



YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF WESTERN CAPE GOVERNMENT HEALTH AND WELLNESS

BID NUMBER: **WCGHSC0371/2023**

CLOSING DATE: **19 MAY 2023**

CLOSING TIME: **11:00**

WCGHSC 0371/2023: PROVISION OF DEBT COLLECTION SERVICE IN RESPECT OF OUTSTANDING DEBT TO THE DEPARTMENT OF HEALTH, WESTERN CAPE GOVERNMENT FOR A THREE (3) YEAR PERIOD.

Each bid must be deposited in a **sealed envelope** with the **name and address of the Service Provider, the bid number and closing date**. These conditions also apply to a **bid sent by courier** that is delivered in a courier pouch and is either signed off by the responsible official or deposited in the bid box by the courier's representative. The envelope shall not contain documents related to any bid other than that indicated on the envelope.

Bid documents must be deposited in the **bid box marked DEPARTMENT OF HEALTH** situated in the foyer of the main entrance of the Western Cape Government Building 4 Dorp Street (**next to the Cape High Court**) at the junction of Dorp and Keerom Street, Cape Town. The bid box is generally open **06:00 – 21:00 a day, 7 days a week**.

Please ensure that bids are delivered **to the correct address before bid closing**. **Late bids** will not be accepted for consideration and, where possible, will be **returned unopened** to the Service Provider accompanied by an explanatory letter. **No Service Providers' names or prices will be read out** after closing time when the bid box is opened, and bids are removed by Sourcing officials.

All Service Providers must be registered on the Central Supplier Database (CSD) at the time of bid closing. **Service Providers already registered on the CSD must have confirmation of their registration AND ensure that their status is up to date** prior to bidding by contacting www.csd.gov.za.

Unregistered Service Providers or Service Providers with suspended registration will be deemed non-compliant and their bids will not be considered. Any prospective unregistered Service Provider must register as a supplier on the CSD prior to bidding.

Central Supplier Database self-registration only: www.csd.gov.za

Contact email: SCM.eProcurementDOH@westerncape.gov.za

Where a Service Provider's tax compliance status cannot be verified or if a Service Provider's tax status is non-compliant on the CSD, the Service Provider will be afforded 7 working days to confirm tax compliance for the bid to be considered.

The B-BBEE status **on form WCBD 6.1 in your bid document** will be used to evaluate the bid, **not your B-BBEE status on the SEB or CSD**. Please complete your claims for **both the 80/20 and 90/10 preference points systems** in the WCBD6.1, as well as the attached **form WCBD4**. All other mandatory documents held on the CSD will be accepted by the Department of Health and Wellness (WCGHW) for consideration of formal bids.

This bid is subject to the General Conditions of Contract (GCC) and, if applicable, any other Special Conditions of Contract.

The successful Service Provider will be required to complete and sign a written contract form (WCBD7.1).

Please refer all technical/specification enquiries to **Mr Ridwaan Achmat** at telephone no. (021) 483 4240 or email Ridwaan.Achmat@westerncape.gov.za.

C Munnik

for HEAD OF DEPARTMENT

DATE: 06/04/2023

**PART A
INVITATION TO BID**

ZERO-TOLERANCE TO FRAUD, THEFT AND CORRUPTION (ANTI-FRAUD, THEFT AND CORRUPTION)

THE WCG IS COMMITTED TO GOVERN ETHICALLY AND TO COMPLY FULLY WITH ANTI-FRAUD, THEFT AND CORRUPTION LAWS AND TO CONTINUOUSLY CONDUCT ITSELF WITH INTEGRITY AND WITH PROPER REGARD FOR ETHICAL PRACTICES.

THE WCG HAS A ZERO TOLERANCE APPROACH TO ACTS OF FRAUD, THEFT AND CORRUPTION BY ITS OFFICIALS AND ANY SERVICE PROVIDER CONDUCTING BUSINESS WITH THE WCG.

THE WCG EXPECTS ALL ITS OFFICIALS AND ANYONE ACTING ON ITS BEHALF TO COMPLY WITH THESE PRINCIPLES TO ACT IN THE BEST INTEREST OF THE WCG AND THE PUBLIC AT ALL TIMES.

THE WCG IS COMMITTED TO PROTECTING PUBLIC REVENUE, EXPENDITURE, ASSETS AND REPUTATION FROM ANY ATTEMPT BY ANY PERSON TO GAIN FINANCIAL OR OTHER BENEFIT IN AN UNLAWFUL, DISHONEST OR UNETHICAL MANNER.

INCIDENTS AND SUSPICIOUS ACTIVITIES WILL BE THOROUGHLY INVESTIGATED AND WHERE CRIMINAL ACTIVITY IS CONFIRMED, RESPONSIBLE PARTIES WILL BE PROSECUTED TO THE FULL EXTENT OF THE LAW.

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:	WCGHSC 0371/2023	CLOSING DATE:	19 May 2023	CLOSING TIME:	11:00 am
-------------	---------------------	---------------	-------------	---------------	----------

DESCRIPTION	DEBT COLLECTION SERVICE IN RESPECT OF OUTSTANDING DEBT TO THE DEPARTMENT OF HEALTH, WESTERN CAPE GOVERNMENT FOR A THREE (3) YEAR PERIOD.
-------------	--

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

Western Cape Government Building 4 Dorp Street Cape Town (next to the Cape High Court)

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

CONTACT PERSON	Ms S Davids
TELEPHONE NUMBER	021 483 6271
FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	Shamsonisa.Davids@westerncape.gov.za

TECHNICAL ENQUIRIES MAY BE DIRECTED TO:

CONTACT PERSON	Mr R Achmat
TELEPHONE NUMBER	021 483 4240
FACSIMILE NUMBER	N/A
E-MAIL ADDRESS	Ridwaan.Achmat@westerncape.gov.za

SUPPLIER INFORMATION

NAME OF SERVICE PROVIDER			
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:	AND	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
IF YES, WAS THE CERTIFICATE ISSUED BY A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN NATIONAL ACREDITATION	[TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No		

SYSTEM (SANAS)			
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT (FOR EMEs& QSEs) MUST BE SUBMITTED TOGETHER WITH A COMPLETED 6.1 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? YES <input type="checkbox"/> NO		<input type="checkbox"/>	
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, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. 1.4. THE SUCCESSFUL SERVICE PROVIDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (WCB7).
2. TAX COMPLIANCE REQUIREMENTS
2.1 SERVICE PROVIDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS. 2.2 SERVICE PROVIDERS 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 TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILED THROUGH THE WEBSITE WWW.SARS.GOV.ZA. 2.4 SERVICE PROVIDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE WITH TOGETHER WITH THE BID. 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE AND CSD NUMBER AS MENTIONED IN 2.3 ABOVE. 2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE SERVICE PROVIDER 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 SERVICE PROVIDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

DATE:.....

February 2023

WESTERN CAPE GOVERNMENT HEALTH

AND WELLNESS

DEBT COLLECTING SERVICE IN RESPECT OF OUTSTANDING DEBT

BID WCGHSC 0371/2023

CONTENTS

SECTION 1: Definitions

SECTION 2: Financial Summary

SECTION 3: Bid Conditions

SECTION 4: Specifications

Annexure A: Profile of bidder

Appendix 1 : Qualifications and Experience

Appendix 2 : Organisation type

Appendix 3 : Organisation structure

Appendix 4 : Office in Western Cape

Annexure B: Accounting schedules

Appendix 1: Accounts handed over

Appendix 2: Monthly statement

Appendix 3: Return of accounts

Appendix 4: Reconciliation

Annexure C: Financial report

PREAMBLE

The Western Cape Government Health and Wellness hereby invites Bids for a debt collecting service in respect of outstanding debt e.g. patient fees and personnel related debt, for all institutions under its control.

Patient fees will, however, comprise the bulk of the debt handed over for collection.

The contract will be for eight districts, and it is required that the contractor have an established office in the Western Cape.

The basis of the contract is that the contractor is required to take certain minimum steps to recover the debt and will be paid a set percentage of the amounts recovered. In respect of those debts not recovered, a report must be supplied, in a prescribed format, of the required steps taken in an effort to trace the debtors or recover the debts.

Debt in respect of patient fees to be recovered will be electronically handed to the contractor by the Department's billing systems and amounts collected are to be paid monthly to the Department.

The contract period will be for three years and the commission will be fixed for the period of three years.

SECTION 1

DEFINITIONS

For the purpose of the Description, Implications, Bid Conditions, Conditions of Bid and Contract, Specifications, Annexures and Appendices, the following definition of words apply.

Contract: Comprises the full documentation attached hereto which will form the basis of the agreement that results from the acceptance of a Bid.

Contractor Staff and Debt collecting agents: Any debt collecting staff provided by the contractor.

Debt: The liquidated amount (as recorded on an account) which is now due and payable by the debtor to the Department and which has been handed over to the Contractor by the Department.

State/Administration: The Republic of South Africa and/or Western Cape Department of Health and Wellness, according to the context of the sentence in which it appears.

Bidder/Contractor: In the case of bids received, the bidder and in the case of the concluded contract, the contractor that undertakes in the terms hereof, to provide the required debt collecting service.

The Department: The Western Cape Government Health and Wellness who called for the bid for the debt collecting service, required in terms hereof for its respective hospitals/institutions. The Department will invite, evaluate and adjudicate this bid.

Instructing Institution: Any Departmental Institution which has rendered a service to the debtor and is now responsible to hand over the debt to the Contractor.

SECTION 2

FINANCIAL SUMMARY

BID PERIOD : 3 (Three) years

WCG HEALTH AND WELLNESS : ALL HOSPITALS AND INSTITUTIONS AS LISTED.

NAME OF BIDDER : _____

VALIDITY : SIXTY (60) DAYS

PERCENTAGE CHARGED : _____ (VAT MUST BE INCLUDED)

A. Central Hospitals

Groote Schuur Hospital
Tygerberg Hospital
Red Cross Hospital

B. Metro Health Services

Alexandra Hospital
Emergency Medical Services
George Hospital
Lentegeur Hospital
Mowbray Hospital
Oral Health centres
Orthotic & Prosthetic Centre
Somerset Hospital
Stikland Hospital
Valkenberg Hospital
Western Cape Re-Hab Centre

C. Metro District Health Services

Brackengate Hospital
Eerste River Hospital
False Bay Hospital
Helderberg Hospital
Karl Bremer Hospital
Khayelitsha Hospital
Mitchells Plain Hospital
Victoria Hospital
Wesfleur Hospital

D. Cape Winelands District

Ceres Hospital
Montagu Hospital
Robertson Hospital
Stellenbosch Hospital

E. Overberg District

Caledon Hospital
Hermanus Hospital
Otto du Plessis Hospital
Swellendam Hospital

F. Eden & Central Karoo District

Alan Blyth Hospital
Knysna Hospital
Mossel Bay Hospital
Oudtshoorn Hospital
Riversdal Hospital
Uniondale Hospital
Beaufort Wes Hospital
Laingsburg Hospital
Prins Albert Hospital
Murraysburg Hospital
Nelspoort Hospital

G. Rural District Health Services

George Hospital
Paarl Hospital
Worcester Hospital

H. West Coast District

Citrusdal Hospital
Clanwilliam Hospital
Lapa Munnik Hospital
Radie Kotze Hospital
Swartland Hospital
Vredenburg Hospital
Vredendal Hospital

2. The bid percentage shall be firm for the 36-month period

SECTION 3

BID CONDITIONS

1. SERVICE

- 1.1 The bidder shall bid for a debt collecting service in respect of outstanding debt for all regions of the Western Cape Government Health subject to the terms and conditions as indicated hereunder and in the specifications.

2. CONDITIONS

- 2.1 Debts are not ceded to the Contractor but merely handed over for collection.

2.2 GENERAL

- 2.2.1 Bids are scheduled mechanically in this office. The bid has consequently been drawn up so that certain essential information is to be furnished in a specific manner. Any additional information should be furnished on a separate annexure with the bid.
- 2.2.2 The bid forms should not be re-typed or re-drafted, but photocopies may be prepared and used but should be signed in the original.
- 2.2.3 Black or red ink shall be used to fill in bids.
- 2.2.4 Bidders should check the numbers of the pages and satisfy them that none are missing or duplicated. No liability will be accepted in respect of claims arising from the fact that pages are missing or duplicated.
- 2.2.5 Unless specifically provided for in the bid invitation, no bid by telegram, telex or fax will be considered.
- 2.2.6 These conditions form part of the bid and failure to comply herewith may invalidate a bid.

