



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

REQUEST FOR PROPOSALS

RFP Ref. No:	DPE 04/2022-2023
Description	THE DEPARTMENT OF PUBLIC ENTERPRISES INVITES SERVICES PROVIDERS TO SUBMIT A PROPOSAL FOR THE APPOINTMENT OF A SERVICE PROVIDER TO DRAFT THE MINORITY SHAREHOLDING OVERSIGHT FRAMEWORK
Publication date	13 JULY 2022
RFP Closing Details	Date: 10 AUGUST 2022 Time: 11:00 AM (South African Time) Place: Department of Public Enterprise Street: 80 Hamilton Street Arcadia, Pretoria
COMPULSORY BRIEFING SESSION	Date: 27 JULY 2022 Time: 11:00 AM Place: Department of Public Enterprise Street: 80 Hamilton Street Arcadia, Pretoria
Deadline for enquiries	Date: 3 AUGUST 2022 @ 16:00 PM
Public Opening of RFP Responses	Date: 10 AUGUST 2022 Time: 11:00 AM (South African Time) Place: Department of Public Enterprise Street: 80 Hamilton Street Arcadia, Pretoria
RFP Validity Period	120 Days from the Closing Date

PROSPECTIVE BIDDERS MUST REGISTER ON NATIONAL TREASURY'S CENTRAL SUPPLIER DATABASE PRIOR TO SUBMITTING BIDS.

CHECK LIST FOR BID DOCUMENTATION

TAKE NOTE: SHOULD ANY OF THE MENTIONED BID DOCUMENTS NOT BE DULY COMPLETED AND SIGNED YOUR BID MAY BE DISQUALIFIED

FORM	DESCRIPTION	CHECK BOX
SBD 1	INVITATION TO BID	
SBD 3.3	PRICING SCHEDULE (PROFESSIONAL SERVICES)	
TOR	TERMS OF REFERENCE FOR SERVICE	
SBD 4	DECLARATION OF INTEREST	
SBD 6.1	PREFERENCE POINTS CLAIM FORM: ORIGINAL B-BBEE CERTIFICATE/CERTIFIED ORIGINAL/ORIGINAL SWORN AFFIDAVIT OR ORIGINAL CERTIFIED COPY TO BE SUBMITTED	
GCC	GOVERNMENT PROCURMENT: GENERAL CONDITIONS OF CONTRACT	
REGISTRATION ON CENTRAL SUPPLIER DATABASE	CENTRAL SUPPLIER DATABASE Effective from 1 ST September 2015 all prospective suppliers have to self-register once on the central supplier database website https://secure.csd.gov.za . In order to do business with all spheres of government. As soon as supplier's information has been verified with external data sources (e.g sars and cipc) a unique supplier nr and security code will be allocated and communicated to all suppliers. The supplier can use this information to update and maintain his profile. <u>NB A copy of your company registration report must be submitted with your bid/price quotation.</u> <u>Failure thereof may disqualify your proposal.</u>	
NB: FIRST ENVELOPE WITH ONE ORIGINAL FINANCIAL PROPOSAL THAT INCLUDES ALL VALID B-BBEE CERTIFICATE OR AFFIDAVIT AND BID DOCUMENTS REQUIRED BY THE DEPARTMENT. SECOND ENVELOPE WITH ONE ORIGINAL TECHNICAL/FUNCTIONAL PROPOSAL		

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	BID DPE4/2022-2023	CLOSING DATE:	10 AUGUST 2022	CLOSING TIME:	11:00
DESCRIPTION	THE DEPARTMENT OF PUBLIC ENTERPRISES INVITES SERVICES PROVIDERS TO SUBMIT A PROPOSAL FOR THE APPOINTMENT OF A SERVICE PROVIDER TO DRAFT THE MINORITY SHAREHOLDING OVERSIGHT FRAMEWORK				
	NB. COMPULSORY BRIEFING WILL BE HELD ON 27 JULY 2022 AT 11:00 AT 80 HAMILTON STREET, ARCADIA, 0083				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
DEPARTMENT OF PUBLIC ENTERPRISES, GROUND FLOOR SECURITY					
80 HAMILTON STREET, ARCADIA, 0083					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Abel Makhafola		CONTACT PERSON	Abel Makhafola	
TELEPHONE NUMBER	012 431-1005		TELEPHONE NUMBER	012 431-1005	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	abel.makhafola@dpe.gov.za		E-MAIL ADDRESS	abel.makhafola@dpe.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
- 2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

(Proof of authority must be submitted e.g. company resolution)

.....

