Mechanisms to ensure that working papers are reviewed at the appropriate level;
- 3.6. System description(s);
- 3.7. Internal Audit methodology;
- 3.8. Audit planning memorandum;

- 3.9. Minutes of entrance meeting;
- 3.10. Sampling methodology;
- 3.11. Quality assurance review report done by external accredited 3rd party;
- 3.12. Summary of record of work performed;
Upon finalising the execution phase of the audit process, reports will be compiled and submitted to the Chief Executive Officer (CEO) and Audit, Risk & IT Committee (ARIC) for review of findings and implementation of agreed-upon recommendations.
- 3.13. The structure of the internal audit reports should consist of but not be limited to the following:
 - a) Audit objectives and scope;
 - b) Identified risks and root causes (including weighting of impact and likelihood);
 - c) Executive summary highlighting significant findings
 - d) Executive summary highlighting significant findings;
 - e) Detailed findings, recommendations and management responses (including implementation or committed dates);
 - f) Conclusion; and
 - g) Follow-up on deadlines.

4. SCOPE OF WORK

The scope of the Internal Audit function includes at least the under-mentioned. Should any other function be regarded as imperative by the bidder, the functions shall be offered and clearly defined. The audit scope will generally be based on Management's assessment of organizational risk. The audit coverage should generally focus on high-risk areas identified in consultation with the ARIC and Executive Management. Details of the coverage will be included in the Annual Internal Audit Plan.

- 4.1. A rolling three-year strategic and annual Internal Audit Plan based on its assessment of key areas of risk for the public entity, having regard to its current operations. The operations proposed in its Corporate or Strategic Plan and its Risk Management Strategy.
- 4.2. Audit reports directed to the ARIC detailing its performance against the plan, to allow effective monitoring and intervention when necessary.
- 4.3. The Internal Audit function must assist the Accounting Authority in maintaining effective controls by evaluating controls and developing recommended action plans for enhancement or improvement.

- 4.4. The Internal Audit Function must assist the Accounting Authority in achieving the objectives of the institution by evaluating and developing recommendations for the enhancement or improvement of the processes through which:
- a) Objectives and values are established and communicated
 - b) The accomplishment of objectives is monitored
 - c) Accountability is ensured
 - d) Corporate values are preserved
 - e) The adequacy and effectiveness of the system of internal control are reviewed and appraised.
 - f) The relevance, reliability and integrity of management, financial and operating data and reports are appraised.
 - g) Systems establishment to ensure compliance with policies, plans, procedures, statutory requirements, and regulations, which could have a significant impact on operations are reviewed.
 - h) The means of safeguarding assets are reviewed and as appropriate verifying the existence of such assets.
 - i) The economy, efficiency and effectiveness with which resources are employed, are appraised.
 - j) The results of operations or programmes are reviewed to ascertain whether the results are consistent with the MTPA's established objectives and goals and whether the operations or programmes are being carried out as planned.
 - k) The adequacy of established systems and procedures is assessed.
- 4.5. Amongst others, below is a list of the audits to be conducted, however, the finalization of the audit plan will be concluded by the Audit, Risk and IT Committee, so these are subject to change:
- a) Quarterly performance and Annual Performance Information Report;
 - b) Review of the 3-year Strategic Plan and Annual Performance Plans, ensuring that these documents are aligned with each other and regulations and are SMART-based;
 - c) Review of the MTPA's policies and procedures;
 - d) In-depth review of Interim and Annual Financial Statements;
 - e) Follow up on internal and external audit findings and action plan
 - f) Mandatory and discretionary grants, and special projects including on-site review of significant projects;
 - g) Asset Management;
 - h) Revenue Management;

- i) Internal financial controls;
- j) Risk and fraud management;
- k) Supply Chain Management;
- l) IT General and Application Controls Review;
- m) Human resources

- 4.6. Conducting special assignments and investigations where necessary on behalf of the ARIC and Accounting Authority into any matter affecting the probity, interest, and operating efficiency of the MTPA.
- 4.7. Attend ARIC meetings, Management Meetings and the (upon invitation).
- 4.8. Identification of serious defects in the internal controls, which might result in possible malpractices.
- 4.9. Producing an internal audit report to be submitted to the CEO, CFO and ARIC.