2.3. DOCUMENTATION

The following documents form an integral part of the bid document:

- 2.3.1
- Forms: WCBD 1, WCBD 3.1 and WCBD 6.1
 - Definitions
 - Financial Summary
 - Bid Conditions
 - Bid Specifications
 - Annexures A – C
- 2.4 Bidders must bid in accordance with the requirements stipulated in Section 2 (Financial Summary) of the bid documents.
- 2.5 The Department reserves the right to reject bids that are not fully completed on the prescribed documentation (as set out in paragraph 2.3.1) and comply with the conditions and specifications. It is expressly recorded that **ONLY** originally signed documents will be considered.

3. QUALIFICATIONS OF BIDDERS

- 3.1 Only debt collecting agents with proof of applicable experience in the rendering of debt collecting services to large institutions/ organisation) may be considered.
- 3.2 Bidders must submit detailed information of their experience in the debt collecting trade as well as acceptable proof of their ability to supply quality service and a list of present contracts together with their bid documents. (Annexure A: Appendix 1)

- 3.3 In the case of partnerships or Closed Corporations, an affidavit reflecting the names, ID numbers and addresses of partners or members and in the case of a company, such information regarding the Directors must be submitted with the bid documents, together with a copy of the latest audited financial statement. (Annexure A: Appendix 2)

3. QUALIFICATIONS OF BIDDERS

- 3.1 Only debt collecting agents with proof of applicable experience in the rendering of debt collecting services to large institutions/ organisation) may be considered.
- 3.2 Bidders must submit detailed information of their experience in the debt collecting trade as well as acceptable proof of their ability to supply quality service and a list of present contracts together with their bid documents. (Annexure A: Appendix 1)
- 3.3 In the case of partnerships or Closed Corporations, an affidavit reflecting the names, ID numbers and addresses of partners or members and in the case of a company, such information regarding the Directors must be submitted with the bid documents, together with a copy of the latest audited financial statement. (Annexure A: Appendix 2)
- 3.4 The bidder must submit along with the bid documents a clear indication of the envisaged organisational structure, principles, procedures and functions for an effective debt collecting service operation at the institutions/hospitals of the Department of Health.
(Annexure A: Appendix 3)
- 3.5 The Department of Health does not bind itself to accept the lowest offer of any bid and reserves the right to accept the bid which it deems to be in the best interest of the Western Cape Government even if it implies a waiver by the Department of Health of certain bid requirements which the Department of Health considers to be of minor importance and not complied with in the bid.
- 3.6 This bid will be adjudicated according to the 80/20 Preferential Procurement Policy.

4. DETAILS OF THE BIDDERS OFFICE TO THE LOCATION OF THE CONTRACT

- 4.1 For the promotion of efficient liaison between the Department and the bidder, it is imperative that the bidder have an established branch in the Western Cape from where the debt collecting service will be managed.

5. CONTRACT PERIOD AND BID PRICE

- 5.1 The contract period shall be a period of three years with the option to extend it for another year on the same terms and conditions. The Department shall give notice of such extension to the Contractor at least three months prior to the expiry of the contract.
- 5.2 The Bid percentage quoted shall remain firm for the 36-month period following the effective date.
- 5.3 The bid percentage must be quoted inclusive of Value Added Tax.
- 5.4 The bid percentage is based on the actual amounts recovered i.r.o. the debts. All overhead costs including legal costs are for the account of the Contractor. The Contractor may, however, recover, from the debtor, such recoverable legal costs as prescribed by the Magistrates' Courts Rules of the Magistrates Court Act 1944 (Act No. 32 of 1944). The recoverable costs exclude tracing fees, postage fees, telephone costs and general administrative costs that are directly incurred in the process of recovering debt.

6. **PERIOD OF VALIDITY**

- 6.1 The bid validity period is 60 days from the closing date of the bid.
- 6.2 If the bid is withdrawn within this period, the bidder renders him liable for damage if a less favourable bid must be accepted.

7. **DATE OF COMMENCEMENT OF SERVICE**

The successful bidder will be required to start the service as from a date mutually agreed upon and after the guarantee has been provided (paragraph 15) and Service Level of Agreement will be concluded between the Department and the Contractor.

8. **DEBT COLLECTING STAFF**

The successful bidder shall employ on his own conditions of service, all debt collecting staff required for this contract.

9. **ALTERATIONS TO DOCUMENTS**

No alterations, erasures, omissions or additions shall be made to the text or conditions of these documents unless authorised and signed by all parties concerned. Should any unauthorised changes be made, the same will not be recognised but the original document shall apply.

10. **TRANSFER AND CESSION**

- 10.1 The successful bidder must render the proposed debt collecting service himself and the use of subcontractors will not be allowed without the Department of Health's prior written permission.
- 10.2 The successful bidder will not cede, transfer, sell or alienate in any way this contract or any part thereof to any other person or company without obtaining prior written permission thereto from the Department of Health. The cessionary shall comply with all requirements of this contract.

11. **BREACH AND TERMINATION**

- 11.1 Should either party commit a breach of the provisions of this contract and fail to remedy that breach within 30 (thirty) days after receipt of written notice calling upon it to do so, the party that is not in default shall be entitled to cancel this contract on written notice sent to the other party at the address appearing in the contract without prejudice to any other right which the non-defaulting party may have as a result of such breach.

12. **NOTICE**

- Any notice given and any payment made by a party to any other ("the addressee") which:
- 12.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicile for the time being shall be presumed, unless the contrary is proved, to have been received by the addressee at the time of delivery;
- 12.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicile for the time being, shall be presumed unless the contrary is proved by the addressee, to have been received by the addressee on the tenth day after the date of posting;
- 12.3 is transmitted by electronic mail to the addressee at the addressee's specified electronic mail address shall be rebuttably presumed to have received by the addressee on the date of transmission as reflected on the sender's electronic mail records;
- 12.4 where in terms of this Agreement any communication is required to be in writing, the term "writing" -shall include communications by facsimile. Communications by facsimile shall, unless the addressee proves the contrary, be deemed to have been received by the addressee on the date of the transmissions as indicated on the sender's facsimile transmission report.

13. **GUARANTEE**

Before any debts are handed over for collection by the Contractor, he/she will be required to furnish security to the amount below for the due fulfilment of the contract to the Head of the Department of Health. The security will only be returned at termination after all payments due in terms of the contract have been received and all documents returned as required to the Department.

(i) All Districts - R255 000.00

14. **FIDELITY INSURANCE**

- 14.1 The Contractor must obtain and maintain fidelity insurance in respect of monies received from debtors and must assume full responsibility for any monies collected but not paid to the Department for any reason whatsoever.
- 14.2 He/she will be required to submit proof of such insurance to the Department within 14 days after the Service Level Agreement was signed.

PRICING SCHEDULE

WCB D 3.1

WCGHSC 0371/2023: PROVISION OF DEBT COLLECTION SERVICE IN RESPECT OF OUTSTANDING DEBT TO THE DEPARTMENT OF HEALTH AND WELLNESS, WESTERN CAPE GOVERNMENT FOR A THREE (3) YEAR PERIOD.

NAME OF BIDDER.....

BID NUMBER: **WCGHSC 0371/2023**

CLOSING TIME: 11:00 ON 19 MAY 2023

OFFERS TO BE VALID FOR **60 DAYS** FROM THE CLOSING DATE OF BID

ITEM	DESCRIPTION	ICN NUMBER	PERCENTAGE COMMISSION ON ACTUAL AMOUNTS RECOVERED INCLUSIVE OF OVERHEAD COSTS SA CURRENCY INCLUDING VAT 15%		
			1 st Year	2 nd Year	3 rd Year
1.	RENDERING OF A DEBT COLLECTION SERVICE IN RESPECT OF OUTSTANDING DEBT ATTACHED SPECIFICATIONS.	999970S0316012 (%commissions) (%commission) (%commissions)
2.	Sending of SMS's	999970S0316012	R..... (per sms)	R..... (per sms)	R..... (per sms)

Important Note to Bidder:

IMPORTANT: THE QUESTIONNAIRE BELOW MUST BE COMPLETED IN FULL BY REPLYING TO EACH AND EVERY QUESTION.

A. Does the offer comply with specification? Please circle your option.

YES/NO

B. If not to specification, please indicate deviation(s). If the space provided is insufficient; please provide a separate sheet against each question

YES/NO

C. Are you the registered in terms of the section 23(1) or (23) (3) of the Value Added Tax Act, 1991, (Act no 1991)?
Please circle your option

YES/NO

D. If so, state VAT registration number

.....

E. Are the commission percentages /charges for sms's quoted for the services firm for the full contract period as specified?

YES/NO

.....

SECTION 4

SPECIFICATIONS

BID NO: WCGHSC 0371/2023

DEBT COLLECTING SERVICE FOR CERTAIN REGIONS OF THE DEPARTMENT OF HEALTH

<u>SERVICE</u>	<u>COMMENTS</u> (must be completed)
<p>1. OVERVIEW OF SERVICE</p> <p>A Bid to be submitted for the establishment and operation of a debt collecting service for all regions of the Department with an accompanying detailed proposal of how this will be achieved.</p> <p>1.1 Please complete all the documents and forms provided in this bid document and furnish all the requested information. Please complete the bid response document by stating in the block opposite each subsection whether you will comply or will not comply with the specifications in that subsection. A response of "Noted" will be taken to mean "Comply". Please provide an explanatory note in a separate document with a clear reference to the corresponding paragraph number or beneath each point in the bid document. The numbering in the bid document may not be altered.</p> <p>It will be to your disadvantage if the document is not completed in this way and can lead to the exclusion of your offer if the trend persists throughout your document. If you are unable to comply with a particular requirement or specification, please provide a comment/explanation for not complying.</p> <p>1.1.1 Will you be able to follow-up all outstanding debt supplied to you by the Department, irrespective of the place of residence of the debtor in the Republic of South Africa or abroad and the amounts, age or quantity of these and debts. Please provide proof in the form of a summary of the debt handed over to you for collection and your performance in terms of recovery.</p> <p>1.1.2 Will you be able, on a daily basis, to electronically process the Department's handovers from the Department's billing system. Will your system be able to export payment detail into the Department's billing system?</p> <p>1.1.3 Does your collection system have integration capabilities to the Department's system.</p> <p>1.1.4 Does your collection system perform data washing in terms of updating ID numbers, latest addresses etc.</p> <p>1.1.5 Do you send out SMS's as part of the debt collecting strategy.</p> <p>1.1.6 Will you also be able to send out SMS's on behalf of the Department at only the normal SMS tariffs as charged by the SMS service provider where required.</p> <p>1.1.7 Is your system able to process voice mandated debit orders, either NAEDO (none authenticated early debit orders) or AEDO (authenticated early debit orders). Proof of system capability and debit order stats must be provided with the bid offer.</p> <p>1.1.8 Where monies that were paid to the Contractor via a debit order and the debit order was subsequently cancelled, such monies can only be claimed back after 30 days if paid over to the Department. Contractor must reinstate the portion where the debit order was cancelled.</p>	

