



**SEKHUKHUNE**  
District Municipality

Private Bag X8611 Groblersdal 0470, 3 West Street Groblersdal 0470  
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E-Mail : [sekinfo@sekhukhune.co.za](mailto:sekinfo@sekhukhune.co.za)

## **SEKHUKHUNE DISTRICT MUNICIPALITY**

### **APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER TO REVIEW THE SDM TOURISM STRATEGY (ONCE OFF).**

**TENDER NO. SK-8/3/1-29/2022/2023**

**DUE AT: 10H30**

**CLOSING ON: 12/09/2022**

**TENDERER:**

\_\_\_\_\_

**TENDER PRICE (INCL. VAT):** \_\_\_\_\_

**EMPLOYER:**

**Municipal Manager**

Sekhukhune District Municipality

Private Bag X8611

Groblersdal

0470

**Contact: Supply Chain unit**

Tel no: +27 (13) 262 7646/7301

Fax no: +27 (13) 262 3570

## PART A INVITATION TO BID

|   |  |               |  |  |  |
|---|--|---------------|--|--|--|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)</b>   |  |               |  |  |  |
| BID NUMBER:   | SK8/3/1-29/2022/2023   | CLOSING DATE: | 12/09/2022   | CLOSING TIME:  | 10:30  |
| DESCRIPTION   | APPOINTMENT OF SERVICE PROVIDER FOR SEKHUKHUNE DISTRICT TOURISM STRATEGY.          |               |  |  |  |
| <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).</b>   |  |               |  |  |  |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX<br>SITUATED AT (STREET ADDRESS) <b>SEKHUKHUNE DISTRICT<br/>         MUNICIPALITY-AB SIKHOSANA FIRE STATION (GROBLERSDAL FIRE<br/>         STATION)</b> |  |               |  |  |  |
|   |  |               |  |  |  |
|   |  |               |  |  |  |
|   |  |               |  |  |  |
|   |  |               |  |  |  |
| <b>SUPPLIER INFORMATION</b>   |  |               |  |  |  |
| NAME OF BIDDER  |  |               |  |  |  |
| POSTAL ADDRESS  |  |               |  |  |  |
| STREET ADDRESS  |  |               |  |  |  |
| TELEPHONE NUMBER  | CODE   |               | NUMBER   |  |  |
| CELLPHONE NUMBER  |  |               |  |  |  |
| FACSIMILE NUMBER  | CODE   |               | NUMBER   |  |  |
| E-MAIL ADDRESS  |  |               |  |  |  |
| VAT REGISTRATION NUMBER   |  |               |  |  |  |
| TAX COMPLIANCE STATUS   | TCS PIN:   |               | OR   | CSD No:  |  |
| B-BBEE STATUS LEVEL<br>VERIFICATION CERTIFICATE<br>[TICK APPLICABLE BOX]  | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                    |               | B-BBEE<br>STATUS LEVEL<br>SWORN<br>AFFIDAVIT   |  | <input type="checkbox"/> Yes<br><br><input type="checkbox"/> No                        |
| <b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>   |  |               |  |  |  |
| ARE YOU THE ACCREDITED<br>REPRESENTATIVE IN SOUTH<br>AFRICA FOR THE GOODS<br>/SERVICES /WORKS OFFERED?  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF] |               | ARE YOU A<br>FOREIGN BASED<br>SUPPLIER FOR<br>THE GOODS<br>/SERVICES<br>/WORKS<br>OFFERED? |  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES, ANSWER PART B:3 ] |
| TOTAL NUMBER OF ITEMS<br>OFFERED  |  |               | TOTAL BID PRICE  |  | R  |
| SIGNATURE OF BIDDER   | .....  |               | DATE   |  |  |
| CAPACITY UNDER WHICH THIS<br>BID IS SIGNED  |  |               |  |  |  |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>  |  |               | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>   |  |  |
| DEPARTMENT  | SUPPLY CHAIN MANAGEMENT  |               | DEPARTMENT   | PLANNING AND ECONOMIC DEVELOP  |  |
| CONTACT PERSON  | VOSTER MASEMOLA  |               | CONTACT PERSON   | CLEOPAS NCHABELENG   |  |
| TELEPHONE NUMBER  | 013 262 7656   |               | TELEPHONE NUMBER   | 013 262 7420/ 083 345 7579   |  |
| E-MAIL ADDRESS  | <a href="mailto:masemolav@sekhukhune.gov.za">masemolav@sekhukhune.gov.za</a>       |               | E-MAIL ADDRESS   | <a href="mailto:nchabelengc@sekhukhune.gov.za">nchabelengc@sekhukhune.gov.za</a> |  |

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

|   |   |
|---|---|
| <b>1. BID SUBMISSION:</b>   |   |
| 1.1.  | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.   |
| 1.2.  | <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR ONLINE</b>   |
| 1.3.  | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| 1.4.  | <b>THIS BID IS VALID FOR 90 DAYS</b>  |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>   |   |
| 2.1   | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.  |
| 2.2   | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.   |
| 2.3   | APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.        |
| 2.4   | FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.  |
| 2.5   | BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.  |
| 2.6   | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.  |
| 2.7   | WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.   |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>  |   |
| 3.1.  | IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>   |
| 3.2.  | DOES THE ENTITY HAVE A BRANCH IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>   |
| 3.3.  | DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>  |
| 3.4.  | DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>   |
| 3.5.  | IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <span style="float: right;"><input type="checkbox"/> YES <input type="checkbox"/> NO</span>   |
| <p><b>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 ABOVE.</b></p> |   |