5. CONDUCT OF WORK

The internal audit service providers will be required to work from the MTPA's premises, including all the nature reserves. In some instances, work may be extended to where projects are being implemented outside the MTPA's premises. The service provider/s will be required to provide the assigned audit team credentials as part of the engagement letter

6. REPORTING REQUIREMENTS

The internal audit function reports to the ARIC and administratively to the CEO. The function must be independent of activities that are audited, with no limitation on its access to information.

The purpose, authority and responsibility of the internal audit function are formally defined in the Internal Audit Charter and must be consistent with the Institute of Internal Audit (IIA) definition of internal auditing

7. QUALITY ASSURANCE REVIEWS OF THE WORK

The internal auditor/s shall ensure that all work conforms to the Standards for the Professional Practice of the Institute of Internal Audit. Such work may further be subjected to an external quality assurance as may be considered necessary.

8. MONITORING PROGRESS OF ASSIGNMENTS

On completion of each assignment, the auditor/s shall distribute the reports to the CFO, where

applicable to the Programme Heads and CEO.

9. PERFORMANCE EVALUATION

- 9.1. Internal audit function will be evaluated on an annual basis by the ARIC and reported to the Accounting Authority.
- 9.2. In carrying out the work, the auditor must ensure that their staff maintain their objectivity by remaining independent of the activities they audit. The Internal Auditors shall:
 - 9.2.1. Have no executive or managerial powers, functions, or duties except those relating to Internal Audit.
 - 9.2.2. Not be involved in the day-to-day operation of the MTPA
 - 9.2.3. Not be responsible for the detailed development or implementation of new systems and procedures.

10. COMPETENCY/EXPERTISE REQUIREMENTS

In order to complete the internal audit services, the following expertise and competencies will be required from service providers submitting proposals:

- 10.1. Audit skills (Administrative, technical, supervisory and managerial responsibilities);
- 10.2. Understanding and knowledge of the legislative environment, policy framework and procedures relating to public entities;
- 10.3. It will be preferred that the person (Director / Partner) leading the Internal Audit project must have implemented an outsourced/co-sourced internal audit service from cradle to grave or has been the head of an in-house internal audit function him/herself.
- 10.4. Knowledge with applied practical understanding in both limited and highly complex circumstances. Experience in similar projects will be an added advantage;
- 10.5. Good communication skills;
- 10.6. Strategic planning and Resource management skills;
- 10.7. Risk Management;
- 10.8. Manage the project to achieve results described in these Terms of Reference and the approved proposal within the specified time frames
- 10.9. Available to start immediately and carry out the project on a sustained basis until completion, within the stipulated time.

11. PROJECT COST AND PAYMENT MILESTONES

- 11.1. The proposal must contain recommendations for payment per certain milestones. The submitted proposal should detail the expected cost per achievement of milestones together with the estimated time, with the final agreement on the percentage to be finalized on appointment.
- 11.2. N.B: All prices should be inclusive of VAT. No variation, to the accepted quote, will be allowed unless the service provider has obtained prior written approval from MTPA.
- 11.3. Rates should be inclusive of VAT.
- 11.4. The cost quoted excludes costs that relate to disbursements. Commitment, however, is required to follow National Treasury Guidelines that are also applicable to service providers of public entities.