DATE:

.....

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:

BID NO.: DPE 4/2022-2023

CLOSING TIME 11:00

CLOSING DATE 10 AUGUST 2022

OFFER TO BE VALID FOR 120 DAYS FROM THE CLOSING DATE OF BID.

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

The Department of Public Enterprises invites service providers to submit a proposal for the appointment of a service provider to draft the minority shareholding oversight framework.

NB: Compulsory briefing session will be held on 27 July 2022 at 11:00 at 80 Hamilton Street, Arcadia, 0083

1. The accompanying information must be used for the formulation of proposals.

2. Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.

R.....
(TOTAL 1 & 2)

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

4. PERSON AND POSITION

HOURLY RATE

DAILY RATE

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

R-----
R-----
R-----

5. PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

R-----
R-----
R-----

----- days
----- days
----- 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-----

TOTAL (1): R.....

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

Name of Bidder:

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

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

TOTAL (2): R.....

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

***[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures or technical information may be directed to—

Abel Makhafola
 Tel: (012) 431-1005
 Email: abel.makhafola@dpe.gov.za



public enterprises

Department:
Public Enterprises
REPUBLIC OF SOUTH AFRICA

Private Bag X15, Hatfield, 0028 80 Hamilton Street, Arcadia, 0083
Tel: 012 431 1118/1150 Fax: 012 431 1039 Private Bag X9079, Cape Town, 8000 Fax: 021 465 2381

TERMS OF REFERENCE (“TOR”)

FOR THE APPOINTMENT OF A SERVICE PROVIDER

TO

DRAFT THE MINORITY SHAREHOLDING OVERSIGHT FRAMEWORK

**Department of Public Enterprises
 (“Department”)**

1 TABLE OF CONTENTS

1. DISCLAIMER	3 - 4
2. GLOSSARY OF TERMS	4 - 5
3. INTERPRETATION	5
4. PURPOSE OF THE TERMS OF REFERENCE	5
5. BACKGROUND AND CONTEXT	5 - 6
6. PROJECT OBJECTIVE.....	6
7. PROJECT SCOPE.....	6
8. DELIVERABLES.....	6 - 7
9. PROJECT MANAGEMENT	7
10. CONDITIONS OF APPOINTMENT	7
11. KEY EXPERTISE REQUIRED.....	7 - 8
12. CONTACT DETAILS	8
13. COMPULSORY BRIEFING SESSION	8
14. CONTENT OF PROPOSALS	8 - 9
15. EVALUATION OF PROPOSALS.....	9 - 11
16. BID DOCUMENTS TO BE SUBMITTED:.....	12
17. RESERVATIONS OF RIGHTS.....	12 - 13
18. CLOSING DATE	13
19. REFERENCES.....	13
20. VALUE-ADDED SERVICES.....	13