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.  
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

|                     |  |                     |  |
|---------------------|--|---------------------|--|
| <b>SIGNATURE</b>    |  | <b>NAME (PRINT)</b> |  |
| <b>CAPACITY</b>     |  | <b>DATE</b>         |  |
| <b>NAME OF FIRM</b> |  |                     |  |

## LIST OF RETURNABLE DOCUMENTS.

The tenderer must complete the returnable documents as listed

| Generic  | Tick if completed |
|--|-------------------|
| Authority for Signatory ( <i>Compulsory</i> )  |                   |
| Certificate of Authority for Joint Venture ( <i>Compulsory where applicable</i> )  |                   |
| Certified copy of identity documents for directors ( <i>Compulsory</i> )   |                   |
| Compulsory Enterprise Questionnaire-SCHEDULE 1A ( <i>Compulsory</i> )  |                   |
| Copy of Company Registration Documents or CK1 for Close Corporations ( <i>Compulsory</i> )   |                   |
| Form of offer to be properly signed ( <i>Compulsory</i> )  |                   |
| Declaration of Interest (MBD4) ( <i>Compulsory</i> )   |                   |
| Declaration of Bidder's Past Supply Chain Management Practices (MBD8) ( <i>Compulsory</i> )  |                   |
| Certificate of Independent Bid Determination (MBD9) ( <i>Compulsory</i> )  |                   |
| Certified B-BEE Status Level Certificate SANAS approved or Sworn affidavit for BBEE Exempted Micro Enterprises as per bidder's correct turnover category ( <i>Required for evaluation</i> )  |                   |
| The Municipal rates for the bidder and its directors in respect of which payment is not overdue for more than 90 days or proof of lease agreement including rates for the landlord. In case where the Company or Director is registered in a rural area where the rates are not paid, please attach proof from Local Authority and Affidavit under oath indicating that there are no municipal rates payable |                   |
| Valid Tax Clearance Certificate Issued by the South African Revenue Service. ( <i>Compulsory</i> ) or PIN issued by SARS   |                   |
| CSD Registration/CSD Summary Report ( <i>Compulsory</i> )  |                   |

Note:

The meaning of the cursive type for each Form is as follows:

- **Compulsory:** Documentation or Information that must be submitted with the tender (Failing to submit any if the document may result in the tender being deemed non-responsive).
- **Required for evaluation:** Additional documentation that is required to be submitted with the tender and will be used as part of the tender evaluation.
- It is the responsibility of the bidder to bind the bid document



**SEKHUKHUNE**

**District Municipality**

|   |
|---|
| <p><b>TERMS OF REFERENCE</b></p> <p><b>SEKHUKHUNE DISTRICT TOURISM STRATEGY</b></p> |
|---|

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## 1. Background

Sekhukhune District Municipality (SDM) was established in December 2000 and is situated within the south of Limpopo Province, about 300 Kilometers north of Johannesburg. It is bordered by Gauteng Province to the south, Mpumalanga Province to the east as well as Waterberg towards the west. Sekhukhune is relatively accessible with the use of its relatively extensive road network system. It is characterized by a scattered pattern of human settlement and contains a large number of rural villages 764<sup>1</sup> which lack both economic infrastructure and opportunities and services of a reasonable standard. Overall, it covers approximately 13 264 kilometers with only 5% of the district's population estimated to live in urban areas.

SDM consists of four local municipalities namely: Fetakgomo Tubatse, Elias Motsoaledi, Makhuduthamaga and Ephraim Mogale. There are 121 wards in the district. The total population of the district is estimated at 1 169 762<sup>2</sup>. Groblersdal, Marble Hall, Burgersfort, Jane Furse, Ohrigstad, Steelpoort and Driekop constitute the main urban centres. It should be noted that Sekhukhune is a predominantly rural district.

Sekhukhune District cuts across the north-eastern part of the Bushveld Complex, an immense geological structure that contains the largest reserves of platinum group metals (PGM) in the world. The district has 22 operating mines and a number of prospecting projects/mines. The major mining activity in the district occurs within the Dilokong Corridor, which stretches largely across Tubatse and Fetakgomo. Mining contribution to Sekhukhune Gross Geographic Product is estimated at between 15-20%<sup>3</sup>.

Besides mining, the district is endowed with good soils and climatic conditions for farming. The town of Groblersdal in Elias Motsoaledi Local Municipality, and Marble Hall in the Ephraim Mogale Local Municipality, are found in what is referred to as the Loskop Valley. The large commercial agricultural schemes in the valley are serviced by the Loskop Dam, built in 1938 especially for this purpose. The area has large commercial agricultural estates which should participate in empowering SMME's and Cooperatives. The district also has retail and industry sector and tourism potential.

The tourism sector is one of the low hanging fruits that can be able to draw a lot of foreign currency to the Sekhukhune District. The District hosts the scenic Flag Boshielo Dam area, the adjoining Schuinsdraai Nature Reserve, De Hoop Dam, Potlake Nature Reserve, Leolo mountains and the Maleoskop Resort and Conservancy. Currently, an estimated 84 accommodation facilities, offering 2,627 beds are found throughout the district. The tourism sector also employs approximately 962 persons. It is essential for the district to take advantage of this existing potential by positioning itself as a preferred destination for tourists.