- | | |
|---|--|
| <p>1.1.9 Will you be able to institute legal proceedings, i.e. summons and obtain judgement by default. Please provide proof.</p> <p>1.1.10 Will you be able to institute further legal proceedings if required.</p> <p>1.1.11 Will you be able to list and de-list debtors. Examples of letters to debtors in this regard must be provided.</p> <p>1.1.12 Will you be able to supply a list of debtors that were listed and de-listed.</p> <p>1.1.13 Do you have your own credit bureau or have an existing relationship with a credit bureau. Information that is housed at the credit bureau must be made available or accessible to the Department for whatever purpose, including electronic access, at no cost. The electronic access will include Real time Online verification. Where required income bands must also be indicated.
Also, where required, the Department will supply a list of debtors for validation by the Contractor in terms of the debtor's personal details.</p> <p>1.1.14 Will you be able to levy interest, where required, on debt handed over.</p> <p>1.1.15 Will you be able to separate the interest and capital in terms of payments.</p> <p>1.1.16 The Contractor shall be paid his percentage commission on debts collected monthly as full compensation for the debt collection services rendered. Debtors may not be charged for any debt recovering costs i.e., postage, travelling costs, telephone costs, etc.</p> <p>1.1.17 Do you accept that the percentage bid includes all your overhead costs in rendering this service. (Including any development costs when required, for e.g., 1.1.13 above).</p> <p>1.1.18 Will you be able to render a debt collecting service to the Institutions of the Department as reflected in paragraph 2. Additional Institutions may be identified as and when required.</p> <p>1.1.19 Do you accept that for a large percentage of accounts you may be unsuccessful, and that the Department expects to be informed fully of the efforts made to recover the debt of all such accounts.</p> <p>1.1.20 Will you be able to provide a web-based progress report on all cases handed over. This report must also indicate the accounts with which you had been unsuccessful. Provide an example.</p> <p>1.1.21 Will you be able to supply the Department with new information obtained from debtors or an existing data base e.g., ID numbers, new addresses etc.</p> <p>1.1.22 ID numbers play an important role in debt recovery. What measures do you have that will assist in obtaining ID numbers.</p> <p>1.1.23 The Contractor must preferably have their own in-house tracing service or utilise outside tracing agents for their own account.</p> <p>1.1.24 The Contractor must have an in-house call centre, comprising of a at least 750 collectors, as part of the collection strategy. Please specify how many staff members in total, all inclusive, you have for your call centres.</p> <p>1.1.25 Are you able to follow-up patient fee debt in respect of funders e.g., Medical schemes and state departments e.g. COIDA, SAPS, SANDF etc. Please indicate your experience in this regard where applicable.</p> | |
|---|--|

1.1.26	All and any material or information made available to or obtained by the Contractor must be treated in the strictest confidence and at no stage, and regardless of whether this agreement is in force or has been terminated, directly or indirectly divulge and/or disclose to any third party any confidential information relating to the Department or the debts.	
1.1.27	The Contractor shall take all the necessary and lawful steps to procure payment of the debt but, notwithstanding anything to the contrary which may be contained or implied herein, the Contractor shall collect the debt strictly on an individual basis and maintain a separate account in respect of each debt.	
1.1.28	The Department, its officers and employees shall not be liable for any claim whatsoever by any party howsoever caused or rising from any act or omission arising during, from or out of the activities of the contractor, its representatives, employees or agents in recovering, collecting or attempting to recover any debt on behalf of the Institution and the Contractor indemnifies the Department against such claim.	
1.1.29	The Contractor must be a registered member of the "Council of Debt Collectors" as constituted in terms of Section 2 of the Debt Collectors Act, 114 of 1998. Confirmation of registration to be submitted with bid documents.	
1.1.30	The Contractor must be a bona fide member of the Association of Debt Recovery Agents (ADRA). A valid certificate of membership must be supplied.	
1.1.31	The Contractor must comply with the letter and spirit of the Code of Conduct as prescribed by Section 14 of the Debt Collectors Act, 114 of 1998.	
1.1.32	The Contractor shall immediately upon being awarded the contract open and maintain a separate trust account at a bank defined in the Banks Act, 1990 (Act 94 of 1990), and shall deposit therein, daily, the money received or held by him or her for the Department.	
1.1.33	A bank stamped certificate to prove the existence of the trust account must be presented within 14 days of the conclusion of the Service Level of Agreement.	
1.1.34	The money deposited in the above trust account shall together with the interest earned, if any, be paid within 14 days after the end of the month in the Main Bank Account of the Department.	
1.1.35	Copies of the bank statements, in respect of the trust account mentioned above, must be submitted monthly to the Department.	
2.	SCOPE OF SERVICE	
2.1	To collect outstanding hospital fee debts for the following Regions (Institutions in these Regions may withdraw during the contract period if their management so wishes, and additional Institutions may be added as and when required):	
A.	Central Hospitals	
	Groote Schuur Hospital	
	Tygerberg Hospital	
	Red Cross Hospital	
B.	Metro Health Services	
	Alexandra Hospital	

Emergency Medical Services

Lentegeur Hospital

Mowbray Hospital

Oral Health centres

Orthotic & Prosthetic Centre

Somerset Hospital

Stikland Hospital

Valkenberg Hospital

Western Cape Rehabilitation Centre

C. Metro District Health Services

Brackengate Hospital

Eerste River Hospital

False Bay Hospital

Helderberg Hospital

Karl Bremer Hospital

Khayelitsha Hospital

Mitchells Plain Hospital

Victoria Hospital

Wesfleur Hospital

D. Cape Winelands District

Ceres Hospital

Montagu Hospital

Robertson Hospital

Stellenbosch Hospital

E. Overberg District

Caledon Hospital

Hermanus Hospital

Otto du Plessis Hospital

Swellendam Hospital

F. Eden & Central Karoo District

Alan Blyth Hospital

Knysna Hospital

Mossel Bay Hospital

Oudtshoorn Hospital

Riversdal Hospital

Uniondale Hospital

Beaufort Wes Hospital

Laingsburg Hospital

Murraysburg Hospital

Prins Albert Hospital

Nelspoort Hospital

G. Rural District Health Services

George Hospital

Paarl Hospital

Worcester Hospital

H. West Coast District

Citrusdal Hospital

Clanwilliam Hospital

Lapa Munnik Hospital

Radie Kotze Hospital

Swartland Hospital

Vredenburg Hospital

Vredendal Hospital

2.2 To collect personnel and other related debt for the Department.

3. OUTSTANDING HOSPITAL ACCOUNTS

3.1 As the extent of debt to be collected cannot be guaranteed the following may be used for estimation purposes, but it must be noted that a large percentage of these accounts may not be handed over for collection as it may be estate cases or are being paid off in instalments etc.

3.1.1 Average number and value of invoices raised per month:
All Regions
± 12,751 invoices: value ± R 34m per month.

3.2 Based on the figures above, as well as the information supplied in this Section, bidders must calculate their bid prices as percentages of the amounts recovered. These percentages must be indicated in Section 2 - Financial Summary as well as in the Pricing Schedule (WCBD 3.3), to enable the Department to compare the bid percentages for evaluation purposes.

3.3 It should be noted that the percentages thus indicated (which must be fixed for the five-year period of the tender) will have a definite influence on the awarding of the contract to a bidder.

4. OBLIGATIONS OF THE CONTRACTOR

4.1 DEBT COLLECTING

4.1.1 The Contractor is required to render a debt collecting service to the Western Cape Government: Department of Health as set out above and hereunder.

4.1.2 Interest must be added to accounts, where required, at a rate as informed by the Department.

4.1.3 The Contractor shall take all the necessary and lawful steps to procure payment of the debt and must at his/her own cost, engage the services of tracing agents and attorneys to assist in the same, but notwithstanding anything to the contrary which may be contained or implied herein, the Contractor shall collect the debt strictly on an individual basis and maintain a separate account in respect of each debt. Certain debtors may have more than one invoice. In this case, all invoices for the same debtor must be managed under one account in the Contractors system. When the debtor makes payment, the Contractor shall indicate to the Department for which invoice/s payment was/were received for.

4.1.4 No set-off is permissible between debts.

4.1.5 In the event of any action instituted against any debtor in terms of this contract being defended, the Contractor shall forthwith inform the Department. The Department shall furnish the Contractor with instructions as how the matter should be further dealt with and the right is specifically reserved to the Department to take over the conduct of the litigation, including the appointment of the State Attorney to act on its behalf. Commission will be paid either at the set or reduced rate.

4.1.6 Should the contractor deem it necessary to obtain a garnishee order such an order must be made on behalf of the Head of the Department: Western Cape and must be made payable to the Department in order that commission may be claimed. This will mean that the employer will pay directly to the Department after which the Contractor will be informed. All documentation to be returned to the Department once the garnishee order has been obtained. Reimbursement of legal costs in respect of garnishee orders to be claimed from the debtors accordingly. **See Annexure B: Appendix 2.**

4.1.7 Offers of repayment by means of instalments may be arranged by the Contractor.
The Contractor must provide a monthly report of all offers that are repaid by means of instalments. The report must indicate the instalment agreement period.

4.1.8 It is the responsibility of the Contractor to inform debtors of their outstanding balances. All queries with regard to accounts handed over must be handled by the Contractor.

4.1.9 The Contractor shall be paid his percentage commission on debts collected monthly, as full compensation for the debt collection services rendered as indicated on the statement in the form of Annexure B: Appendix 2.

- 4.1.10 The Contractor may use any lawful means to collect the debts provided that such means do not bring the Department/Institutions or its employees into disrepute.

4.2 ACCOUNTING AND LIAISON

- 4.2.1 Every participating Institution/Region and the Contractor shall each appoint a project officer (Departmental Project Officer (DPO) and the Management Accounting Directorate will appoint a Contract Management Officer (CMO) who shall work in close co-operation with the Contractor in order to facilitate the flow of information, solving of problems, accounts, payments, etc. between the parties.
- 4.2.2 The Contractor must apply relevant accounting practices and will keep all accounting records in respect of the rendering of the proposed debt collecting services.
- 4.2.3 The accounting period shall run from the first day until the last day of each month.
- 4.2.4 The amount claimed monthly from the Department in respect of debts collected, shall not exceed the percentage tendered.
- 4.2.5 The monthly payment in respect of accounts recovered, must be submitted within 14 days to the Directorate: Management Accounting supported by the schedule specified in Annexure B: Appendix 2. Interest may be charged on payments not paid over timeously to the Department.
- 4.2.6 Payment must be made by means of electronic fund transfer (EFT).
- 4.2.7 The actual accounts recovered, and the value thereof as reflected in the accounting schedules given in Annexure B: Appendix 2 must be certified as correct by the CMO or his appointed and authorised representatives.
- 4.2.8 The CMO will thus keep account of and monitor the number and value of accounts recovered in terms of this contract.
- 4.2.9 The Contractor shall on a monthly basis submit an invoice to the CMO, reflecting the amounts recovered per Institution for the month and the percentage commission earned. The invoice and the monthly payment shall be delivered together.
- 4.2.10 The Department will pay the percentage claimed on the invoice, after verification, within 30 days of receipt of the invoice.
- 4.2.11 The CMO shall certify each monthly statement submitted by the Contractor.
- 4.2.12 The Contractor must have receipt books exclusively used for the purposes of monies received in respect of this contract.
- 4.2.13 The DPO also has the final responsibility to ensure that the service rendered by the Contractor to the Institution conforms to the specifications of this contract.
- 4.2.14 It is hereby agreed that monies recovered for the Institution must be paid over within 14 (fourteen) business days after the end of the month in which the recovery was made.
- 4.2.15 Should the Contractor recover more than the outstanding amount from a debtor, that amount should not be paid over to the Department but be refunded to the debtor. The Contractor must check for any other unpaid invoices for the same debtor before any refunds are made.
- 4.2.16 The Contractor will not be entitled to any commission in respect of over payments made by the debtor.

4.2.17 Should debtors make payment at the Institution within 14 business days from date of handover to the Contractor, the Contractor will not be entitled to any commission thereon.

4.2.18 The Department reserves the right, that if a payment resulted from the direct intervention of the Department or where the Department was instrumental in arranging the payment and where these cases were not timeously withdrawn from the Contractor, not to pay any commission for these identified cases to the Contractor.

5. MONITORING AND CONTROL

5.1 The Department, in the person of a duly appointed CMO or other duly authorised person (including an independent auditor), shall be entitled at any reasonable time to inspect all the records, accounts, receipts, and other documentation of the Contractor relating to the rendering of the debt collecting service in terms of this contract.

5.2. It is envisaged that the CMO will do monthly inspections at the offices of the Contractor to ensure compliance with the prescripts of the contract and to monitor the standard and quality of the service provided.

5.3 The CMO shall be entitled to instruct the Contractor to rectify any breach of the specification forthwith, failure of which the provisions of the Service Level Agreement may be imposed.