1. DISCLAIMER

- 1.1 The TOR is issued by the Department of Public Enterprises. The sole purpose of this document is to guide the Bidder in deciding whether to submit a proposal in response to the TOR.
- 1.2 The Bidder agrees and undertakes that it will procure and ensure that its directors, officers, employees, agents, representatives and advisors use the TOR only to prepare and submit a proposal for the purposes contemplated in the TOR, and for no other purpose.
- 1.3 The Bidder further undertakes not to divulge the contents of or distribute any copies of the TOR to any other party without the prior written consent of the Department and shall return all copies of the TOR to the Department promptly upon request.
- 1.4 The Department reserves the right to amend, modify or withdraw the TOR or to amend, modify or terminate any of the procedures or requirements set out herein at any time and from time to time, without notice to the Bidder but without liability to compensate or reimburse any party.
- 1.5 The information contained in the TOR is obtained from the Department and other sources. Neither Government, the Department nor any of their respective directors, officers, employees, agents, representatives or advisors make any representation or warranty or give any undertaking, express or implied, or accept any responsibility or liability whatsoever as to the content, accuracy or completeness of the information contained in the TOR or any other written, electronic or verbal information made available in connection with the Project, and nothing contained herein is, or shall be relied upon, as an offer capable of acceptance, a promise or representation, whether as to the past or the future. A Bidder shall accordingly only be entitled to rely on those representations and warranties set forth in the final Project Documents when, and if, such final Project Documents are ultimately agreed and executed, and subject to such limitations and restrictions as may be contained therein.
- 1.6 The TOR does not contain all of the information that may be required by a Bidder in considering whether to submit a proposal and/or a bid and is merely issued for information purposes to enable a Bidder to formulate a proposal. Neither Government, the Department nor any of their respective officers, employees, agents, representatives or advisors have independently verified any of the information contained in the TOR nor are they obliged to update or otherwise revise the TOR or other material supplied herewith nor do they accept any obligation to provide recipients with access to any additional information or to correct any inaccuracies which may become apparent in the TOR or in any other information which may be made available concerning the Project.
- 1.7 The TOR is not intended to form the basis of a decision to enter into any transaction or any other agreement and does not constitute an offer, invitation or recommendation to enter into any such transaction, or an intention to enter into any legal relationship with any party.
- 1.8 The information contained in the TOR has been compiled to enable a Bidder to consider whether to submit a proposal. The Bidder should be aware that this information has been prepared by Department and involves elements of subjective judgement and analysis. This information is subject to change between the date of issue of the TOR and the issuing of more detailed information during the ensuing phase/s of the Project due to the passage of time and the changes

in circumstances relating to the Project, and the verification of such information.

- 1.9 Any Bidder considering submitting a proposal and/or submitting a bid and/or entering into the Project is advised to seek its own independent legal, tax, financial and other advice. The costs of engaging advisors shall be solely for the account of the Bidder concerned.
- 1.10 The issue of the TOR should not be regarded as any form of commitment on the part of the Department to proceed with the Project. Receipt of this TOR does not confer any right on any party. The Department reserves the right in its sole and absolute discretion to terminate any party's participation in the Project on notice to the Bidder concerned without liability whatsoever.
- 1.11 No written, electronic or verbal communication shall be made with the Department or any of its respective directors, officers or employees, either directly or indirectly, with respect to any information contained in the TOR or with respect to any possible transaction concerning an SOC and any communication must be directed to the contact persons referred to in section 12 of the TOR or such other person/s appointed by the Department for such purpose.

2. GLOSSARY OF TERMS

In the TOR, unless the context otherwise indicates -

- 2.1 "B-BBEE" means Broad Based Black Economic Empowerment;
- 2.2 "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 contained in the Codes of Good practice on Black Economic Empowerment, issue in terms of section 9 (1) of the Broad Based Black Economic Empowerment Amendment Act of 2013;
- 2.3 "Bidder" means a party that submits a proposal in response to the TOR;
- 2.4 "Consortium or joint venture" 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;
- 2.5 "Department" means the Department of Public Enterprises
- 2.6 "Functionality" means the measurement according to predetermined norms of a service or commodity designed to be practical and useful, working or operating, taking into account quality, reliability, viability and durability of a service or commodity;
- 2.7 "Government" means the Government of the Republic of South Africa represented by the Minister for purposes of this Project;
- 2.8 "Minister" means the Minister of Public Enterprises;
- 2.9 "NDP" means the National Development Plan;
- 2.10 "Person" means a natural or juristic person;
- 2.11 "PSEC" means Presidential State-Owned Enterprises Council
- 2.12 "Proposal" means the document(s) delivered, by a Bidder in accordance with the ToR, expressing interest in the Project;
- 2.13 "Project Documents" means a mandate and all other agreements necessary to give effect to the Project;
- 2.14 "Project" means for the appointment of a service provider to Provider to guide the Department on

the drafting of the Minority Shareholding Oversight Framework for further consideration by Government.