De Hoop and Flag Boshielo dams are used as tourism anchors to promote future eco and cultural-heritage tourism development. The two dams are also expected to improve the state of water provision in the District which will eventually enhance tourism and other development opportunities in the area.

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1 SDM Backlog Study 19 April 2016

2 Statssa 2016

3 SAMDA 2014

## Challenges

The unique selling benefits (USBs) of local heritage sites and other tourism facilities in the district are not effectively profiled and marketed. The market positioning of the District as a heritage tourist destination implies that there is a need for further investment in heritage tourism infrastructure for attractions such as Tjate Heritage Site and others. To date there is no dedicated Cultural Museum that displays and commemorate the Pedi nation's rich cultural heritage. Tourism potential of the district is largely not developed, and it is untapped. The 2006 Tourism Strategy was not effectively implemented, and its review is long overdue

## 2. Purpose

The purpose of reviewing the Tourism Strategy is to develop an effective, practical, and feasible community-oriented strategy that is uniquely tailored to suit Sekhukhune District. The Primary goal of this project is to assist the district in the preparation of a comprehensive Tourism Strategy with suitable actions for several key projects in keeping with the cultural, social, and economic aspirations thereby charting a way for the aggressive development of the tourism sector in district. This will contribute to improving tourism sustainability in general and economic benefits for the population, with a focus on youth and gender sensitivity.

## 3. Objectives

The objectives of reviewing the Tourism Strategy are:

- To consult and work closely with tourism stakeholders, community organisations, tourism staff and government ministries in the tourism decision-making
- To ensure all stakeholders' tourism needs, tourism industry gaps and its feasible opportunities are outlined
- To provide up-to-date tourism market information, marketing, social media and communications strategies
- To develop a comprehensive tourism Strategy to encompass the future development of the Tourism industry
- To capture environmental concerns between tourism, land-use and biodiversity
- To incorporate and strategically evaluate/include eco-friendly principles and opportunities in strategic development areas/initiatives,

## 4. Scope of Work

The strategy should demonstrate a practical, realistic, and achievable path to a self-sustaining, economic development model which will focus on a time bound plan of activities, which can realistically be implemented with appropriate staff and recommend a skill set to be provided.

In meeting the objectives, the consultancy should take a few factors into account. These include but are not limited to:

- Review and analyses of the 2006 Tourism Strategy, together with any other tourism-related documents with a view to preparing a detailed medium-term Tourism Strategy and Action Plan. The natural environment is fundamental to Sekhukhune District's appeal, it must therefore be protected and enhanced.
- Assessment of current state of tourism
- Provide technical advice related to ecotourism with links to eco-friendly projects and the opportunities to be derived from these projects.
- Propose ways of increasing eco-tourism awareness. These may include but not limited to, the media, publications, promotions, institutions, the public.
- Propose ways to encourage stakeholders to adopt environmentally friendly practices which can enhance visitor experiences.
- Provide a comprehensive Action Plan which outlines the benefits of, as well as provide guidance in developing and or enhancing key visitor attractions and amenities
- Suggest unique and innovative ways to improve, expand and diversify the tourism offerings.
- Develop an elaborate focused, cost-effective, comprehensive strategic approach to Destination Marketing to include target markets, marketing opportunities, trends, competitors, Marketing and Promotion methods (including digital or direct) all of which should fit into Sekhukhune District unique offer.
- Propose best practices in technological innovation and digital marketing relating to tourism.
- SMME development within the tourism industry
- Provide evidence-based review of the 'low volume, low end – high-end' tourism market. The review should refine current and future growth trends and clearly define Sekhukhune District's potential to attract investment in Tourism
- Alignment of the strategy to tourism chapters of all four local municipalities within the district.
- Provide Future growth direction

## 5. Key deliverables

The assignment is expected to be delivered within 6 months. Consultants will be paid on a time and cost basis per deliverable for work done at the rates to be agreed in the Service Level Agreement per key deliverable as set out below:

- Inception Report
- Status Quo Analysis Report
- Recommend short-term, mid-term, and long-term strategies and action plans
- Programmes and Projects
- Institutional Framework
- Implementation Plan
- Monitoring and Evaluation Framework
- Draft Tourism Strategy report

- Stakeholder Engagement Report (Engage with stakeholders in the preparation of the Tourism Strategy)
- Final report and presentation to Council

## 6. Profile of consultant

### 6.1. Competencies and skills required

- Post Graduate Degree in at least one of the following fields: tourism and economics.
- Minimum of 2 years in project management and product development experience, preferably in tourism development, or
- Minimum of 2 years in tourism marketing experience working with tourism organisations and the public and private sectors in the tourism industry and counterpart organisations.

For the purpose of this assignment the PSP should attach a profile of organisation, abridged CV, the business 's details of previous jobs done and their contact person 's name and numbers.

Those shortlisted may be invited to present their proposals which should exhibit:

- Ability to deliver the assignment as specified and concluded within set time
- Ability to demonstrate at proposals that the conducted assignment will be reasonable, verifiable and practicable
- Time estimates for reaching identified milestones and delivering the concluded assignment
- Methodology to deliver the assignment.