5.4 A standing liaison meeting will also be held with the Contractor on dates and at venues to be determined.

5.5 The Contractor must submit a monthly electronic progress report per Institution to the Department at the standing liaison meeting in the following format:

1. Name of Institution;
2. Number and value of accounts handed over for the month;
3. Total number and value of accounts handed over to date;
4. Number and value of accounts returned for write-off for month;
5. Total number and value of accounts returned for write-off to date;
6. Number and value of accounts paid for month;
7. Total number and value of accounts paid to date;
8. Number and value of accounts paid at hospital for month;
9. Total number and value of accounts paid at hospital to date;
10. Interest paid for month;
11. Total Interest paid to date;
12. Legal payments for month;
13. Legal payments to date.

5.6 The monthly progress report must also be supplied to the Department collectively per region.

5.7 The Department reserves the right to request additional reports where necessary without any cost to the Department.

6. NUMBERS OF DEBTS AND HANDOVER OF DEBTS

6.1 The value of accounts indicated in Section 4, paragraph 3.1.1 represent the approximate value of average accounts raised per month and no guarantee can be given with regard to actual numbers.

6.2 The accounts will be handed over electronically on a weekly basis.

6.3 The Institutions shall not be obliged to hand to the Contractor a predetermined quota or any minimum amount of debts during any given period.

6.4 The Institution reserves the right to withdraw any specific debt handed to the Contractor if such hand-over was due to an administrative error on the part of the Institutions. The Institutions shall in this event not be liable for any disbursements already incurred by the Contractor nor any commission in connection with the recovery of the debt(s).

7. LOSS OF MONIES

7.1 The Contractor will be responsible at all times for any loss of monies collected and undertakes to carry the loss of such monies in his possession notwithstanding the cause of such loss. Loss of monies by the Contractor must be paid over by not later than the end of the month following that during which the monies was collected.

8. PROCEDURES

8.1. HAND OVER PROCEDURE

8.1.1 The Department's billing system will programmatically list accounts after 120 days or sooner where applicable.

8.1.2 Where necessary the hand over could be in a manual form.

8.2 INABILITY TO RECOVER DEBT OR TRACE DEBTOR

8.2.1 The Contractor is allowed 180 days to trace the debtor and/or recover the debts, failing

which a report (in electronic form) of these accounts must be forwarded to the Department at the liaison meetings. The report must be in the format of Annexure B: Appendix 3. Kindly note that a reduced commission rate may apply as indicated in the SLA.

8.2.2 Proof of non-collection for the following cases must be provided:

8.2.2.1 Insolvent estate

Proof of insolvency is required. This must be returned to the hospitals.

8.2.2.2 Deceased estate.

A copy of the death certificate is required, and confirmation is to be provided from the Master of the Supreme Court that no estate has been registered.

8.2.2.3 Debtors inability to pay the account.

If a recovery of a debt would cause undue hardship to the debtor or his/her dependants because they would be deprived of the minimum essential means of livelihood, then a financial report (Annexure C) must be obtained from the debtor. The same holds if the assets of the debtor or of the estate of the debtor, if he or she is deceased, (whether or not such assets are pledged to the Province) are indispensable to his or her dependants or are of relatively little value, and the debtor or his or her estate, as the case may be, is unable to pay the amount or any portion thereof, except by the disposal of such assets and such disposal would cause undue hardship. These cases must be referred to the relevant Institution for consideration with the Annexure C.

8.3 BY THE CONTRACTOR: RECONCILIATION

8.3.1 The Contractor must supply reconciliation on or before the fourteenth day of the month regarding each account received for collection. Annexure B: Appendix 4 is to be used for this purpose and will contain the following information:

8.3.1.1 Account number

8.3.1.2 Admission number

8.3.1.3 Name of debtor

8.3.1.4 Amount Handed Over

8.3.1.5 Interest added;

8.3.1.6 Payments

8.3.1.7 Current Balance

8.3.2 If payment/part payment is reversed by the debtor, then the Contractor must recover the money from the debtor. Only when proof is obtained that no recovery can be made, then the Contractor may recover the money from the Department. The commission in this instance will be recovered from the refund. Full particulars must be supplied, and the credit claimed on Annexure B: Appendix 2.

8.4 PAYMENTS MADE AT HOSPITALS

- 8.4.1 Should debtors make payment at the hospital i.r.o. debts handed over to the Contractor and who subsequently arranged payment, then a list of such payments will be supplied to the Contractor by the Departmental Project Officer. The list will supply full details in respect of the debtor's name, account number, receipt number, date of receipt and amount paid. The Contractor must indicate these details separately on the next monthly statement. (Annexure B: Appendix 2) in order that the percentage commission may be claimed.
- 8.4.2 The Department reserves the right to remove cases from aforementioned list, including cases post the 14 day period and the Contractor will not be entitled to commission. Where commission had already been paid for these cases, the Contractor must refund the commission to the Department.
- 8.4.3 Should a payment be made within 14 business days from the date of handover by the Department to the Contractor, the Contractor will not be entitled to any commission thereon.
The Contractor will also not be entitled to commission for any overpayments made by the debtor.

9. EVALUATION PROCESS

Bidders will be evaluated solely on information submitted in response to the bid invitation.

The Department will establish a bid evaluation committee to adjudicate this bid using a pre-defined set of evaluation criteria. This committee will assess the offer using this document, as well as compliance with all standard conditions and special conditions of bid, as the basis for the evaluation.

The following process will be followed to evaluate the bids:

- (i)Phase 1: Compliance with compulsory Central Supplier Databases registration and completion of the bid document. All bidders who comply with Phase 1 will proceed to Phase 2
- (ii)Phase 2: Compliance with evaluation criteria, as outlined below.
All bidders who comply with Phase 2 will proceed to Phase 3.
- (iii)Phase 3: Application of points for price and BEE status in accordance with the Preferential Procurement Policy Framework Act, 2000 and the Preferential Procurement Regulations, 2022, to determine the highest total points scored by a bidder.
Please complete the documentary proof summary sheet below as evidence of your ability to confirm your compliance with the evaluation criteria.

All of the below mention must be valid at the time of bid closing. Proof of application for registration and similar will not be accepted.:

9.1 PRICING

- 9.1.1 The bid percentage quoted. This is based on the actual amounts recovered in respect of the debts. All overhead costs including legal costs are for the account of the Contractor. The bid percentage must be quoted inclusive of Value Added Tax.
- 9.1.2 Cost of SMS's.

9.2 Bids must be accompanied with documentary evidence proving:

- 9.2.1 Ability to follow-up all outstanding debt supplied by the Department, irrespective of the place of residence of the debtor in the Republic of South Africa or abroad and

the amounts, age or quantity of these debts.

Please provide proof in the form of a summary of the debt handed over to you for collection and your performance in terms of recovery.

9.2.2 Your system's ability to process voice mandated debit orders, either NAEDO (none authenticated early debit orders) or AEDO (authenticated early debit orders). Proof of your system capability and debit order stats must be provided with the bid offer.

9.2.3 Will you be able to institute legal proceedings, i.e., summons and obtain judgement by default. Please provide proof.

9.2.4 Do you have your own credit bureau or have an existing relationship with a credit bureau. Information that is housed at the credit bureau must be made available or accessible to the Department for whatever purpose, including electronic access, at no cost. The electronic access will include Real time Online verification. Where required income bands must also be indicated. Also, where required, the Department will supply a list of debtors for validation by the Contractor in terms of the debtor's personal details.

9.2.5 Your system's ability to list and de-list debtors. Proof in the form of letters to debtors in this regard must be provided.

9.2.6 Ability to provide a web-based progress report on all cases handed over. This report must also indicate the accounts with which you had been unsuccessful. Provide an example.

9.2.7 The Contractor must preferably have their own in-house tracing service or utilise outside tracing agents for their own account.

9.2.8 The Contractor must have an in-house call centre, comprising of at least 750 collectors, as part of the collection strategy.

9.2.9 Proof of membership to the "Council of Debt Collectors" as constituted in terms of Section 2 of the Debt Collectors Act, 114 of 1998. Confirmation of registration to be submitted with bid documents.

9.2.10 A valid certificate of membership of the Association of Debt Recovery Agents (ADRA).

9.2.11 The Contractor must submit a monthly electronic progress report per Institution to the Department at the standing liaison meeting in the format indicated in Section 4 par 5.5 of this document. Kindly supply a report from your system in terms of existing debt in line with the headings, as far as possible, as per Section 4 par 5.5.

9.2.12 The bidder must have an established office in the Western Cape from where the debt collecting service will be managed.

9.2.13 The Department reserves the right to apply any specification as indicated in the bid document as a further criterion for evaluation.

10 TERMINATION OF THE AGREEMENT

10.1 The Department shall be entitled forthwith to terminate the contract by written notice to the Contractor if:

10.2 An encumbrance takes possession, or a receiver is appointed over any of the property or assets of the Contractor;

- 10.3 The Contractor makes any voluntary arrangement with its creditors or becomes subject to an administration order;
- 10.4 The Contractor commits an act of insolvency or is placed under a provisional or final winding-up or judicial management order or fails to satisfy or take steps to have set aside any judgement taken against it within 7 (seven) days after such judgement has come to its notice.
- 10.5 The Contractor commits a breach of the terms and conditions of the contract, all of which are declared material and fails to remedy (must be completed) such a breach.
- 10.6 The Contractor abandons the Project (other than as a consequence of a breach by the Department of its obligations under this contract);
- 10.7 The Contractor ceases to provide all or a substantial part of the services in accordance with this contract (other than as a consequence of a breach by the Department of its obligations under this contract).

11. CONSEQUENCES OF TERMINATION & BREACH

11.1 Upon termination as a result of breach by either party the Contractor shall –

- 11.1.1 Subject to paragraph 10.3 and within 30 (thirty) calendar days after termination, return to the various Instructing Institution, all the accounts and updated supporting information and documentation related to the handed over debt.
- a) The time and manner of the delivery of the said documentation will be as agreed upon between the parties.
- b) Notwithstanding the above, the Department reserves the right to forthwith collect such documentation from the Contractor. The Contractor shall have no claim of whatsoever nature arising from such a collection of documentation by the Department.
- 11.1.2 Not collect or receive any payment from Debtors transferred back to the Department after the date of termination and undertakes to inform the relevant Debtors to make payments directly to the Department. Should debtors still make payments into the Contractor's account without their knowledge, and after notification has been given to the debtors to make payments to the Department, the Contractor hereby undertakes to immediately transfer all such funds to the Department once it becomes known to the Contractor and to inform the Department thereof in writing within 24 (twenty-four) hours from it becoming known to the Contractor.
- 11.1.3 Forthwith refrain from taking any further steps of whatsoever nature in respect of the collection of the debts that was transferred back to the Department, upon termination of the Agreement.
- 11.1.4 Adhere and act in accordance with the process as set out in clauses 10, 11, 12 and 13 of the Service Level Agreement.
- 11.1.5 Compile and serve on the Department a final reconciliation report within 30 (thirty) calendar days from the date of termination.

12. TERMINATION AS A RESULT OF EXPIRY OF THE CONTRACT

- 12.1 The above prescripts will also apply in respect of the final reconciliation process at the expiry of this Agreement. It is recorded that no extension of

this Agreement may be granted unless the final reconciliation process has been completed and served on the Department.

- 12.2 Prior to the Department exercising its right to extend the contract period, the Contractor shall provide the Department within 14 (fourteen) calendar days from the date of the expiry of the contract, with a detailed schedule in respect of debt in which the Contractor has initiated the collection process and has collected some of the outstanding debt.
- 12.3 The Department will serve a written notice on the Contractor within 30 (thirty) calendar days from date of receiving the Contractor's schedule as set out in clause 12.2, indicating whether the contract period will be extended or not.
- 12.4 In the event that the Department exercises its right to extend the contract, the following shall apply:
- a) The contract may be extended for an additional period as determined by the Department and may be terminated during this extended period by either party giving the other party 1 (one) month's written notice of its termination prior to the said termination. In the event of such termination the same final reconciliation process as set out in this Agreement will apply.
 - b) The extension will be granted on the same terms and conditions of this Agreement save as for the fact that the Department will cease to hand over any debt after the initial termination period.
 - c) At the expiry of the extended period the Contractor will hand over all the relevant documentation to the Department and will follow the reconciliation process as set out above and duly serve it on the Department within 30 (thirty) calendar days from date of termination.
 - d) The Contractor undertakes to inform the relevant debtors to make payments directly to the Department. The Contractor will inform the debtors in writing 60 days before expiry and the Department must agree to the contents of the letter to the debtor.
- 12.5 Upon termination of this Agreement for whatever reason all and any Confidential Information or any other information or documentation or records of whatever nature which came to the knowledge of and/or are in the possession or under the control of the Contractor, through the existence of this Agreement, including any information relating to the debtor, -
- a) shall remain confidential and must not be disclosed by the Contractor to any third party without the Department's prior written consent;
 - b) must be returned to the Department within 30 days of termination in the same electronic format as per the format in which the data was originally supplied by the Department to the Contractor. All documentation must be supplied electronically in either Microsoft Word or Adobe Acrobat Reader (*.pdf) format.
- 12.6 The Contractor will retain the accounting records as required for enquiries that may arise from the Debt Collectors Council. All the confidentiality clauses will survive the termination of this contract.
- 12.7 Upon termination of this Agreement for whatever reason the Contractor shall ensure that all bank accounts used and/or nominated by the Contractor to receive payments from debtors and in which payments by

debtors are made in connection with this Agreement, remain open and operative for a period of 24 months from date of termination.