- 2.15 "Service Provider" means a person or institution appointed by the Department to provide services as contracted;
- 2.16 "Shareholding Minister" means the Minister of Public Enterprises;
- 2.17 "SLA" means Service Level Agreement between the Department and Service Provider;
- 2.18 "SOC" means State-Owned Company as defined in the Companies Act No. 71 of 2008;
- 2.19 "SOEs" means State-Owned Enterprises;
- 2.20 "SONA" means State of the Nation Address of the President of South Africa; and
- 2.21 "TOR" means this Terms of Reference together with all its attachments.

3. INTERPRETATION

Any reference to the singular includes the plural and vice versa.

- 3.1 Any reference to natural persons includes legal persons and vice versa.
- 3.2 Any reference to gender includes the other gender; and
- 3.3 Headings have been inserted for convenience only and shall not be taken into account in the interpretation of the TOR.

4. PURPOSE OF THE TERMS OF REFERENCE

- 4.1 The TOR seeks to provide guidance on the appointment of a service provider for the drafting of the Minority Shareholding Oversight Model.

5. BACKGROUND AND CONTEXT

- 5.1. In the February 2019 SONA, the President indicated that "we have established the Presidential SOE Council, which will provide political oversight and strategic management to reform, reposition and revitalise state-owned enterprises. Hence, they play their role as catalysts of economic growth and development. We want our SOEs to be fully self-sufficient and be able to fulfil their developmental and economic position. Where SOEs are not able to raise sufficient financing from banks, from capital markets, from development finance institutions or the fiscus, we will need to explore other mechanisms, such as strategic equity partnerships or selling off non-strategic assets".
- 5.2. In February 2021 SONA, the President stated that to support our reform process, the Presidential State-Owned Enterprises Council has outlined a set of reforms that will enable these vital public companies to fulfil their mandate for growth and development. The mandates of SOEs are being re-evaluated to ensure that they are responsive to the country's needs and the implementation of the NDP.
- 5.3. In the November 2021 Medium Term Budget Policy Statement (MTBPS), the Minister of Finance reiterated that "State owned companies are intended to be important enablers of economic

development. Many SOCs, however, have been badly managed and have failed to deliver in many instances they have also been devastated by state capture, making them increasingly reliant on government support. Going forward, the restructuring of SOCs, informed by an assessment of the strategic relevance, is a priority.

- 5.4. Government has commenced a process of restructuring of SOCs to ensure improvement of efficiencies and effectiveness. The restructuring process may result in various strategic public-private partnerships or joint ventures requiring different forms of ownership structures. Therefore, a framework on oversight governance is required to guide on how to manage Government interests within the different ownership structures.
- 5.5. Considering the above context, the Department seeks to appoint a Service Provider to guide the Department on the drafting of the Minority Shareholding Oversight Framework for further consideration by Government.

6. PROJECT OBJECTIVE

- 6.1 The objectives for this project are to develop a well-structured Framework for Minority Shareholding Oversight to enable the state the ability manage its interests effectively.

7. PROJECT SCOPE

The scope of work includes provision of a range of services including:

- 7.1 Gather and determine (research) any available data and information in relation to the requirements of the project;
- 7.2 Review relevant background documentation and information;
- 7.3 Propose and evaluate different alternative Minority Shareholding Oversight Framework with a view of recommending a suitable operating model;
- 7.4 Advise on the advantages and disadvantages of all proposed models or framework;
- 7.5 Examine all applicable legal, regulatory, and institutional frameworks and identify any potential issues;
- 7.6 Evaluate the alignment of the preferred model with Government's objectives; and
- 7.7 Develop a comprehensive risk matrix for the project and mitigating factors.