## 7. Lines of communication

The PSP will work in close collaboration with SDM staff, Local Municipalities, relevant service providers and identified stakeholders to ensure effective and efficient implementation of the project.

Contact person in SDM:

| Name                  | Function     | Contact details   |
|-----------------------|--------------|---|
| Mr Nchabeleng Cleopas | Manager: LED | Cell No: 083 345 7579<br>Email: nchabelengc@sekhukhune.gov.za |

## 8. Functionality

Potential bidders will be evaluated based on the below functionality:

| No | Criteria              | Weights   | Total Score |
|----|-----------------------|---|-------------|
| 1  | Experience of company | Refer to the number of Tourism or related strategies developed.<br><b>(Attach appointment letters, completion certificates or any other proof):</b> <ul style="list-style-type: none"> <li>• 0-2 years in Tourism Strategies development: <b>0 points</b></li> <li>• 3-4 years in Tourism Strategies development: <b>5 points</b></li> <li>• 5-7 years in Tourism Strategies development: <b>20 points</b></li> <li>• 8 years and more in Tourism Strategies development: <b>25 points</b></li> </ul> | 25          |

|             |                                 |  |     |
|-------------|---------------------------------|--|-----|
| 2           | Experience of Key Staff members | Refer to involvement of staff in similar projects <b>(Attach CV with contactable reference):</b> <ul style="list-style-type: none"> <li>No experience: <b>0 points</b></li> <li>1-3 years' experience: <b>5 points</b></li> <li>4-7 years' experience: <b>15 points</b></li> <li>8 years and more experience: <b>30 points</b></li> </ul>  | 30  |
| 3           | Qualifications of Key Staff     | Refer to qualifications in the following fields: tourism and economics. <b>(Attach certified copies of less than 3 months):</b> <ul style="list-style-type: none"> <li>Qualification in Tourism Management or Economics of less than 3 years: <b>0 points</b></li> <li>National Diploma in Tourism Management or Economics or equivalent: <b>5 points</b></li> <li>Degree in Tourism Management or Economics or equivalent: <b>10 points</b></li> <li>Post graduate degree in Tourism Management or Economics or equivalent: <b>15 points</b></li> </ul>         | 15  |
| 4           | Methodology and workplan        | Refer to a detailed outline of the project methodology that will be used detailing how each of the deliverables will be achieved. <b>(Attach project proposal)</b> <p><b>5.1 Overall approach and understanding of the TOR's – 5</b><br/> Excellent - 5<br/> Good - 3<br/> Satisfactory - 2<br/> Poor – 0</p> <p><b>5.2 Methodology for the different deliverables – 20</b><br/> Excellent - 20<br/> Good - 12<br/> Satisfactory - 6<br/> Poor - 0</p> <p><b>5.3 Clear workplan – 5</b><br/> Excellent - 5<br/> Good - 3<br/> Satisfactory - 2<br/> Poor - 0</p> | 30  |
| Total Score |                                 |  | 100 |

**NB. Any bidder that earns total points score of less than 60 for functionality will not be progressed to the next stage of further evaluation**

#### 9. Bid document submission

Copy of your bid documents must be received by SDM not later than 10h30 on the 12 of September 2022. Proposals must be clearly marked “**SEKHUKHUNE DISTRICT MUNICIPALITY TOURISM STRATEGY**” and be delivered into our bid box at:

**AB Skhosana Fire Station reception area**

**Groblersdal**

**0470**

Late, faxed and or emailed proposal will not be considered. Amendments to proposals will be considered only if they are received before the closing date.

**Proposals should be directed to:**

**The Municipal Manager**

**Sekhukhune District Municipality**

**Private Bag X8611**

**Groblersdal**

**0470**

**PRICING SCHEDULE**  
**(Professional Services)**

|  |   |
|--|---|
| Name of Bidder: .....<br>Closing Time: ..... | Bid Number: .....<br>Closing Date ..... |
|--|---|

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

| ITEM | DESCRIPTION | BID PRICE IN RSA CURRENCY<br>**(ALL APPLICABLE TAXES INCLUDED) |
|------|-------------|--|
| NO   |             |  |

- (i) The accompanying information must be used for the formulation of proposals.
- (ii) Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project. R.....

2 PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)

| 4. PERSON AND POSITION | HOURLY RATE | DAILY RATE |
|------------------------|-------------|------------|
| -----                  | R-----      | -----      |
| -----                  | R-----      | -----      |
| -----                  | R-----      | -----      |
| -----                  | R-----      | -----      |
| -----                  | R-----      | -----      |

(a) PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

|       |        |            |
|-------|--------|------------|
| ----- | R----- | days ----- |
| ----- | R----- | days ----- |
| ----- | R----- | days ----- |
| ----- | R----- | days ----- |

5.1 Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.

| DESCRIPTION OF EXPENSE TO BE INCURRED | RATE  | QUANTITY | AMOUNT |
|---------------------------------------|-------|----------|--------|
| -----                                 | ..... | .....    | R..... |
| -----                                 | ..... | .....    | R..... |
| -----                                 | ..... | .....    | R..... |
| -----                                 | ..... | .....    | R..... |

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

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

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

Period required for commencement with project after acceptance of bid

Are the rates quoted firm for the full period of contract?

.....\*YES/ NO.

If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.....

.....

.....

.....