12. CONTENT OF BID PROPOSAL

The proposal should include:

- 12.1. All relevant perceived strengths and weaknesses of the service provider bidding for the service, e.g. similar previous experience, in-house skills etc. providing information which will assist the MTPA in assessing its capabilities and competitive advantages etc.;
- 12.2. The summary of the service provider's mission statement, vision statement, values and long-term strategies and objectives as comprehensively as possible;
- 12.3. A proposed plan of action to achieve the objectives of the Internal Audit function. Such a Plan should cover short and medium-term steps to manage the Internal Audit function;
- 12.4. A list of references of previous and current Internal Audit appointments, examples of Internal Audit capabilities and experience and more specifically the number and size of audit work in specific sectors in governments and areas of expertise (Human resource, assets management, etc.)
An organogram or list of partners, managers, and specialist and audit clerks, together with the curriculum vitae of the staff who will be available for the duration of the work, any changes regarding staff allocated to the MTPA must be done in consultation with the Chief Executive Officer. The successful bidder/s should provide experienced internal audit specialists.
- 12.5. Details of staff training and development policies and procedures, with specific mention of affirmative action policies,
- 12.6. A breakdown of the hourly tariff inclusive, per category as required for services rendered. Expenditure incurred without the prior approval of the MTPA will not be reimbursed. An

analysis of costs must be given to cover the full bid amount, and where possible, cost should be linked with specific tasks to be undertaken. All other incidental costs should be included in the budget breakdown.

- 12.7. In so far as is possible, a comprehensive budget, showing the service activities proposed, with charge-out rate and budgeted hours per activity, detailing all assumptions made in arriving at a proposed total budget.
- 12.8. How the service provider/s proposes to provide governance to the MTPA.

13. APPOINTMENT OF SERVICE PROVIDER/S

The parties shall, upon the appointment of the service provider/s, sign a Service Level Agreement which will govern the business relationship.

Acceptance of any bid does not mean that work on an uninterrupted basis is guaranteed for the duration of the contract.

13.1. SIGNING OF THE BID

The bid must be signed by a person who has been authorized to do so by the company. Bids submitted by a consortium or a joint venture should include the official documentation which indicates the composition thereof and the responsible people of the said joint venture.

13.2. EXPENDITURE INCURRED BY THE BIDDER/S

The MTPA will not be held responsible for any costs incurred by the bidder/s in the preparation and submission of the bid.

13.3. IMPORTANCE OF BID RULES

The conditions of the bid are binding to all bidders, any bidder/s that fails to abide by the bid rules and notice will be disqualified.

13.4. ACCEPTANCE OF THE BID

The MTPA reserves the right to appoint more than one bidder/s and the MTPA will not be obliged to accept any bid that has been submitted and evaluated. The accepted bidder/s will receive a written notice of the decision.

14. FEE AND PAYMENT

Pricing will be a major factor in determining the suitability of the proposal regarding the service to be provided. The rates as laid down by the Auditor-General must be used as a guideline and should not be exceeded.

The MTPA undertakes to pay a valid invoice (Statement) in full within 30 (thirty) days from the day the statement is received for work done to its satisfaction upon presentation of a substantiated claim. No payment will be made where there is outstanding information not submitted by the service provider until such information is submitted. The MTPA will not pay for any unproductive or duplicated time spent by the service provider on any assignment because of staff changes or redrafting of reports due to incorrect findings.

NB: The total costs should include VAT, disbursements and travel costs, for all the activities to be audited.

15. VALIDITY OF PROPOSALS

The service provider is required to confirm that it will hold its proposal valid for 90 days from the closing date of the submission of proposals, during which time it will maintain without change, the personnel proposed for the services together with their proposed rates.

SECTION B

16. EVALUATION PROCESS

Bid submissions will be evaluated in accordance with the below tender evaluation stages:

16.1. STAGE 1: MANDATORY REQUIREMENTS

Bids that do not comply with the mandatory requirements will not be considered for stage 2 evaluation.