8. DELIVERABLES

- 8.1 The appointed Service Provider will be expected to provide the following deliverables:
 - 8.1.1 A detailed work plan and time schedule as per given deadline for the tasks to be undertaken for the duration of the project;
 - 8.1.2 Progress reports as determined in the work plan, to assure the Department that performance is in line with expected standards and service level agreement;
 - 8.1.3 A comprehensive report comprising the following:
 - 8.1.1.1 Different alternative Minority Shareholding Oversight Framework with a view of recommending a suitable operating model;

- 8.1.1.2 Advantages and disadvantages of all proposed operating models;
- 8.1.1.3 All applicable legal, regulatory, and institutional frameworks and identify any potential issues;
- 8.1.1.4 Alignment of the preferred model with Government's objectives;
- 8.1.1.5 A comprehensive risk matrix for the project and mitigating factors;
- 8.1.4 A report on the advantages and disadvantages of all proposed options.
- 8.1.5 A robust and comprehensive report recommending the most optimal framework.
- 8.1.6 A comprehensive Framework that will be used by the Department.

9. PROJECT MANAGEMENT

- 9.1 The duration of the project is expected to be for a period of 3 months
- 9.2 The Service Provider is expected to:
 - 9.2.1 Successfully complete the project's milestones within agreed timelines;
 - 9.2.2 Develop a project plan with clear milestones, responsibilities and timelines while also setting out assumptions made, and risks related to the delivery of the project;
 - 9.2.3 Provide weekly progress reports to assure the Department that performance is in line with expected standards in line with the service level agreement;
 - 9.2.4 Conduct quality assurance on deliverables considered final (in line with project milestones) prior to them being submitted to the Department;
 - 9.2.5 At the most have ten (10) working days to incorporate DPE's comments on any deliverable submitted;
 - 9.2.6 Be available to present the final deliverables to approving authorities and other relevant parties as agreed in the SLA;
 - 9.2.7 Continuously seek to find ways to minimise project costs; and
 - 9.2.8 Bear project cost overruns that materialise as result of the Service Provider's own doing.

10. CONDITIONS OF APPOINTMENT

- 10.1 The successful Bidder will:
 - 10.1.1 Conclude the relevant Project Documents (including entering into an SLA with the Department prior to commencing with the services required; and
 - 10.1.2 Be required to sign confidentiality and indemnity agreements.
- 10.2 The Service Provider will only be paid for acceptable work done as defined in the SLA for the Project.

11. KEY EXPERTISE REQUIRED

- 11.1 The Department is looking for a service provider with extensive knowledge of corporate governance, corporate and structured finance, mergers and acquisitions and commercial law. The potential service provider is also expected to have sound knowledge of State-Owned Enterprises governance, government policy and legislative processes.

- 11.2 It is expected that the service provider will have multi-dimensional expertise and sound experience in business management, legal and governance, stakeholder management and commercial law. A successful Services Provider should have the following skills:
- 11.2.1 Effective leadership, interpersonal and communication skills;
 - 11.2.2 The ability to solicit, coordinate and liaise with different stakeholders;
 - 11.2.3 Good knowledge of techniques for planning, monitoring, and controlling the project; and
 - 11.2.4 Good knowledge of programme and project management.

12. CONTACT DETAILS

For further information regarding technical matters can be sent via email to:

Name: Nonny Mashika

Unit: Transport and Defence

Tel: 012 431 1241

Email: nonny.mashika@dpe.gov.za

For information on Supply Chain Management (bidding and tender documents):

Name: Abel Makhafola

Supply Chain Management

Phone : 012 431 1005

Fax : 086 615 5711

Email : Abel.Makhafola@dpe.gov.za

13. COMPULSORY BRIEFING SESSION

- 13.1 Bidders must attend a compulsory briefing session virtually or physical on **27 July 2022** at the Department of Public Enterprises, ground floor security, 80 Hamilton Street, Arcadia, Pretoria, Gauteng Province.