12.8 Upon termination of this Agreement for whatever reason the Contractor must ensure that the Department is granted full access to monitor and obtain detailed information and statements of all transactions on the bank accounts referred to in paragraph 12.7 above.

12.9 Upon termination of this Agreement for whatever reason the Contractor must provide final reports to the Department in Microsoft Excel format in respect of each debt handed over in terms of this Agreement, stating the required information described in the Service Level Agreement together with all available information on the debtor.

12.10 The Contractor undertakes to inform the relevant debtors to make payments directly to the Department. The Contractor will inform the debtors in writing 60 days before expiry and the Department must agree to the contents of the letter to the debtor.

12.11 The Contractor acknowledges its obligations in respect of matters referred to attorneys for legal proceedings as described in the Service Level Agreement.

13. **CONFIDENTIAL INFORMATION**

13.1 The Service Provider and the Department shall not, during the currency of this Contract, or at any time thereafter, utilise or cause to be utilised, and/or directly or indirectly publish or cause to be published or otherwise disclose or cause to be disclosed to any third Party, any of the Confidential Information of the other Parties or Patients of the Department.

13.2 For the purposes of this Contract "Confidential Information" shall mean-

- a) any information of any Party which is disclosed, revealed or exchanged pursuant to the provision of the Services in terms of this Contract which pertains to, but is not limited to, all intellectual property rights, all trade secrets, or information pertaining to Patients of the Department or technical, operational or financial aspects of any of the Parties, obtained during execution of this Contract.; and;
- b) any dispute between the Parties resulting from this Contract.

13.3 The Service Provider shall-

- a) use the Confidential Information only for purposes of discharging its obligations under this Contract;
- b) treat and safeguard the Confidential Information as private and confidential; and
- c) ensure proper and secure storage of all Confidential Information

13.4 Any documents or records (including written instructions, notes or memoranda) relating to the Services which are to be provided to the Service Provider by the Department or which come into the Service Provider's possession during the currency of this Contract, are deemed to be the property of the Department respectively and shall be surrendered to the Department on demand, and in the event of the expiry or termination of this Contract, the Service Provider may not retain any copies thereof or extracts therefrom without obtaining the prior written permission of the Department respectively.

13.5 The Service Provider undertakes to comply with applicable laws and regulation on the protection of personal data relating to Patients and other persons to which it may have access in the performance of its obligations. To this end the Service Provider will implement technical and organisational measures to address risks of

alteration, loss and unauthorised access or processing of such personal data.

- 13.6 The Service Provider undertakes to keep such personal data confidential. Such data will be used for the sole purpose of rendering the Services. Only the Service Provider's employees, its suppliers, agents or its affiliates, involved in the performance of the obligations under this Contract, may have access to such personal data on a need to know basis and in compliance with this confidentiality undertaking.
- 13.7 To assist with this obligation, the Department shall make all reasonable endeavours to ensure that any data/images that it may provide to, or permit access to, the Service Provider are suitably anonymized, where necessary and appropriate, with the aim of ensuring that such data/images do not constitute 'personal data' as defined under applicable law including the Protection of Personal Information Act, 2013.
- 13.8 In case of termination of this Contract, the Service Provider will at its cost, destroy such personal data or return to the Department any copies thereof, unless the Parties are authorised by the Department to keep such information for specific purposes or unless the Parties are prevented from doing so, for instance by law, in which event the data will be kept confidential and will not be processed for any purpose other than those necessary to comply with legal obligations

SECTION 14 – Performance Management

Constant performance monitoring will be conducted to ensure that Contractors meet their contractual obligations and that contracts run with as little disruption as possible. Regular meetings with Contractors will be performed to discuss contract issues. Regular site inspections take place regularly to ensure that the service is being rendered according to the contract, whether the service is being performed at a Departmental site or at the Contractor's own site. On a quarterly basis the successful supplier will have to provide Supply Chain Sourcing three (3) monthly invoices for auditing purposes.

SECTION 14 - Negotiations

The Department reserves the right to enter into negotiations with bidders (before the contract is concluded) and contractors (after the contract is concluded) regarding inter alia price revisions, increases and service delivery should it be deemed necessary.

TABLE OF CONTENTS
PROFILE OF TENDERER

APPENDIX 1	:	Qualifications and Experience
APPENDIX 2	:	Organisation Type
APPENDIX 3	:	Organisational Structure
APPENDIX 4	:	Nearest Office
APPENDIX 4(a)	:	Undertaking

QUALIFICATIONS AND EXPERIENCE

(Section 3: Bid Conditions: Paragraph 3.2)

1. Details of the extent of the Bidder's debt collecting activities and business, e.g. branches etc.:

2. A list of existing debt collecting contracts: _____

3. The number of years that the bidder has been in the debt collecting business: _____

4. The name and/or CV of the person who shall carry out and control the debt collecting service

5. His/her qualifications: _____

6. His/her experience in this field: _____

SIGNED: _____

(For the BIDDER)

DATE: _____

ORGANISATION TYPE

(Section 3: Bid Conditions: Paragraph 3.3)

PARTNERSHIP / CLOSED CORPORATION / COMPANY

(delete which is not applicable)

The Bidder comprises the following partners/members/directors:

1.	NAME	:	_____
	ADDRESS	:	_____
	ID NUMBER	:	_____

2.	NAME	:	_____
	ADDRESS	:	_____
	ID NUMBER	:	_____

3.	NAME	:	_____
	ADDRESS	:	_____
	ID NUMBER	:	_____

4.	NAME	:	_____
	ADDRESS	:	_____
	ID NUMBER	:	_____

5.	NAME	:	_____
	ADDRESS	:	_____
	ID NUMBER	:	_____

NOTE A copy of the latest audited financial statement to be attached to this document.

ORGANISATIONAL STRUCTURE

(Section 3: Bid Conditions: Paragraph 3.4)

1. The following organisational structure shall be applied: _____

2. The following principles procedures and functions shall be applied for an effective debt collection service at Institution within the Department:

SIGNED:
(For the BIDDER)
DATE:

OFFICE IN THE WESTERN CAPE

(Section 3: Bid Conditions: Paragraph 4)

1. Physical address of Bidder:

2. Telephone No: _____ Fax No: _____

3. Name of the Contractor's Project Officer (CPO):

Address: _____

ID Number: _____

Telephone No: _____ Fax No: _____

Qualifications: _____

Experience: _____

ANNEXURE B

ACCOUNTING SCHEDULES

APPENDIX 1: ACCOUNTS HANDED OVER FOR RECOVERY

After initial follow-up steps have been taken by the hospital, the debt is scheduled and handed over to the contractor electronically.

APPENDIX 2: MONTHLY STATEMENT

The Monthly statement reflects a summary of all amounts recovered for the month, which forms the basis for the Contractor's claim for services rendered to the Institution. The DPO must ensure himself of the correctness of the amount claimed by the Contractor. When the DPO is absolutely certain that the furnished statement is correct, he must certify thereto and credit the debt accordingly.

APPENDIX 3: RETURN OF ACCOUNTS NOT RECOVERED

If the Contractor can only partly recover a debt, or find that the debt is irrecoverable, not traceable or is uneconomical to pursue then it must be returned with this schedule after 180 days.

APPENDIX 4: RECONCILIATION

On or before the fourteenth day of each month the Contractor must supply a reconciliation regarding the progress of each account.

Note: All Annexures to be supplied in electronic format.



ACCOUNTS HANDED OVER FOR RECOVERY BY CONTRACTOR

INSTITUTION: _____

CONTRACTOR: _____

[illegible]

Handed over by: _____ (name) _____ (rank) _____ (date)

Received by: _____ (name) _____ (Designation) _____ (date)

MONTHLY STATEMENT

CONTRACTOR: _____ HOSPITAL: _____

MONTH: _____ YEAR: _____

	Acc No	Name of debtor	Amount handed over	Amount Recovered	Receipt No	Date of Receipt	Legal costs/interest	Balance outstanding	Commission charged
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									

Less Corrections (Reversed Payments) _____
Total _____

Full details/copies of support documents to be attached

The above is certified as correct.

Name _____

Name _____

Designation _____

Designation _____

Date _____

Date _____

Signature:

For the Contractor

Signature:

for the Department



ANNEXURE B: APPENDIX 3

RETURN OF ACCOUNTS NOT RECOVERED

HOSPITAL: _____

CONTRACTOR: _____

	ACCOUNT NO	NAME OF DEBTOR	AMOUNT HANDED OVER	BALANCE NOT RECOVERED	REASONS FOR NON-RECOVERY
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15			TOTAL	R	

COPIES OF AGENTS REPORTS AND HOSPITAL DOCUMENTATION IN RESPECT OF EACH ACCOUNT TO BE ATTACHED

Handed over by: _____
 (name) (Designation) (Date)

Received by: _____
 (Name) (Rank) (Date)



RECONCILIATION

CONTRACTOR : _____

HOSPITAL : _____

Account number	Name of Debtor	Original outstanding balance	Balance (excluding contractor's legal costs)	Progress Report
	Total			

The above is certified correct

(Designation)

(Date)

(Name)

Indicate Section 57 and garnishee orders. Attach documentary proof.

WESTERN CAPE GOVERNMENT
FINANCIAL REPORT

1. **Type of debt:** _____ **Amount due:** _____

Reference No: _____ **Incurred at:** _____

2. **Full name of debtor:** _____

3. **Details of debtor:**

a. **Date and place of Birth:** _____

b. **Marital status:**

Single	Married and date	Divorced	Widow/er
--------	------------------	----------	----------

c. **Name of spouse (in full):** _____

d. **Married:**

In community of property	Pre-marital contract
--------------------------	----------------------

e. **Dependants:**

Relationship	Full name	Date of birth

f. **Residential address of debtor:** _____

_____ Tel No: _____

g. **Employment particulars:**

Debtor:
Institution/Company: _____ Occupation _____

Address: _____

Spouse: Debtor: Institution/Company: _____ Occupation _____
Address: _____

4. **Particulars of Surety:**

a. Full name of surety: _____

b. Residential address: _____

Tel No: _____

c. Work address: _____

_____ Tel No: _____

d. Amount of surety: _____ Date signed: _____

5. **Assets and Liabilities:**

Assets	R	C	Liabilities	R	C
Fixed property			Bonds		
Household effects			Loans/Hire purchases		
Investments			Bank overdraft		
Cash/Deposit			Outstanding debt:		
			Total		
Vehicles			Other		
Other					

Particulars of vehicles:

	1	2	3
Make			
Registration			
Date purchased			

6. **Non recurring annual income:**

	Debtor	Amount	Spouse	Amount	Total
Bonus(13 th cheque)					
Other					

7. **Monthly income:**

	Debtor	Amount	Spouse	Amount	Total
Gross salary minus PAYE & Pension					
Subsidy					
Commission					
Other					
Total					

8. **Monthly Expenditure:**

House rental		
Electricity & Water		
Rates & Taxes including maintenance		
Foodstuffs		
Loans: Balance outstanding: R.....(Expires: / /200)		
Insurance/assurance		
Educational expenses		
Entertainment		
Medical Aid contributions		
Telephone		
Transport		
Linen & crockery		
Clothing and dry cleaning		
Garnishee orders		
Other		
Total		

I, _____ offer to pay R _____ this
 _____ day of _____ 200__.