No	CRITERIA	MEANS OF VERIFICATION
1.	Professional registration (IIA/SAICA/IRBA)	The Bidding entity must provide: Proof of registration with the professional body (IIA, SAICA, IRBA and/or other relevant professional bodies).
2.	Submission format and compliance bidding documents	The Potential bidder must submit 1 bid proposal as follows: i. 1 Hard copy; and Bid proposal must be properly binded, punched and numbered in line with the response format detailed in section 10 of this bid document. ii. Valid Tax Clearance Compliance Status Pin / Tax Clearance Certificate iii. Company Registration documents
3.	Submission of Quality Assurance Reviews conducted by the Institute of Internal Auditors within the last five years.	Proof must be submitted in the form of a Certificate or assessment results which must be satisfactory.

16.2. FUNCTIONAL EVALUATION CRITERIA:

16.2.1. Bidders must meet the minimum functionality of 75% out of 100 points to progress to the next phase of evaluation. Any bid that does not meet the minimum threshold will be automatically disqualified. See detailed scoring criteria below.

16.2.2. Bidders are required to submit supporting documentation evidencing their compliance with each requirement, where applicable.

DETAILED FUNCTIONALITY EVALUATION CRITERIA:

TECHNICAL EVALUATION CRITERIA	WEIGHTING ALLOCATED	
BIDDER(S) QUALIFICATIONS AND EXPERIENCE		
<p>The project manager/or Director must have a minimum of ten (10) years of experience post articles in the public sector internal audit. Submit CV's of the project manager or Director indicating the following:</p> <ol style="list-style-type: none"> Personal information. Qualification(s) (provide certified copies of qualifications (CIA or CA (SA)) and proof of registration with a relevant professional body); and work experience. 		
<ul style="list-style-type: none"> CV submitted demonstrating more than ten (10) years experience in internal audit service [public sector audit will be of advantage] and relevant qualifications 	15.00	
<ul style="list-style-type: none"> CV submitted demonstrating ten (10) years in internal audit service and relevant qualifications 	10.00	
<ul style="list-style-type: none"> CV submitted demonstrating less than ten (10) years in internal audit service and relevant qualifications 	5.00	
<p>Qualifications and experience of team members are required for submission and evaluation. The Internal audit manager must have a minimum of five (5) years' experience in the Public Sector Internal Audit. Submit CVs of internal audit managers indicating the following:</p> <ol style="list-style-type: none"> Personal information. Qualification(s) (provide certified copies of qualifications (CIA or CA (SA)) and proof of registration with a relevant professional body); and Work experience. 		
<ul style="list-style-type: none"> CV submitted demonstrating more than five (5) years of experience in internal audit service and relevant qualifications 	15.00	
<ul style="list-style-type: none"> CV submitted demonstrating more than 3 years but not more than five (5) years in internal audit service and relevant qualifications 	10.00	

TECHNICAL EVALUATION CRITERIA		WEIGHTING ALLOCATED
<ul style="list-style-type: none"> CV submitted demonstrating less than three (3) years and relevant qualifications 	3.00	
The audit team members to be assigned to the project with tertiary audit qualification in internal audit and a minimum of three (3) years experience in public sector internal audit. Years of experience may include internship/training leadership.		
<ul style="list-style-type: none"> CV submitted demonstrating more than 3 years and relevant qualifications 10.00 	10.00	
<ul style="list-style-type: none"> CV submitted demonstrating 3 years experience and relevant qualifications – 5.00 	5.00	
<ul style="list-style-type: none"> CV submitted demonstrating less than 3 years and relevant qualifications – 3.00 	3.00	
REFERENCES		
<p>Bidders are expected to attach copies of 4 reference letters from reputable clients in the Public Sector (PFMA) institutions, that they have provided internal audit services to, in the last 6 years.</p> <p>The reference letters must detail the following information that will be verified:</p> <ul style="list-style-type: none"> The reference letters must be in a letterhead, Indicate the type and quality of service provided, Contract duration, Contract value, Relevant contact person's name, surname and position, Relevant contact number/s 		
<ul style="list-style-type: none"> Four (4) reference letters 	5.00	
<ul style="list-style-type: none"> Three (3) reference letters 	3.00	
<ul style="list-style-type: none"> No reference letters 	0.00	
Should the reference letters fail to indicate the aspects and information above and where applicable not be verifiable, bidders will score zero points. Appointment letters, Purchase Orders and Testimonials are not acceptable. Only reference letters will be considered. References should not be older than 6 years. A list of references will not be considered for evaluation and points scoring.		
BIDDER(S) INTERNAL AUDIT SERVICE SYSTEMS		
<ul style="list-style-type: none"> The bidder to indicate the type of audit software, systems, and techniques to be used for work to be performed[service provider to show reference of systems utilized]. 	5.00	
<ul style="list-style-type: none"> No proof submitted to indicate the type of audit software, systems, and techniques to be used for work to be performed 	0.00	
METHODOLOGY		