14. CONTENT OF PROPOSALS

- 14.1 The address of the Bidder, together with the contact details (telephone numbers, telefax numbers and emails addresses) of the principal contact of the interested parties, must be provided.
- 14.2 Full details of the Bidder, including full details of its ownership, shareholding structure, B-BBEE credentials, Directors and management, and their experience and credentials must be provided.
- 14.3 In the case of a Consortium, any agreement evidencing the relationship between the consortium partners and the composition, structure and operation of the consortium must be provided.
- 14.4 The technical/functionality proposal shall include the following information and documents:
- 14.4.1 The names and recent Curriculum Vitae of all the personnel that will form the Project team;
 - 14.4.2 The proposed approach to the Project and work plan of the interested party, including the proposed Project team;

- 14.4.3 Curriculum Vitae (CVs) of the proposed Project team to assist the Department, highlighting past relevant experience. The Project team should include an experienced team leader (normally a partner or director) who will be the lead advisor to the Department and other senior members;
- 14.4.4 Client references from similar previous projects (where available); and
- 14.4.5 Pricing/cost, which must be submitted separately, should include:
- 14.4.6 A breakdown of anticipated disbursement (travel expenses, accommodation, and document reproduction) if applicable; and Budget breakdown according to the work plan (inclusive of VAT).
- 14.5 The following information relating to the Bidder should be provided (as applicable):
 - 14.5.1 A statement declaring if any, a conflict or a potential conflict of interests and, in the event of such conflict or potential conflict, an explanation as how the conflict or potential conflict will be managed;
 - 14.5.2 A statement regarding the tax status of the interested party and, if an existing South African entity, a valid original tax clearance certificate issued by the South African Revenue Services;
 - 14.5.3 Original Central Supplier Database report tax compliant status; and
 - 14.5.4 Valid B-BBEE certificate from South African National Accreditation Systems ("SANAS") or valid affidavit.

15. EVALUATION OF PROPOSALS

- 15.1 The evaluation of proposals will be done in three stages as follows:
 - 15.1.1 **First stage-** the proposal will be evaluated on Administrative Compliance.
 - 15.1.2 **Second stage- Technical Evaluation-**Proposals will be evaluated by an evaluation committee comprised of officials from the Department.
 - 15.1.3 **Third stage-** 80/20 preference points system for Price and B-BBEE as per the PPPFA 2017.
- 15.2 The technical evaluation of bidders will be carried out as follows:

a. First stage- Administrative Compliance

Table 1-First Stage-Administrative Compliance

NO.	DESCRIPTION	YES	NO
1.	Completion of all SBD Forms (SBD1, SBD 4, SBD 6.1)		
2.	Proof that tax matters with SARS are in order (SARS Pin Number/ Tax Clearance Certificate)		
3.	Proof of company registration documents (e.g., Pty; Trust; CC etc.)		
4.	Valid B-BBEE Level of contribution or Sworn affidavit certificate (Failure to attach certificate will lead to non-allocation of points)		

5.	General Conditions of contract signed/initialled (GCC)		
6.	Registration with CSD (Central Suppliers Database)		
7.	Submission of a tender document in the form of an original printed hard copy.		

First Stage: Mandatory Requirements:

Any bidder who does not attend the mandatory briefing will be disqualified and will not be evaluated further to technical evaluation.

b. Second Stage: Technical Evaluation

Second stage: Proposals will be evaluated by an evaluation committee comprised of officials from the Department. The evaluation committee, will make use of the following functionality criteria:

Table 2 Second Stage: Technical Evaluation

Functionality	Score according to the score value's	Weight	Total Weight Points	Maximum Points 650
Content and methodology: Proposal demonstrates a solid understanding of the requirements in line with government's expectations and a rigorous work plan to deliver all outcomes in the required level of detail. The bidder is appropriately resourced in terms of the relevant qualifications and expertise as outlined below, to deliver these outcomes within the required timeframes			50	250
	Excellent	5		
	Very Good	4		
	Good	3		
	Fair	2		
	Poor	1		
	No information	0		
Qualifications: Key personnel who will be assigned to this Project must have minimum qualifications (certified copies of qualifications which are not older than three (3) months) in commercial law and governance must have led transactions within relevant sectors			30	150
	Masters	5		
	Honours	4		
	Degree	3		
	Diploma	2		
	No information	0		
Individual Experience: Key personnel who will be assigned to this Project must have experience in an appropriate combination of corporate and structured finance, mergers			20	100
	10 years	5		
	8-9 years	4		
	6-7 years	3		