Signature of debtor

Certified as correct and truthful reflection of my financial position.

Signature of debtor

Witness: (1)

Witness (2)

Signature: Commissioner of Oaths

Signature: Head of Component/Institution

Approved/Not approved

Reason for not approving (where applicable)



PROVINCIAL GOVERNMENT WESTERN CAPE

DECLARATION OF INTERESTS, SERVICE PROVIDERS PAST SCM PRACTICES AND INDEPENDENT BID DETERMINATION

1. To give effect to the requirements of the Western Cape Provincial Treasury Instructions, 2019: Supply Chain Management (Goods and Services), Public Finance Management Act (PFMA) Supply Chain Management (SCM) Instruction No. 3 of 2021/2022 - SBD 4 Declaration of Interest, Section 4 (1)(b)(iii) of the Competition Act No. 89 of 1998 as amended together with its associated regulations, the Prevention and Combating of Corrupt Activities Act No 12 of 2004 and regulations pertaining to the tender defaulters register, Paragraph 16A9 of the National Treasury Regulations and/or any other applicable legislation.
2. 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 Service Provider to make this declaration in respect of the details required hereunder.
3. All prospective Service Providers intending to do business with the Institution must be registered on the Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB) if they wish to do business with the Western Cape Government (WCG) via the electronic Procurement Solution (ePS).
4. The status of enterprises and persons listed on the National Treasury's Register for Tender Defaulters will be housed on the ePS. Institutions may not under any circumstances procure from enterprises and persons listed on the Database of Tender Defaulters.
5. The status of suppliers listed on the National Treasury's Database of Restricted Suppliers will be housed on the ePS; however, it remains incumbent on institutions to check the National Treasury Database of Restricted Suppliers before the conclusion of any procurement process. For suppliers listed as restricted, institutions must apply due diligence and risk assessment before deciding to proceed with procurement from any such supplier.

1. Definitions

"bid" means a Service Provider's response to an institution's invitation to participate in a procurement process which may include a bid, price quotation or proposal;

"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;

"business interest" means –

- (a) a right or entitlement to share in profits, revenue or assets of an entity;
- (b) a real or personal right in property;
- (c) a right to remuneration or any other private gain or benefit, or
- (d) includes any interest contemplated in paragraphs (a), (b) or (c) acquired through an intermediary and any potential interest in terms of any of those paragraphs;

"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;

"Controlling interest" means, 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;

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.



"Corruption"- General offences of corruption are defined in the Combating of Corrupt Activities Act, 2004 (Act No 12 of 2004) as:

Any person who directly or indirectly –

- (a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
- (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act personally or by influencing another person so to act, in a manner—
 - (i) that amounts to the-
 - (aa) illegal, dishonest, unauthorised, incomplete, or biased; or
 - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
 - (ii) that amounts to-
 - (aa) the abuse of a position of authority;
 - (bb) a breach of trust; or
 - (cc) the violation of a legal duty or a set of rules;
 - (iii) designed to achieve an unjustified result; or
 - (iv) that amounts to any other unauthorised or improper inducement to do or 45 not to do anything, of the, is guilty of the offence of corruption.

"CSD" means the Central Supplier Database maintained by National Treasury;

"employee", in relation to –

- (a) a department, means a person contemplated in section 8 of the Public Service Act, 1994 but excludes a person appointed in terms of section 12A of that Act; and
- (b) a public entity, means a person employed by the public entity;

"entity" means any –

- (a) association of persons, whether or not incorporated or registered in terms of any law, including a company, corporation, trust, partnership, close corporation, joint venture or consortium; or
- (b) sole proprietorship

"entity conducting business with the Institution" means an entity that contracts or applies or tenders for the sale, lease or supply of goods or services to the Province;

"Family member" means a person's –

- (a) spouse; or
- (b) child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption or some other legal arrangement (as the case may be);

"intermediary" means a person through whom an interest is acquired, and includes a representative or agent or any other person who has been granted authority to act on behalf of another person;

"Institution" means –

a provincial department or provincial public entity listed in Schedule 3C of the Act;

"Provincial Government Western Cape (PGWC)" means

- (a) the Institution of the Western Cape, and
- (b) a provincial public entity;

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

31 May 2022



"RWOEE" means –

Remunerative Work Outside of the Employee's Employment

"spouse" means a person's –

- (a) partner in marriage or civil union according to legislation;
- (b) partner in a customary union according to indigenous law; or
- (c) partner with whom he or she cohabits and who is publicly acknowledged by the person as his or her life partner or permanent companion.

7. Regulation 13(c) of the Public Service Regulations (PSR) 2016, effective 1 February 2017, prohibits any employee from conducting business with an organ of state, or holding a directorship in a public or private company doing business with an organ of state unless the employee is a director (in an official capacity) of a company listed in schedules 2 and 3 of the Public Finance Management Act.
 - a) Therefore, by 31 January 2017 all employees who are conducting business with an organ of state should either have:
 - (i) resigned as an employee of the government institution or;
 - (ii) cease conducting business with an organ of state or;
 - (i) resign as a director/shareholder/owner/member of an entity that conducts business with an organ of state.
8. Any legal person, or their family members, may make an offer or offers in terms of this invitation to bid. In view of potential conflict of interest, in the event that the resulting bid, or part thereof, be awarded to family members of persons employed by an organ of state, it is required that the Service Provider or his/her authorised representative declare his/her position in relation to the evaluating/adjudicating authority where the Service Provider is employed by the Institution.
9. The bid of any Service Provider may be disregarded if that Service Provider or any of its directors abused the institution's supply chain management system; committed fraud or any other improper conduct in relation to such system; disclosure is found not to be true and complete; or failed to perform on any previous contract.
10. 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). Collusive bidding is a per se prohibition meaning that it cannot be justified under any grounds.
11. Treasury Regulation 16A9 prescribes that accounting officers and accounting authorities must take all reasonable steps to prevent abuse of the supply chain management system and authorises accounting officers and accounting authorities to:
 - a) disregard the bid of any Service Provider if that Service Provider, or any of its directors have abused the institution's supply chain management system and or committed fraud or any other improper conduct in relation to such system.
 - b) cancel a contract awarded to a supplier of goods and services if the supplier committed any corrupt or fraudulent act during the bidding process or the execution of that contract.
12. Communication between partners in a joint venture or consortium will not be construed as collusive bidding.
13. 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 Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

31 May 2022



SECTION A DETAILS OF THE ENTITY

CSD Registration Number	MAAA
Name of the Entity	
Entity registration Number (where applicable)	
Entity Type	
Tax Reference Number	

Full details of directors, shareholder, member, partner, trustee, sole proprietor or any persons having a controlling interest with a right or entitlement to share in profits, revenue or assets of the entity should be disclosed in the Table A below.

TABLE A

FULL NAME	DESIGNATION (Where a director is a shareholder, both should be confirmed)	IDENTITY NUMBER	PERSONAL TAX REFERENCE NO.	PERCENTAGE INTEREST IN THE ENTITY

SECTION B: DECLARATION OF THE SERVICE PROVIDER'S INTEREST

The supply chain management system of an institution must, irrespective of the procurement process followed, prohibit any award to an employee of the state, who either individually or as a director of a public or private company or a member of a close corporation, seek to conduct business with the WCG, unless such employee is in an official capacity a director of a company listed in Schedule 2 or 3 of the PFMA as prescribed by the Public Service Regulation 13(c).

Furthermore, an employee employed by an organ of state conducting remunerative work outside of the employee's employment should first obtain the necessary approval by the delegated authority (RWOEE), failure to submit proof of such authority, where applicable, may result in disciplinary action.

B1.	Are any persons listed in Table A identified on the CSD as employees of an organ of state? (If yes, refer to Public Service Circular EIM 1/2016 to exercise the listed actions)	NO	YES
B2.	Are any employees of the entity also employees of an organ of state? (If yes complete Table B and attach their approved "RWOEE")	NO	YES
B3.	Are any family members of the persons listed in Table A employees of an organ of state? (If yes complete Table B)	NO	YES

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

31 May 2022



TABLE B Details of persons (family members) connected to or employees of an organ of state should be disclosed in Table B below.

FULL NAME OF EMPLOYEE	IDENTITY NUMBER	DEPARTMENT/ ENTITY OF EMPLOYMENT	DESIGNATION/ RELATIONSHIP TO SERVICE PROVIDER**	INSTITUTION EMPLOYEE NO./ PERSAL NO. (Indicate if not known)

SECTION C: PERFORMANCE MANAGEMENT AND SERVICE PROVIDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES To enable the prospective Service Provider to provide evidence of past and current performance.

C1.	Did the entity conduct business with an organ of state in the last twelve months? (If yes complete Table C)	NO	YES
------------	---	----	-----

C2. TABLE C

Complete the below table to the maximum of the last 5 contracts.

NAME OF CONTRACTOR	PROVINCIAL DEPARTMENT OR PROVINCIAL ENTITY	TYPE OF SERVICES OR COMMODITY	CONTRACT/ ORDER NUMBER	PERIOD OF CONTRACT	VALUE OF CONTRACT
C3.	Is the entity or its principals listed on the National Database as companies or persons prohibited from doing business with the public sector?			NO	YES
C4.	Is the entity or its principals listed on the National Treasury Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No. 12 of 2004)? (To access this Register enter the National Treasury's website, www.treasury.gov.za , click on the icon "Register for Tender Defaulters" or submit your written request for a hard copy of the Register to facsimile number (012) 326 5445.)			NO	YES
C5.	If yes to C3 or C4, were you informed in writing about the listing on the database of restricted suppliers or Register for Tender Defaulters by National Treasury?		NO	YES	N/A
C6.	Was the entity or persons listed in Table A convicted for fraud or corruption during past five years in a court of law (including a court outside the Republic of South Africa)?			NO	YES
C7.	Was any contract between the Service Provider and any organ of state terminated during the past five years on account of failure to perform on or comply with the contract?			NO	YES

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details

31 May 2022



SECTION D: DULY AUTHORISED REPRESENTATIVE TO DEPOSE TO AFFIDAVIT

This form must be signed by a duly authorised representative of the entity in the presence of a commissioner of oaths

- I,hereby swear/affirm;
- i. that the information disclosed above is true and accurate;
 - ii. that I have read and understand the content of the document;
 - iii. that I have arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.
 - iv. that the entity undertakes to independently arrive at any offer at any time to the Institution without any consultation, communication, agreement or arrangement with any competitor. In addition, that there will be no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specification, 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;
 - v. that the entity or its representative are aware of and undertakes not to disclose the terms of any bid, formal or informal, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract; and
 - vi. that there have been no consultations, communications, agreements or arrangements made with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and that my entity was not involved in the drafting of the specifications or terms of reference for this bid.

DULY AUTHORISED REPRESENTATIVE'S SIGNATURE

I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his/her answers in his/her presence:

- 1.1 Do you know and understand the contents of the declaration? ANSWER:
 - 1.2 Do you have any objection to taking the prescribed oath? ANSWER:
 - 1.3 Do you consider the prescribed oath to be binding on your conscience? ANSWER:.....
 - 1.4 Do you want to make an affirmation? ANSWER:
2. I certify that the deponent has acknowledged that he/she knows and understands the contents of this declaration, which was sworn to/affirmed and the deponent's signature/thumbprint/mark was placed thereon in my presence.

.....
SIGNATURE FULL NAMES Commissioner of Oaths

Designation (rank) ex officio: Republic of South Africa

Date:..... Place

Business Address:

If you know of any corrupt, fraudulent or collusive actions in the Institution, please report it by calling the National Hotline 0800 701 701

This form must be completed annually. Should the information herein declared change in the course of the year or before the next renewal or in relation to any bid, quotation or contract, it is the entity's responsibility to advise the Institution in writing of the change in such details.