\*Delete if not applicable

## ANNEXURE C

### MBD 4

#### DECLARATION OF INTEREST

- (iii) No bid will be accepted from persons in the service of the state<sup>1</sup>.
- (iv) Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.

**3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1 Full Name of bidder or his or her representative:.....

3.2 Identity Number: .....

3.3 Position occupied in the Company (director, trustee, shareholder<sup>2</sup>):.....

3.4 Company Registration Number: .....

3.5 Tax Reference Number:.....

3.6 VAT Registration Number:  
.....

3.7 The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8 Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars.

.....  
.....

<sup>1</sup>MSCM Regulations: "in the service of the state" means to be –

(b) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the national Assembly or the national Council of provinces;

(c) a member of the board of directors of any municipal entity;

(d) an official of any municipality or municipal entity;

(e) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

- (f) a member of the accounting authority of any national or provincial public entity;  
or
- (g) an employee of Parliament or a provincial legislature.

<sup>2</sup> Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? **YES / NO**

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.10.1 If yes, furnish particulars.

.....  
.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid? **YES / NO**

3.12.1 If yes, furnish particulars.

.....  
.....

3.13 Are any spouse, child or parent of the company’s directors trustees, managers, principle shareholders or stakeholders in service of the state? **YES / NO**

3.13.1 If yes, furnish particulars.

.....  
.....

4. Full details of directors / trustees / members / shareholders.

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
**Signature**

.....  
**Date**

.....

.....

## DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (VAT INCLUDED)

**For all procurement expected to exceed R10 million (VAT included), bidders must complete the following questionnaire:**

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

.....

YES / NO

.....

2 Do you have any outstanding undisputed commitments for municipal services towards a municipality or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

.....

.....

.....

.....

3. Has any contract been awarded to you by an organ of state during the past five years, including particulars

**YES/NO**

of any material non-compliance or dispute concerning the execution of such contract?

3.1 If yes, furnish particulars

.....

.....

**YES / NO**

4. Will any portion of goods or services be sourced from outside **YES / NO** the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

4.1 If yes, furnish particulars

.....

.....

#### **CERTIFICATION**

**I, THE UNDERSIGNED (NAME)** .....

**CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.**

**I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....

Signature

.....

Date

.....

Position

.....

Name of Bidder

## MBD 6.1

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

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

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

#### (v) GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- 4 the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included); and
  - 5 the 90/10 system for requirements with a Rand value above R50 000 000 (all applicable taxes included).
- 1.2 The value of this bid is estimated not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.
- 1.3 Preference points for this bid shall be awarded for:
- (h) Price; and
  - (i) B-BBEE Status Level of Contribution.
- 1.4 The maximum points for this bid are allocated as follows:

NB: The bid will be evaluated on **FUNTIONALITY** and **BBBEE**

|   | POINTS |
|---|--------|
| PRICE   | 80     |
| B-BBEE STATUS LEVEL OF CONTRIBUTION               | 20     |
| Total points for Price and B-BBEE must not Exceed |        |

- 1.5 Failure on the part of a bidder to submit a B-BBEE Verification Certificate from a Verification Agency accredited by the South African Accreditation System (SANAS), or a Registered Auditor approved by the Independent Regulatory Board of Auditors (IRBA) or a sworn affidavit confirming annual turnover and level of black ownership in case of an EME and QSE together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

#### 2 DEFINITIONS

**“all applicable taxes”** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;

**“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;

**“B-BBEE status level of contributor”** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard.

5. **“sub-contract”** means the primary contractor’s assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
6. **“total revenue”** bears the same meaning assigned to this expression in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act and promulgated in the *Government Gazette* on 9 February 2007;
7. **“trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
8. **“trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

### 3. ADJUDICATION USING A POINT SYSTEM

- 3.1 The bidder obtaining the highest number of total points will be awarded the contract.
- 3.2 Preference points shall be calculated after prices have been brought to a comparative basis taking into account all factors of non-firm prices and all unconditional discounts;.
- 3.3 Points scored must be rounded off to the nearest 2 decimal places.
- 3.4 In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for B-BBEE.
- 3.5 However, when functionality is part of the evaluation process and two or more bids have scored equal points including equal preference points for B-BBEE, the successful bid must be the one scoring the highest score for functionality.
- 3.6 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

### 4. POINTS AWARDED FOR PRICE

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

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

$$P_s \frac{80}{1} \frac{P_t - P_{\min}}{P_{\min}} \quad \text{or} \quad P_s \frac{90}{1} \frac{P_t - P_{\min}}{P_{\min}}$$

Where

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

### 5. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 5.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations 2017, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

| B-BBEE Status Level of Contributor | Number of points (90/10 system) | Number of points (80/20 system) |
|------------------------------------|---------------------------------|---------------------------------|
| 1                                  | 10                              | 20                              |
| 2                                  | 9                               | 18                              |
| 3                                  | 6                               | 14                              |
| 4                                  | 5                               | 12                              |
| 5                                  | 4                               | 8                               |
| 6                                  | 3                               | 6                               |
| 7                                  | 2                               | 4                               |
| 8                                  | 1                               | 2                               |
| Non-compliant Contributor          | 0                               | 0                               |

- 5.2 A bidder who qualifies as an EME in terms of the B-BBEE Act must submit a sworn affidavit confirming Annual Total Revenue and Level of Black Ownership.
- 5.3 A Bidder other than EME or QSE must submit their original and valid B-BBEE status level verification certificate or a certified copy thereof, substantiating their B-BBEE rating

issued by a Registered Auditor approved by IRBA or a Verification Agency accredited by SANAS.