and acquisitions, governance, Government policies and Regulatory environment, at a minimum. Attach recent CVs	4-5 years	2		
	1-3 years	1		
	No information	0		
Institution Capacity: The institution must demonstrate leadership capacity to lead the transaction successfully			20	100
	10 Projects	5		
	8-9 Projects	4		
	6-7 Projects	3		
	4-5 Projects	2		
	1-3 Projects	1		
	No information	0		
Contactable References: Documentary proof of similar projects undertaken with contactable references in a form of reference letters or testimonial in the past five (5) years			10	50
	At least 4 to 5 relevant contactable references	5		
	Three relevant contactable references	3		
	Two relevant contactable references	1		
	No contactable reference	0		

Value: 0 = no information provided, 1 = Poor, 2 = Fair, 3 = Good, 4 = Very Good and 5 = Excellent

A proposal will be disqualified at this stage if it fails to meet the minimum threshold of 455 points (70%) for functionality as per criteria above.

c. Third Stage: Price and B-BBEE Evaluation

Third stage: A bidder who meets minimum threshold points of 455 or 70% in the third stage will then be evaluated for price and B-BBEE preference points.

Price:	80 points
B-BBEE	20 points
Total	100 points

B-BBEE points will be allocated according to the following table for valid B-BBEE Status Level Verification Certificate or valid sworn affidavits by the commissioner of oaths

80/20 principle

B-BBEE status level of Contributor	Number of points
1	20
2	18
3	14

4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

16. BID DOCUMENTS TO BE SUBMITTED:

- 16.1 First envelope with one original financial proposal that includes all valid B-BBEE certificate or affidavit and bid documents required by the Department (Please ensure that all bid documents are appropriately completed and signed to prevent early disqualification).
- 16.2 Second envelope with one original technical/functionality proposal.
- 16.3 The Department reserves the right not to accept the lowest price, the Bidder that qualifies according to the first stage will be evaluated for price and B-BBEE and the one with the highest points will be appointed.

17. RESERVATIONS OF RIGHTS

Without limiting any other rights of the Department (whether otherwise reserved in the TOR or under any law) –

- 17.1 The Department reserves the right to amend, modify or terminate any of the procedures or requirements set out in this TOR at any time or from time to time without prior notice to the Bidder. The Department further reserves the right not to accept any Proposal or bid;
- 17.2 The Project described in the TOR may be cancelled at any time, at no cost and with no liability being incurred to the Department or Government, if the Department so determines in its sole and absolute discretion.
- 17.3 The Bidder agrees and undertake to hold harmless, Government, the Department and their respective directors, officers, agents, representatives from and against any and all such claims, actions and legal proceedings and any and all liabilities, damages, loss, costs and expenses (including all legal costs and expenses) of whatever nature in connection with or arising from the Project and/or the process outlined in this TOR.
- 17.4 No Proposal will be deemed accepted and no agreement will be deemed to be reached with any Bidder or successful party if all the parties have not executed the Project Documents thereto. Accordingly, unless and until such time as the Project Documents have been executed as aforesaid, no Bidder or successful party will have any rights, claims or entitlement with respect to the Project, as a result of its participation in the process outlined in the TOR;
- 17.5 The Department, Government, and their respective directors, officers, agents, representatives expressly disclaim any and all liability for representations, warranties or statements contained in any written material furnished or information verbally transmitted to or received by a Bidder. The Department will make only those particular representations and warranties set forth in the final

Project Documents when, and if, such Project Documents are ultimately agreed upon and executed, and subject to such limitations and restrictions as may be contained therein;

- 17.6 It is the Department's prerogative to award the Project to one individual/successful party as a single Project. However, the Department reserves the right in its sole and absolute discretion to award the mandate in parts to different individuals/successful parties or any entity the Department deems suitable.