31 May 202



PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022 AND THE WESTERN CAPE GOVERNMENT'S INTERIM STRATEGY AS IT RELATES TO PREFERENCE POINTS

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 TO THE BID, PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE BROAD BASED BLACK ECONOMIC EMPOWERMENT ACT AND CODES OF GOOD PRACTICE

1. DEFINITIONS

- 1.1 **"Acceptable bid"** means any bid which complies in all respects with the specifications and conditions of bid as set out in the bid document.
- 1.2 **"Affidavit"** is a type of verified statement or showing, or in other words, it contains a verification, meaning it is under oath or penalty of perjury, which serves as evidence to its veracity and is required for court proceedings.
- 1.3 **"All applicable taxes"** includes value-added tax, pay as you earn, income tax, unemployment insurance fund contributions and skills development levies;
- 1.4 **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- 1.5 **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a codes of good practice of black economic empowerment, issued in terms of section 9(1) of The Broad-Based Black Economic Empowerment Act;
- 1.6 **"Bid"** means a written offer on the official bid documents or invitation of price quotations, and "tender" is the act of bidding/tendering;
- 1.7 **"Code of Good Practice"** means the generic codes or the sector codes as the case may be;
- 1.8 **"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;
- 1.9 **"Contract"** means the agreement that results from the acceptance of a bid by an organ of state;
- 1.10 **"EME"** is an exempted micro enterprise with an annual total revenue of R10 million or less.
- 1.11 **"Firm price"** means a price that is only subject to adjustments in accordance with an actual increase or decrease resulting from the change, imposition or abolition of customs or excise duty and any other duty, levy, or tax, which is binding on the contractor in terms of the law or regulation and demonstrably has an influence on the price of any supplies or the rendering costs of any service for the execution of the contract;
- 1.12 **"Large Enterprise"** is any enterprise with an annual total revenue above R50 million;
- 1.13 **"Non-firm prices"** means all prices other than "firm" prices
- 1.14 **"Person"** includes a juristic person;
- 1.15 **"Price"** means an amount of money bid for goods and services and includes all applicable taxes less all unconditional discounts;
- 1.16 **"Proof of B-BBEE status level contributor"** means –
 - (a) The B-BBEE status level certificate issued by an authorized body or person;
 - (b) A sworn affidavit as prescribed in terms of the B-BBEE Codes of Good Practice; or
 - (c) Any other requirements prescribed in terms of the Broad-based Black Economic Empowerment Act

- 1.17 **"QSE"** is a Qualifying Small Enterprise with an annual total revenue between R10 million and R50 million;
- 1.18 **"Rand value"** means the total estimated value of a contract in South African currency calculated at the time of bid invitation, and includes all applicable taxes;
- 1.19 **"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;
- 1.20 **"Tender"** means a written offer in the form determined by an organ of state in response to an invitation to provide services through price quotations, competitive bidding processes or any other method envisaged in legislation;
- 1.21 **"Tender for income-generating contracts"** means a written offer in the form determined by an organ of state in response to an invitation to originate income-generating contracts through any method envisaged in legislation, that will result in a legal agreement between the organ of state and a third party, which produces revenue for the organ of state, and includes but is not limited to leasing and disposal of assets and concessions contracts, but excludes direct sales and disposal of assets through public auctions;
- 1.22 **"The Act"** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- 1.23 **"the Regulations"** means the Preferential Procurement Regulations, 2022;
- 1.24 **"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 11 October 2013;
- 1.25 **"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
- 1.26 **"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed for such property to be administered for the benefit of another person.

2. GENERAL CONDITIONS

- 2.1 The following preference points 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)
 - the **90/10 system** for requirements with a Rand value **above R50 000 000** (all applicable taxes included).
- 2.2 Preference points system for this bid:
- (a) The value of this bid is estimated **to exceed/not exceed R50 000 000** (all applicable taxes included) and therefore the preference points system shall be applicable; or
- (b) Either the **80/20 or 90/10** preference points system will be applicable to this bid.
(Delete whichever option is not applicable to this bid)
- 2.3 Preference points for this bid shall be awarded for:
- (a) Price; and
- (b) B-BBEE status level of contribution.
- 2.4 The maximum points for this bid are allocated as follows:

	POINTS	
PRICE	80	90
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20	10
Total points for Price and B-BBEE must not exceed	100	100



- 2.5 Failure on the part of a bidder to complete and sign this form and submit, in the circumstances prescribed in the Codes of Good Practice, either a B-BBEE Verification Certificate issued by a Verification Agency accredited by the South African Accreditation System (SANAS), or an affidavit confirming annual total revenue and level of black ownership, along with the bid, or an affidavit issued by the Companies Intellectual Property Commission, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 2.6 The organ of state reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

3. ADJUDICATION USING A POINT SYSTEM

- 3.1 Subject to Regulation 2(1)(f) of the Preferential Procurement Policy Framework Act, 2000, the bidder obtaining the **highest number of total points** will be awarded the contract.
- 3.2 A bidder must submit proof of its B-BBEE status level to claim points for B-BBEE.
- 3.3 A bidder failing to submit proof of B-BBEE status level, or who is a non-compliant contributor to B-BBEE will not be disqualified, but will only score:
 (a) points out of **80/90** for **price**; and
 (b) 0 points out of **20/10** for **B-BBEE**.
- 3.4 Points scored must be rounded off to the nearest 2 decimal places.
- 3.5 If 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.
- 3.6 Per Regulation 2 (1)(f) of the Preferential Procurement Policy Framework Act, 2000, the contract may be awarded to a bidder other than the one scoring the highest number of total points based on objective criteria in addition to those contemplated in paragraph (d) and (e) of the Act, which justifies the award to another bidder provided that it has been stipulated upfront in the bid conditions.
- 3.7 Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

THE 80/20 OR 90/10 PREFERENCE POINT SYSTEM

4. FORMULAE FOR PROCUREMENT OF GOODS & SERVICES

4.1 POINTS AWARDED FOR PRICE

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

$$\begin{array}{cc}
 \textbf{80/20} & \textbf{90/10} \\
 P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right) & P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)
 \end{array}$$

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



5. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS & INCOME-GENERATING PROCUREMENT

5.1 POINTS AWARDED FOR PRICE

80/20

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

90/10

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

Where

Where

P_s = Points scored for price of bid under consideration

P_t = Price of bid under consideration

P_{\max} = Price of highest acceptable bid

6. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTION

- 6.1 In terms of WCG interim strategy, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the following table:

B-BBEE Status Level of Contributor	No of points (90/10 system)	No 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

- 6.2 An **EME** must submit a valid originally certified affidavit confirming annual turnover and level of black ownership, or an affidavit issued by Companies Intellectual Property Commission.
- 6.3 A **QSE that is less than 51% (50% or less) black-owned** must be verified in terms of the QSE scorecard issued via Government Gazette and submit a valid, original or a legible certified copy of a B-BBEE Verification Certificate issued by SANAS.
- 6.4 A **QSE that is at least 51% black-owned** must submit a valid, originally certified copy of an affidavit confirming turnover and level of black ownership, or an affidavit issued by Companies Intellectual Property Commission, as well as declare its empowering status.
- 6.5 A **large enterprise** must submit a valid, original or originally certified copy of a B-BBEE Verification Certificate issued by a verification agency accredited by SANAS.
- 6.6 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.
- 6.7 A **trust, consortium or joint venture (including unincorporated consortia and joint ventures)** must submit a consolidated B-BBEE status level verification certificate for every separate bid.
- 6.8 **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.

7. BID DECLARATION

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



8. B-BBEE STATUS LEVEL CLAIMED IN TERMS OF PARAGRAPH 5

8.1 B-BBEE Status Level: = (maximum of 20 points in terms of 80/20)

8.2 B-BBEE Status Level: = (maximum of 10 points in terms of 90/10)

(Points claimed in paragraphs 8.1 & 8.2 must correspond with the table in paragraph 5.1 and must be substantiated by a B-BBEE certificate issued by a verification agency accredited by SANAS or an affidavit confirming annual total revenue and level of black ownership in terms of the relevant sector code applicable to the bid).

9. SUB-CONTRACTING

9.1 Will any portion of the contract be sub-contracted? (delete which is not applicable) **YES/NO**

9.1.1 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 or QSE? (delete which is not applicable) **YES/NO**

9.1.2 Sub-contracting relates to a **particular** contract and if sub-contracting is applicable, the bidder must state in its response to a particular RFQ that a portion of that contract will be sub-contracted.

10. DECLARATION WITH REGARD TO COMPANY/FIRM

10.1 Name of company/ entity:

10.2 VAT registration number:

10.3 Company Registration number:

10.4 Type of company/firm (Select applicable option)

<input type="checkbox"/>	Partnership/Joint venture consortium
<input type="checkbox"/>	One-person business/sole propriety
<input type="checkbox"/>	Close corporation
<input type="checkbox"/>	Public company
<input type="checkbox"/>	Personal liability company
<input type="checkbox"/>	(Pty) Ltd
<input type="checkbox"/>	Non-profit company
<input type="checkbox"/>	State-owned company

10.5 I/we, the undersigned, who am/are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBEE status level of contribution indicated in paragraph 8 above, qualifies the company/firm for the preference(s) shown and I/we acknowledge that:

(a) The Western Cape Government reserves the right to audit the B-BBEE status claim submitted by the bidder.

(b) As set out in Section 130 of the B-BBEE Act as amended, any misrepresentation constitutes a criminal offence. A person commits an offence if that person knowingly:



- (i) misrepresents or attempts to misrepresent the B-BBEE status of an enterprise;
 - (ii) provides false information or misrepresents information to a B-BBEE verification professional to secure a particular B-BBEE status or any benefit associated with compliance with the B-BBEE Act;
 - (iii) provides false information or misrepresents information relevant to assessing the B-BBEE status of an enterprise to any organ of state or public entity; or
 - (iv) engages in a fronting practice.
- (c) if a B-BBEE verification professional, any procurement officer or any official from another organ of state or public entity becomes aware of the attempted or actual commission of any offence referred to in paragraph 10.5 (b), this will be reported to an appropriate law enforcement agency for investigation,
- (d) any person convicted of an offence by a court in the case of contravention of paragraph 10.5 (b) is liable to a fine or imprisonment for a period not exceeding 10 years, or to both a fine and such imprisonment, or, if the convicted person is not a natural person, to a fine not exceeding 10% of its annual turnover.
- (e) the purchaser may investigate the matter if it becomes aware that a bidder may have obtained its B-BBEE status level fraudulently. If the investigation warrants the imposition of a restriction, this will be referred to the National Treasury for investigation, processing and restriction of the bidder on the National Treasury's List of Restricted Suppliers. After the *audi alteram partem* (hear the other side) rule has been applied, the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted fraudulently, may be restricted from obtaining business from any organ of state for a period not exceeding 10 years,
- (f) in addition to any other remedy it may have, the organ of state may -
- (i) disqualify the bidder from the bid process,
 - (ii) recover costs, losses or damages it has incurred or suffered as a result of that bidder's conduct,
 - (iii) cancel the contract, and, having had to make less favourable arrangements due to such cancellation, claim any damages it has suffered from the contractor, and
 - (iv) forward the matter for criminal prosecution.
- (g) The information furnished is true and correct.
- (h) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 2 of this form.

SIGNATURE(S) OF THE BIDDER(S):

DATE:

ADDRESS:

WITNESSES:

1.

2.

SWORN AFFIDAVIT – B-BBEE/QUALIFYING SMALL ENTERPRISE

1. I, the undersigned

Full name and surname	
Identity number	

2. Hereby declare under oath as follows:

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

Enterprise name	
Trading name	
Registration number	
Enterprise address	

3. I hereby declare under oath that:

- The enterprise is _____ % Black owned;
- The enterprise is _____ % Black woman owned;
- Based on management accounts and other information available for the _____ financial year, the income did not exceed R30 000, 000.00 (fifty million Rands)
- The entity is an Empowering Supplier in terms of Clause 3.3 (a) or (b) or (c) or (d) or (e) as amended (select one) _____ of the dti Codes of Good Practice.
- Please confirm in the table below the B-BBEE contributor **by ticking the applicable box**.

100% Black owned	Level One (133% B-BBEE procurement recognition)
More than 31% Black owned	Level Two (123% B-BBEE procurement recognition)
(a) At least 23% of cost of sales (excluding labour costs and depreciation) must be procurement from local producers or suppliers in South Africa; For the service industry, include labour costs capped at 13%.	(b) At least 30% of jobs created are for Black people, provided that the number of Black employees in the B-BBEE measurement verified immediately before is maintained.
(c) At least 23% transformation of raw material/beneficiation, which includes local manufacturing, production and/or assembly, and/or packaging.	(d) At least 12 days per annum of productivity deployed in assisting QSE and EME beneficiaries to increase their operational or financial capacity.
(e) At least 83% of labour costs should be paid to South African employees by service industry entities.	