- 5.4 A trust, consortium or joint venture, will qualify for points for their B-BBEE status level as a legal entity, provided that the entity submits their B-BBEE status level certificate.
- 5.5 A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.
- 5.6 Tertiary Institutions and Public Entities will be required to submit their B-BBEE status level certificates in terms of the specialized scorecard contained in the B-BBEE Codes of Good Practice.
- 5.7 A person will not be awarded points for B-BBEE status level if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a bidder qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract.
- 5.8 A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract.

## 6. BID DECLARATION

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

## 7. B-BBEE STATUS LEVEL OF CONTRIBUTION CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 5.1

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

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 5.1 and must be substantiated by means of a B-BBEE certificate issued by a Verification Agency accredited by SANAS or a Registered Auditor approved by IRBA or a sworn affidavit.

## 8. SUB-CONTRACTING

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

**(Tick applicable box)**

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

- 8.1.1 If yes, indicate:

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

**(Tick applicable box)**

|     |  |    |  |
|-----|--|----|--|
| YES |  | NO |  |
|-----|--|----|--|

## 9. DECLARATION WITH REGARD TO COMPANY/FIRM

- 9.1 Name of company/firm:.....
- 9.2 VAT registration number:.....
- 9.3 Company registration number:.....

9.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium  
One person business/sole propriety  
Close corporation  
Company  
(Pty) Limited  
[TICK APPLICABLE BOX]

9.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

9.6 COMPANY CLASSIFICATION

Manufacturer  
Supplier  
Professional service provider  
Other service providers, e.g. transporter, etc.  
[TICK APPLICABLE BOX]

9.7 MUNICIPAL INFORMATION

**Municipality where business is situated:** .....

**Registered Account Number:** .....

**Stand Number:**.....

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

9.9 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contribution indicated in paragraph 7 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraph 7, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contribution has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) restrict the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from

obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

- (e) forward the matter for criminal prosecution.

WITNESSES

1. ....

2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

## MBD 7.2

### CONTRACT FORM - RENDERING OF SERVICES

**THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SERVICE PROVIDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SERVICE PROVIDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.**

#### PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
  - (i) Bidding documents, viz
    - Invitation to bid;
    - Tax clearance certificate or Tax Pin;
    - Pricing schedule(s);
    - Filled in task directive/proposal;
    - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
    - Declaration of interest;
    - Declaration of Bidder's past SCM practices;
    - Certificate of Independent Bid Determination;
    - Special Conditions of Contract;
  - (ii) General Conditions of Contract; and
  - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT) .....  
CAPACITY .....  
SIGNATURE .....  
NAME OF FIRM .....  
DATE .....

#### WITNESSES

1 .....  
2 .....  
DATE: .....

## MBD 8

### DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
  - b. been convicted for fraud or corruption during the past five years;
  - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

| Item  | Question   | Yes                             | No                             |
|-------|--|---------------------------------|--------------------------------|
| 4.1   | <p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:  |                                 |                                |
| 4.2   | <p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b></p>   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1 | If so, furnish particulars:  |                                 |                                |
| 4.3   | <p>Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?</p>  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1 | If so, furnish particulars:  |                                 |                                |
| Item  | Question   | Yes                             | No                             |

|       |  |                                 |                                |
|-------|--|---------------------------------|--------------------------------|
| 4.4   | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months? | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1 | If so, furnish particulars:  |                                 |                                |
| 4.5   | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?                         | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1 | If so, furnish particulars:  |                                 |                                |

### CERTIFICATION

**I, THE UNDERSIGNED (FULL NAME) .....  
CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT,  
ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE  
TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

## MBD 9

### CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. take all reasonable steps to prevent such abuse;
  - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.

<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

**MBD 9**

**CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: \_\_\_\_\_ that:  
(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder

## **MBD 9**

6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
  - (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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.

<sup>3</sup> Joint venture or Consortium means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

**MBD 9**

10. 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.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

# FORM OF OFFER AND ACCEPTANCE

## 1. OFFER

The Sekhukhune District Municipality, identified in the acceptance signature block, has solicited offers to enter a contract for:

### **Appointment of Service Provider for Sekhukhune District Tourism Strategy.**

The tenderer, identified in the offer signature block, has examined the documents listed in the tender data and addenda thereto as listed in the tender schedules, and by submitting this offer has accepted the conditions of tender.

By the representative of the tenderer, deemed to be duly authorized, signing this part of this form of offer and acceptance, the tenderer offers to perform all of the obligations and liabilities of the Contractor under the contract including compliance with all its terms and conditions according to their true intent and meaning for an amount to be determined in accordance with the Conditions of Contract identified in the Contract Data.

#### **THE OFFERED TOTAL OF THE PRICES INCLUSIVE OF VALUE-ADDED TAX IS:**

.....  
.....  
RAND (IN WORDS); R..... (IN FIGURES)  
).

This offer may be accepted by the employer by signing the acceptance part of this form of offer and acceptance and returning one copy of this document to the tenderer before the end of the period of validity stated in the tender data, whereupon the tenderer becomes the party named as the contractor in terms of the conditions of contract identified in the contract data.