18. CLOSING DATE

- 18.1 The submission/delivery of proposals will be published on the Bid documents with prior notice for the closing date. Any proposal arriving after this time will not be considered.

Proposals should be submitted into the Departmental Bidding box at:

Department of Public Enterprises

Ground Floor Security

80 Hamilton Street

Arcadia

Pretoria

- 18.2 It is the responsibility of the Bidder to ensure that its proposal and any correspondence in response to the TOR is received:

18.2.1 By the Department or such other person/appointed for such purpose, and

18.2.2 On or before the closing time and date.

19. REFERENCES

- 19.1 An interested party must also furnish the Department with recent, service – comparable references, including contact details and an overview of the service provided. Personal interviews may be conducted with references where required.

20. VALUE-ADDED SERVICES

- 20.1 Should Bidder wish to provide the Department with additional services not outlined herein, but which would add value to the Project, it is welcome to do however, these will be at no additional cost. A Bidder should first meet the minimum service requirements/scope of work outlined herein.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

.....

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

2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

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

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

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

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

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

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

1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to all bids:

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

1.2

- a) The value of this bid is estimated to ~~exceed/not exceed~~ R50 000 000 (all applicable taxes included) and therefore the **...80/20.....** preference point system shall be applicable; or
- b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

- (a) Price; and
- (b) B-BBEE Status Level of Contributor.

1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	
B-BBEE STATUS LEVEL OF CONTRIBUTOR	
Total points for Price and B-BBEE must not exceed	100

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor 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

- (a) **“B-BBEE”** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **“B-BBEE status level of contributor”** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **“bid”** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **“Broad-Based Black Economic Empowerment Act”** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **“EME”** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (f) **“functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
 - 1) B-BBEE Status level certificate issued by an authorized body or person;
 - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
 - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20

or

90/10

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

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\min} = Price of lowest acceptable bid

4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, 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. BID DECLARATION

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

6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

- 6.1 B-BBEE Status Level of Contributor: = (maximum of 10 or 20 points)
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- 7.1.1 If yes, indicate:

- What percentage of the contract will be subcontracted.....%
- The name of the sub-contractor.....
- The B-BBEE status level of the sub-contractor.....
- Whether the sub-contractor is an EME or QSE

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		

Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. DECLARATION WITH REGARD TO COMPANY/FIRM

8.1 Name of company/firm:.....

8.2 VAT registration number:.....

8.3 Company registration number:.....

8.4 TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

.....

8.6 COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

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

8.8 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 contributor indicated in paragraphs 1.4 and 6.1 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 paragraphs 1.4 and 6.1, 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 contributor 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) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury 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

.....

.....

Annexure G: Government Procurement: General Conditions of Contract – July 2011

NOTES

The purpose of this document is to:

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

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

☐ The GCC 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 GCC. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment

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.

therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6 Patent rights

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

7 Performance security

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
 - 7.3.1 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

- 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:
- 13.1.1 performance or supervision of on-site assembly and/or commissioning of the supplied goods;
- 13.1.2 furnishing of tools required for assembly and/or maintenance of the supplied goods;

- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

16 Payment

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

17 Prices

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

18 Contract amendments

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

19 Assignment

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

20 Subcontracts

the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23 Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- 23.1.1 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;
- 23.1.2 If the Supplier fails to perform any other obligation(s) under the contract; or
- 23.1.3 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

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

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

26 Termination for Insolvency

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

27 Settlement of disputes

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

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

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

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

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

27.5.1 the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and

27.5.2 the purchaser shall pay the supplier any monies due the supplier.

28 Limitation of liability

33.1 The NIP Programme administered by the DTI shall be applicable to all contracts that are subject to the NIP obligation.

34 **Prohibition of restrictive practices**

34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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

The above General Conditions of Contract (GCC) are accepted by:

Name:	
Designation:	
Bidder:	
Signature:	
Date:	