4. I know and understand the content of this affidavit, I have no objection to taking the prescribed oath, I consider the oath binding on my conscience and not on the owners of the enterprise which I represent in this matter.

5. The sworn affidavit will be valid for a period of 12 months from the date of signature by the commissioner.

Deponent signature: _____

Date: _____

Commissioner of Oaths signature & stamp

SPECIAL CONDITIONS OF BID

These Special Conditions of Contract are applicable to this bid by the Western Cape Government. Should there be a conflict between the provisions of these Special Conditions of Contract and those of the General Conditions of Contract, the provisions of these Special Conditions of Contract shall prevail.

1. APPLICATION

- 1.1 These Special Conditions of Contract ("SCC") are applicable to this bid invited and to be awarded by the Western Cape Government ("WCG").
- 1.2 By submitting a bid in response to the bid invitation from the WCG, a bidder accepts and agrees to these SCC, as well as the provisions of the General Conditions of Contract for Government Procurement as issued by National Treasury ("GCC"), unless specified otherwise in writing.

2. SPECIFIC EXCLUSIONS

The following clauses of the GCC are specifically excluded and shall not form part of the contract to be awarded and concluded with the WCG:

- 2.1 Subcontracts – clause 20;
- 2.2 Penalties – clause 22;
- 2.3 Settlement of Disputes – clause 27; and
- 2.4 Limitation of liability – clause 28.

3. REPLACEMENT CLAUSES

- 3.1 *Clause 20 of the GCC is substituted with the following:*

Subcontracts and assignment

- 3.1.1 The Service-provider may not assign, cede, delegate or transfer any of its rights or obligations without the WCG's prior written consent and subject to the relevant WCG procurement prescripts.
- 3.1.2 The Supplier may only sub-contract with the prior written consent of the WCG and subject to the provisions of the Preferential Procurement Policy Framework Regulations, 2011 and other relevant WCG procurement prescripts.

- 3.2 *Clauses 22 and 28 of the GCC are substituted with the following:*

Penalties and Damages

- 3.2.1 The WCG may, in respect of every breach, impose penalties in terms of clause 22 of the GCC (or such other penalties as may be agreed upon), or claim damages *in lieu* of a penalty.
- 3.2.2 The WCG's decision to impose a penalty, or claim damages *in lieu* of a penalty, shall not prevent it from exercising any other rights it may have in law, including, but not limited to, the right to claim specific performance.
- 3.2.3 In the event of cancellation of the contract due to breach, the non-defaulting Party shall be entitled to recover all damages which may be suffered as a result of such breach, or from any liability which the non-defaulting Party may directly or indirectly incur as a result of such breach.

- 3.3 *Clause 27 of the GCC substituted with the following:*

Settlement of Disputes

- 3.3.1 Should a dispute arise between the parties concerning this contract, the parties shall attempt to resolve the dispute by negotiation. As such the aggrieved party must invite the other party in writing to a meeting within 7 (seven) calendar days to endeavour to resolve the dispute as soon as possible.
- 3.3.2 If the dispute is not resolved by such negotiation, the parties will, upon agreement, refer the dispute to mediation and/or arbitration to be conducted as set out further on. If agreement cannot be reached on whether to refer the dispute to mediation or arbitration, or if better suited, a party may institute legal proceedings in a court of competent jurisdiction to resolve the dispute.

SPECIAL CONDITIONS OF BID (CONTINUED)

3. REPLACEMENT CLAUSES

Settlement of Disputes

- 3.3.3 No referral of any dispute for a resolution process will relieve any party from any liability for the due and punctual performance of its responsibilities under the contract.
- 3.3.4 Notwithstanding anything other provisions a party shall be precluded from obtaining interim, interdictory or similar relief from a court of competent jurisdiction.

4. PAYMENT

- 4.1 The WCG will pay the service-provider for the services rendered or goods provided.
- 4.2 Notwithstanding the WCG's right to impose penalties, the WCG may also withhold payment in respect of services not rendered or goods not supplied in accordance with the contract with the supplier.

5. INDEMNITY

The service-provider indemnifies the WCG against all and any claims which may arise, directly or indirectly, from the rendering of the services or supply of the goods by the supplier and where such claim was caused by the negligence, violation of law or breach of any contractually agreed terms or conditions by the service-provider, its employees, agents or representatives.

6. CONFIDENTIALITY AND DISCLOSURE

- 6.1 The supplier must treat all information and records furnished to it by the WCG, or arising from the execution of the contract, as confidential. The service-provider will not disclose this information to a third party without the WCG's prior written consent.
- 6.2 The WCG may only disclose records of the supplier, including the service-provider's bid response, to a third party in accordance with the provisions of the Promotion of Access to Information Act 2 of 2000.
- 6.3 The supplier will not, without the prior written consent of the WCG, cause any public statement to be made relating to the contract with the WCG.
- 6.4 This clause and its sub-clauses will survive termination of the contract between the parties unless otherwise agreed in writing.

7. BREACH

- 7.1 If a party commits a breach of any of the provisions of the contract the other party may notify the defaulting party of such breach by giving written notice, setting out the breach, and requesting the defaulting party to remedy the breach within, at least, seven calendar days.
- 7.2 In the event that the defaulting party fails to remedy a material breach to the satisfaction of the non-defaulting party, after notice was given in terms of clause 7.1 above, the non-defaulting party may, notwithstanding any other provision of the contract, or rights which the non-defaulting party may have in law, cancel the contract.
- 7.3 A repeated non-material breach of any of the terms and conditions of the contract, and of which notice was given in terms of clause 7.1 above, may also constitute a material breach. In such event the provisions of clause 7.2 above will apply *mutatis mutandis*.
- 7.4 Notwithstanding any other provision of the contract between the parties, the WCG may suspend the contract, or part thereof, without payment, with reasonable written notice to the service-provider, when there is an imminent and serious public safety or environmental risk caused by the rendering of the services.

SPECIAL CONDITIONS OF BID

These Special Conditions of Contract are applicable to this bid by the Western Cape Government. Should there be a conflict between the provisions of these Special Conditions of Contract and those of the General Conditions of Contract, the provisions of these Special Conditions of Contract shall prevail.

8. WAIVER

- 8.1 No waiver of any of the terms and conditions of the contract will be binding unless agreed to in writing by the party waiving the right, and any

such waiver will be limited to the specific instance and for the purpose given.

- 8.2 No failure or delay by either party in exercising any right, power or privilege precludes any other, or further, exercising thereof or the exercising of any other right, power or privilege.
- 8.3 No indulgence, leniency or extension of time which a party ("the Grantor") may grant or show the other party, will in any way prejudice the Grantor or preclude the Grantor from exercising any of its rights in terms of the contract

DISPUTE RESOLUTION PROCESSES

MEDIATION

1. Any dispute arising out of or in connection with this contract may be referred by the parties, without legal representation, to a mediator.
2. The dispute shall be heard by the mediator at a place and time to be determined by him or her in consultation with the parties.
3. The mediator shall be selected by agreement between the parties.
4. If agreement cannot be reached upon a particular mediator within five calendar days after the parties have agreed to refer the matter to mediation, then the President for the time being of the Law Society of the Cape of Good Hope shall nominate the mediator within ten calendar days after the parties have failed to agree.
5. The mediator shall at his or her sole discretion determine whether the reference to him or her shall be made in the form of written or verbal representations, provided that in making this determination he or she shall consult with the parties and may be guided by their common reasonable desire of the form in which the said representations are to be made.
6. The parties shall have fourteen calendar days within which to finalise their representations. The mediator shall within fourteen calendar days of the receipt of the representations express in writing an opinion on the matter and furnish the parties each with a copy thereof by hand or by registered post.
7. The opinion so expressed by the mediator shall be final and binding upon the parties unless a party is unwilling to accept the opinion expressed by the mediator. In such event, the aggrieved party may institute legal proceedings in a court of competent jurisdiction, unless the parties agree to refer the dispute to arbitration. The expressed opinion of the mediator shall not prejudice the rights of either party in any manner whatsoever in the event of legal proceedings or arbitration, as the case may be.
8. The cost of mediation shall be determined by the mediator.
9. Liability for such cost shall be apportioned by the mediator and shall be due and payable to the mediator on presentation of his or her written account.

ARBITRATION

1. The Parties may agree to refer any dispute arising out of or in connection with this contract, to arbitration.
2. Arbitration shall be held in Cape Town in accordance with the provisions of the Arbitration Act, No. 42 of 1965, it being intended that, if possible, it shall be held and concluded within fourteen calendar days.
3. Save as otherwise specifically provided herein, the arbitrator shall be if the matter in dispute is:
 - (a) primarily a legal matter, a practising senior advocate of the Cape Bar;
 - (b) any other matter, an independent and suitably qualified person as may be agreed upon between the parties to the dispute.
4. If agreement cannot be reached on whether the question in dispute falls under 3(a) or 3(b) above and/or upon a particular arbitrator within seven calendar days after the parties have agreed to refer the dispute to arbitration, then the Chairperson for the time being of the Cape Bar

- Council shall:
- (a) determine whether the question in dispute falls under 3(a) or 3(b); and/or
 - (b) within seven calendar days after the parties have failed to agree, appoint an arbitrator from two arbitrators nominated by each party.
5. The arbitrator shall give his or her decision within fourteen calendar days after the completion of the arbitration. The arbitrator may determine that the costs of the arbitration be paid either by one or both parties and at such ratio as deemed appropriate by the arbitrator.
6. The decision of the arbitrator shall be final and binding and may be made an order of the Western Cape High Court, Cape Town, upon application by either party.

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

July 2010

NOTES

The purpose of this document is to:

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

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

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

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
20.	Subcontracts
21.	Delays in the supplier's performance
22.	Penalties
23.	Termination for default
24.	Dumping and countervailing duties
25.	Force Majeure
26.	Termination for insolvency
27.	Settlement of disputes
28.	Limitation of liability
29.	Governing language
30.	Applicable law
31.	Notices
32.	Taxes and duties
33.	National Industrial Participation Programme (NIPP)
34.	Prohibition of restrictive practices

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 | <p>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.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>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.</p> <p>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</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| 6. Patent rights | <p>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.</p> |
| 7. Performance security | <p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the</p> |

performance security of the amount specified in SCC.

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

8. Inspections, tests and analyses

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

forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other

rights which the purchaser may have against the supplier under the contract.

16. Payment

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

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at

or near the place where the supplies are required, or the supplier's services are not readily available.

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

21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22. Penalties

22.1 Subject to GCC Clause 25, if the supplier fails to deliver any or all of the goods or to perform the services within the period(s) specified in the contract, the purchaser shall, without prejudice to its other remedies under the contract, deduct from the contract price, as a penalty, a sum calculated on the delivered price of the delayed goods or unperformed services using the current prime interest rate calculated for each day of the delay until actual delivery or performance. The purchaser may also consider termination of the contract pursuant to GCC Clause 23.

23. Termination for default

23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:

- (a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;
- (b) if the Supplier fails to perform any other obligation(s) under the contract; or
- (c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

23.2 In the event the purchaser terminates the contract in whole or in part, the purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the supplier shall be liable to the purchaser for any excess costs for such similar goods, works or services. However, the supplier shall continue performance of the contract to the extent not terminated.

23.3 Where the purchaser terminates the contract in whole or in part, the purchaser may decide to impose a restriction penalty on the supplier by prohibiting such supplier from doing business with the public sector for a period not exceeding 10 years.

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a

time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.

23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:

- (i) the name and address of the supplier and / or person restricted by the purchaser;
- (ii) the date of commencement of the restriction
- (iii) the period of restriction; and
- (iv) the reasons for the restriction.

These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.

23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

24. Anti-dumping and countervailing duties and rights

24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him

25. Force Majeure

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

28. Limitation of liability

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

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

- 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

30. Applicable law

- 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

31. Notices

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

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

34. Prohibition of Restrictive practices

- 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.
- 34.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without

prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.

Js General Conditions of Contract (revised July 2010)