Signature(s) .....

Name(s) .....

Capacity .....

For the **Tenderer**

.....  
(Name and address of organization)

Name ..... and ..... signature  
of witness ..... Date .....

## 2. ACCEPTANCE

By signing this part of this form of offer and acceptance, the employer identified below accepts the tenderer's offer. In consideration thereof, the employer shall pay the contractor the amount due in accordance with the conditions of contract identified in the contract data. Acceptance of the tenderer's offer shall form an agreement between the employer and the tenderer upon the terms and conditions contained in this agreement and in the contract that is the subject of this agreement.

Deviations from and amendments to the documents listed in the tender data and any addenda thereto, as listed in the tender schedules as well as any changes to the terms of the offer agreed by the tenderer and the employer during this process of offer and acceptance, are contained in the schedule of deviations attached to and forming part of this agreement. No amendments to or deviations from said documents are valid unless contained in this schedule.

The tenderer shall, within two weeks after receiving a completed copy of this agreement including the schedule of deviation (if any), contact the employer's agent (whose details are given in the contract data) to arrange the delivery of any bonds, guarantees, proof of insurance and any other documentation to be provided in terms of the conditions of contract identified in the contract data. Failure to fulfil any of the obligations in accordance with those terms shall constitute a repudiation of this agreement.

Notwithstanding anything contained herein, this agreement comes into effect on the date when the tenderer receives one fully completed original copy of this document, including the schedule of deviations (if any). Unless the tenderer (now contractor), within five (5) working days of the date of such receipt, notifies the employer in writing of any reason why he cannot accept the contents of this agreement, this agreement shall constitute a binding contract between the parties.<sup>4</sup>

Signature(s) ..... ..

Name(s) ..... ..

Capacity ..... ..

for the **Employer** .....  
(**Sekhukhune District Municipality**)  
Private Bag x8611  
Groblersdal  
0470

Name and signature of witness .....

Date .....

\_\_\_\_\_

## SCHEDULE 1A: COMPULSORY ENTERPRISE QUESTIONNAIRE

The following particulars must be furnished. In the case of a joint venture, **separate** enterprise questionnaires in respect of each partner must be completed and submitted.

**Section 1: Name of enterprise:** .....

**Section 2: VAT registration number, if any:** .....

**Section 3: CIDB registration number:** .....

**Section 4: Particulars of sole proprietors and partners in partnerships**

| Name* | Identity number* | Personal income tax number* |
|-------|------------------|-----------------------------|
|       |                  |                             |
|       |                  |                             |
|       |                  |                             |

\* Complete only if sole proprietor or partnership and attach separate page if more than 3 partners

**Section 5: Particulars of companies and close corporations**

Company registration number .....

Close corporation number .....

Tax reference number .....

**Section 6: Record of service of the state**

Indicate by marking the relevant boxes with a cross, if any sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months in the service of any of the following:

- |  |   |
|--|---|
| <input type="checkbox"/> a member of any municipal council                                     | <input type="checkbox"/> an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| <input type="checkbox"/> a member of any provincial legislature                                | <input type="checkbox"/> a member of an accounting authority of any national or provincial public entity  |
| <input type="checkbox"/> a member of the National Assembly or the National Council of Province | <input type="checkbox"/> an employee of Parliament or a provincial legislature  |
| <input type="checkbox"/> a member of the board of directors of any municipal entity            |   |
| <input type="checkbox"/> an official of any municipality or municipal entity                   |   |

**If any of the above boxes are marked, disclose the following:** (insert separate page if necessary)

| Name of sole proprietor, partner, director, manager, principal shareholder or stakeholder | Name of institution, public office, board or organ of state and position held | Status of service (tick appropriate column) |                       |
|---|---|---|-----------------------|
|   |   | current                                     | Within last 12 months |
|   |   |   |                       |
|   |   |   |                       |

\* Insert separate page if necessary

**Section 7: Record of spouses, children and parents in the service of the state**

Indicate by marking the relevant boxes with a cross, if any spouse, child or parent of a sole proprietor, partner in a partnership or director, manager, principal shareholder or stakeholder in a company or close corporation is currently or has been within the last 12 months been in the service of any of the following:

- |  |   |
|--|---|
| <input type="checkbox"/> a member of any municipal council                                     | <input type="checkbox"/> an employee of any provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999) |
| <input type="checkbox"/> a member of any provincial legislature                                |   |
| <input type="checkbox"/> a member of the National Assembly or the National Council of Province |   |

- ☐ a member of the board of directors of any municipal entity
 ☐ a member of an accounting authority of any national or provincial public entity
- ☐ an official of any municipality or municipal entity
 ☐ an employee of Parliament or a provincial legislature

| Name of spouse, child or parent | Name of institution, public office, board or organ of state and position held | Status of service<br>(tick appropriate column) |                       |
|---------------------------------|---|--|-----------------------|
|                                 |   | current  | Within last 12 months |
|                                 |   |  |                       |
|                                 |   |  |                       |

\* Insert separate page if necessary

The undersigned, who warrants that he/she is duly authorised to do so on behalf of the enterprise:

- i) authorizes the Client/Municipality to obtain a tax clearance certificate from the South African Revenue Services that my / our tax matters are in order;
- ii) confirms that the neither the name of the enterprise or the name of any partner, manager, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears on the Register of Tender Defaulters established in terms of the Prevention and Combating of Corrupt Activities Act of 2004;
- iii) confirms that no partner, member, director or other person, who wholly or partly exercises, or may exercise, control over the enterprise appears, has within the last five years been convicted of fraud or corruption;
- iv) confirms that I / we are not associated, linked or involved with any other tendering entities submitting tender offers and have no other relationship with any of the tenderers or those responsible for compiling the scope of work that could cause or be interpreted as a conflict of interest;
- v) confirms that the contents of this questionnaire are within my personal knowledge and are to the best of my belief both true and correct.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Position \_\_\_\_\_

Enterprise name \_\_\_\_\_

\* The schedule should be used where tenders are subject to the local Government: Municipal Finance Management Act

## SCHEDULE 1B: AUTHORITY OF SIGNATORY

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer must complete the certificate set out below for the relevant category.

|              |                  |                    |                      |                        |
|--------------|------------------|--------------------|----------------------|------------------------|
| A<br>Company | B<br>Partnership | C<br>Joint Venture | D<br>Sole Proprietor | E<br>Close Corporation |
|              |                  |                    |                      |                        |

### A. Certificate for Company

I, ....., chairperson of the board of directors of .....

....., hereby confirm that by resolution of the board (**copy attached**) taken on ..... 20..., Mr/Ms ..... acting in the capacity of ....., was authorized to sign all documents in connection with this tender for contract ..... and any contract resulting from it on behalf of the company.

**As witnesses :**

- |         |                  |
|---------|------------------|
| 1. .... | Chairman : ..... |
| 2. .... | Date : .....     |

Tenderers must attach a copy of the Resolution of the Board - refer Schedule 2B.

### B. Certificate for Partnership

We, the undersigned, being the key partners in the business trading as ..... hereby authorize Mr/Ms ..... acting in the capacity of ..... to sign all documents in connection with the tender for Contract ..... and any contract resulting from it on our behalf.

| NAME | ADDRESS | SIGNATURE | DATE |
|------|---------|-----------|------|
|      |         |           |      |
|      |         |           |      |
|      |         |           |      |

**NOTE :** This certificate is to be completed and signed by all of the key partners upon whom rests the direction of the affairs of the Partnership as a whole

### C. Certificate for Joint Venture

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms

....., authorised signatory of the company .....  
 ..... , acting in the capacity of lead partner, to sign all

documents in connection with the tender offer for Contract .. and any contract resulting from it on our behalf.

This authorization is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the Joint Venture.

| NAME OF FIRM | ADDRESS | AUTHORISING SIGNATURE, NAME & CAPACITY |
|--------------|---------|--|
| Lead partner |         |  |
|              |         |  |
|              |         |  |
|              |         |  |

**D. Certificate for Sole Proprietor**

I, ..... hereby confirm that I am the sole owner of the business trading as .....

**As witnesses:**

1. .... Signature : Sole owner : .....
2. .... Date : .....

**E. Certificate for Close Corporation**

We, the undersigned, being the key members in the business trading as .....  
 ..... hereby authorize Mr/Ms .....  
 acting in the capacity of ....., to sign all documents in connection with the tender for Contract ..... and any contract resulting from it on our behalf.

| NAME | ADDRESS | SIGNATURE | DATE |
|------|---------|-----------|------|
|      |         |           |      |
|      |         |           |      |
|      |         |           |      |

**NOTE:** This certificate is to be completed and signed by all of the key-partners upon who rests the direction of the affairs of the Partnership as a whole.

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT:**

### **GENERAL CONDITIONS OF CONTRACT**

**July 2010**

## **GOVERNMENT PROCUREMENT**

### **GENERAL CONDITIONS OF CONTRACT**

**July 2010**

## NOTES

The purpose of this document is to:

- A. Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- B. 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](http://www.treasury.gov.za)

### **<sup>2</sup> Standards**

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

### **<sup>2</sup> 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.

**9. 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:

5. 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
6. 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.

8.1 All pre-bidding testing will be for the account of the bidder.

**4. Inspections, tests and analyses**

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:

6. performance or supervision of on-site assembly and/or commissioning of the supplied goods;
7. furnishing of tools required for assembly and/or maintenance of the supplied goods;
8. 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:

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  
in the event of termination of production of the spare parts:  
Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and  
following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

#### **8.**

**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.

## **9. 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.

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

## **10. Contract amendments**

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.

## **11. Assignment**

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.

## **12. Subcontracts**

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.

## **13. Delays in the supplier's performance**

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 cancelling 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.

### **v) 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:

10. 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;
11. if the Supplier fails to perform any other obligation(s) under the contract; or
12. 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

**v) 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.

**(f) 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.

**(g) 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

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|--|--|
|  | (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.  |
| <b>29. Governing language</b>                                | 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.  |
| <b>30. Applicable law</b>                                    | 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.   |
| <b>31. Notices</b>   | <p>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</p> <p>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.</p>  |
| <b>32. Taxes and duties</b>                                  | <p>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.</p> <p>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.</p> <p>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.</p>   |
| <b>33. National Industrial Participation (NIP) Programme</b> | 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.   |
| <b>34 Prohibition of Restrictive practices</b>               | <p>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).</p> <p>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.</p> |

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)