TECHNICAL EVALUATION CRITERIA	WEIGHTING ALLOCATED
Proposed General Approach to Internal Audit in terms of the following aspects. (Bidders are requested to submit a detailed proposal to be able to claim points in this section)	
• Internal Audit of Public Entities subject to PFMA	10
• Review of internal controls	5
• Audit preparation and Risk assessments	5
• Preliminary survey	2
• Audit testing	3
• Development of findings, recommendations; and obtaining management responses	3
• Reporting (An example of reports that will be presented to Management and the Audit & Risk Committee. The reports to include conclusions)	3
• Forensic audit including an indication of the process to be followed should there be a request to conduct special assignments and investigations into any matter or activity affecting the probity, interest, and operating efficiency of the MTPA.	4
• Auditing of Enterprise Wide IT Governance: Use of integrated and continuous auditing; and use of CAATs. • Demonstrate an in-depth understanding of risk-based audits, and focus to also on value-added activities.	4
• Risk assessment methodology/ies to be used to develop plans	4
• Demonstrate how you will assist the MTPA in developing and implementing an effective combined assurance model	4
• Description of ways to bring innovation, and best practice to the function to assist in enhancing performance and ensuring continuous improvement, influence and value added to the MTPA	3
TOTAL POINTS	100.00

The threshold for functional evaluation is set at **75%** and bidders scoring above the **75%** threshold will be further evaluated for price.

Note: 80/20 preference point system will be used.

Price: 80%

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

Where:

P_s = points scored for competitive price of bid under consideration

P_t = comparative price of bid under consideration

P_{\min} = comparative price of lowest acceptable bid

Preference points (20) will be allocated utilizing the below specific goals;

SPECIFIC GOALS	POINTS ALLOCATED
Historically disadvantaged by unfair discrimination on the basis of race,	6
Gender (Women)	5
Disability	5
Youth	4

16.3. PRICE EVALUATION

- a) Bidders must submit their pricing schedule and therefore must propose tariffs/rates or applicable rates in line with the scope of works above.
- b) The tariffs/rates/ rates proposed will be used for evaluation and contracting purposes. These tariffs/rates/ rates will form part of the Services Level Agreement and will apply to appointments arising out of this Bid.
- c) MTPA reserves the right to review the proposed tariffs/rates on the anniversary of the agreement and in its sole discretion propose to the service provider adjustments thereto.
- d) The MTPA reserves the right to indicate the level of an internal auditor that is required to render the specific Internal Audit Services to MTPA, with reference to the aforesaid categories. Should a service provider choose to assign an internal auditor who falls in a higher category to attend to an instruction, such service provider may not charge the higher fee.
- e) If the MTPA has not prescribed the level of internal auditor required for a specific instruction, the bidder must in good faith appoint an internal auditor with suitable experience and qualifications.
- f) If an internal auditor moves to a new higher category during the service provider's appointment term, the service provider shall notify the MTPA accordingly in writing.
- g) The MTPA has the right to request another internal auditor from the service provider who is at the same panel and category as the internal auditor who was initially appointed to replace him/her before such internal auditor renders his/her next account to the MTPA.
- h) The service providers are required to advise the MTPA of any new professional staff members appointed during the contract term to attend to the MTPA's instructions and shall furnish the MTPA with a short CV, including the appointee's applicable category, prior to such new appointee commencing work on the MTPA matter.

Service providers will be regarded as having acted in bad faith if MTPA finds:

- Instructions and/or duties that could be attended to or executed by junior staff members have been assigned to senior internal auditor and billed for at such senior staff members' rates.
 - multiple internal auditors have been assigned to attend to a single instruction without any proper justification, such as the complexity or magnitude of a matter and/or the service provider failed to request the MTPA' prior permission in writing to appoint multiple internal auditors for such an instruction; and
 - Unrealistic time billing considering the nature (i.e., relative simplicity) of any action performed and/or service rendered by an internal auditor.
- i) The previously mentioned list is not exhaustive. Bidders must note that transgressions such as the above may lead to the MTPA electing not to make any further use of the services of such service provider.

16.4. PRICING SCHEDULE:

The below pricing schedule must be completed by all bidders.

TEAM MEMBERS	RATES PER HOUR INCLUDING VAT	TOTAL NUMBER OF ESTIMATED HOURS	YEAR 1	YEAR 2	YEAR 3	TOTAL COSTS
Engagement partner						
Senior Manager						
Manager						
Senior Internal Auditor						
Internal Auditor						
Other costs						
TOTAL						

17. BIDDERS ARE TO SUBMIT THE FOLLOWING DOCUMENTATION WITH THEIR PROPOSAL, A FAILURE TO SUBMIT WILL RESULT IN THE BID DOCUMENTATION NOT TO BE CONSIDERED

- Fully completed tender document.
- Duly signed bid documents including all the attached SBD forms.
- Legal Joint Venture Agreement (in case of a JV)
- Identity documents of Owners / Directors / Members / Shareholders
- Contractor Registration for Incorporation or of Company Registration Document

- Shareholders' Agreements / Share Certificates / Memorandum of Association for Companies/ members interest in case of Close Corporation
- A copy of valid Tax Clearance Certificate including the PIN issued by the South African Revenue Services

All proposals and supporting documents must be clearly marked “**PROVISION OF INTERNAL AUDIT SERVICES – REF: MTPA/20252026/CEO/01**” and submitted to The Senior Manager Supply Chain Administration, Office of the Chief Financial Officer, Private Bag X11338, Nelspruit, 1200 or hand delivered to Block E (E4) at MTPA Office Complex, N4 National Road, Hall's Gateway, Matabeni; by no later than the valid advert date.

Late proposals, telefaxed or emailed proposals will not be accepted.

Enquiries of the bid may be directed as follows:

SUPPLY CHAIN MANAGEMENT QUERIES: Noxolo.Mgwenya@mtpa.co.za

TECHNICAL QUERIES: lindiwem@mtpa.co.za

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....
.....

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

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium¹ 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.

¹ 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.

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

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

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

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

.....
 Signature

.....
 Date

.....
 Position

.....
 Name of bidder

PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 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

(delete whichever is not applicable for this tender).

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

b) The applicable preference point system for this tender is the 80/20 preference point system.

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

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
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:

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

Where

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

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:

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

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.
(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.

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

The specific goals allocated points in terms of this tender	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (80/20 system) (To be completed by the tenderer)
HDI	6	
Youth	4	
Gender (Women)	5	
Disability	5	

In order for the points to be allocated to a bidder, the ownership status must at least be equals to or above 50 + 1% on any of the above specific 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 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.

<p>..... SIGNATURE(S) OF TENDERER(S) </p>
<p>SURNAME AND NAME:</p>
<p>DATE:</p>
<p>ADDRESS:</p> <p>.....</p> <p>.....</p> <p>.....</p>

THE NATIONAL TREASURY

Republic of South Africa



GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT
GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

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

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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 Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

Js General Conditions of Contract (revised July 2010)