MPUMALANGA PROVINCIAL GOVERNMENT

DEPARTMENT OF MPUMALANGA PROVINCIAL TREASURY

BID NUMBER: MPPT002/22/03

APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS

ISSUED BY:

Department of Mpumalanga Provincial Treasury
Private Bag X11205
Mbombela
1200

NAME OF BIDDER: ....

TOTAL BID PRICE (all inclusive) :...
(Also in words): ....
..

This document must remain the original when submitted, no copies will be accepted

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF MPUMALANGA PROVINCIAL TREASURY					
BID NUMBER:	MPPT002/22/03	CLOSING DATE: 30 NOVEMBER 2022		CLOSING TIME:	12H00
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT *(STREET ADDRESS)*					
MBOMBELA, Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, **PIET RETIEF,** No. 11 Measroch Street, Piet Retief Office, **KWAMHLANGA,** KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre **EVANDER,** 10 Cornell Road (previously occupied by Evander Home Affairs Offices), Evander, 2280, **BUSHBUCKRIDGE,** Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), **MIDDELBURG,** Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, **MALELANE,** 24 Air Street, Malelane, **ELUKWATINI** ,Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini.					

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON	Mr. A Vermeulen	CONTACT PERSON	Mr. S Mpila
TELEPHONE NUMBER	013 766 8706	TELEPHONE NUMBER	013 766 8711
CELL. NUMBER		CELL. NUMBER	
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS	avermeulen@mpg.gov.za	E-MAIL ADDRESS	sjmpila@mpg.gov.za

SUPPLIER INFORMATION						
NAME OF BIDDER						
POSTAL ADDRESS						
STREET ADDRESS						
TELEPHONE NUMBER	CODE			NUMBER		
CELLPHONE NUMBER						
FACSIMILE NUMBER	CODE			NUMBER		
E-MAIL ADDRESS						
VAT REGISTRATION NUMBER						
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		**OR**	CENTRAL SUPPLIER DATABASE No:	MAAA	
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX] ☐ Yes ☐ No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX] ☐ Yes ☐ No	
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]						
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR **THE GOODS /SERVICES /WORKS OFFERED?**		☐Yes ☐No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS						

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.

1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**

1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.

1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.

2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.

2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.

2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.

2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.

2.6 WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.

2.7 NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER: ………………………………………………

CAPACITY UNDER WHICH THIS BID IS SIGNED: ………………………………………………
(Proof of authority must be submitted e.g. company resolution)

DATE: ………………………………………………

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA
THE PLACE OF THE RISING SUN

BID DOCUMENT

APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS

BID NUMBER: **MPPT002/22/03**

CLOSING DATE:

TIME: 12:00

VALIDITY PERIOD: 120 DAYS

PRICE AND BBBEE EVALUATION (90/10)

PRE-QUALIFICATION CRITERIA: B-BBBEE STATUS LEVEL 1 AND 2

COMPULSORY BRIEFING SESSION:

No	DISTRICT	TOWNS/ PLACE	DATE	TIME	VENUE
1	Nkangala	Middelburg	17/11/2022	10h00	Nkangala District Municipality Council Chambers 2A Walter Sisulu Street
2	Ehlanzeni	Mbombela	18/11/2022	10h00	Council Chambers, 1st floor 1 Nel Street, Mbombela Civic Centre
3	Gert Sibande	Ermelo	21/11/2022	10h00	Gert Sibande District Municipality Council Chambers Corner Joubert & Oosthuise

A compulsory briefing and clarification session will be held at the above mentioned venues to clarify to bidder(s) the scope and extent of work to be executed and any questions on the pricing schedule and also to provide electronic copies.

Bidders will be required to sign the attendance register and to complete a confirmation certificate of attendance. The confirmation attendance certificate will be stamped at the session and bidders must attach it to the bid document. An example is provided below.

**CERTIFICATE OF ATTENDANCE
OF COMPULSORY BRIEFING SESSION**

I, the undersigned, confirm that I attend the compulsory briefing session for:

____

(Bid Number and Description)

in response to the invitation for the bid made by Mpumalanga Provincial Treasury

I hereby declare that I have attended the compulsory briefing session at:

______________________________________ on ______ day of ____________ 2022

I certify, on behalf of: ____that:

(Name of Bidder)

1. I have attended the compulsory briefing session and understand the requirements there off
2. I understand the contents of this Certificate;
3. I understand that the accompanying bid will be disqualified if I did not attend the briefing session and attached a signed and stamp certificate for proof of attendance.;
4. I am authorized by the bidder to sign this Certificate, and to attend the briefing session on behalf of the bidder;
5. Each person whose signature appears on the attendance certificate has been authorized by the bidder to attend the compulsory briefing session, and to sign the attendance certificate, on behalf of the bidder;

(Complete the below only in cases where the bidder attends for more than one registered company, note that this should also be disclosed on the SBD 4 document)

I hereby certify that I represent the following companies from ***which only one may respond*** to the advertised bid (provide companies names and registration numbers):

a) ________________________________ reg nr:______________________
b) ________________________________ reg nr:______________________
c) ________________________________ reg nr:______________________
d) ________________________________ reg nr:______________________

Signature________________________________ *Date*________________

Print Name of Signatory: ________________________
Designation: ________________________________
FOR AND ON BEHALF OF: _________________________*(Bidding Company's Name)*

MPUMALANGA
THE PLACE OF THE RISING SUN

Official stamp

TABLE OF CONTENTS AND LIST OF DOCUMENTS IN THE BID DOCUMENT PACK

Bidders must ensure that they have received all pages of this document, which consist of the following:

Contents

Page no.

DEFINITIONS

1.2 **Accommodation** means the rental of lodging facilities while away from one's place of abode, but on authorised official duty.

1.3 **After-hours service** refers to an enquiry or travel request that is actioned after normal working hours, i.e. 17h00 to 8h00 on Mondays to Fridays and twenty-four (24) hours on weekends and public holidays

1.4 **Air travel** means travel by airline on authorised official business.

1.5 **Authorising Official** means the employee who has been delegated to authorise travel in respect of travel requests and expenses, e.g. line manager of the traveller.

1.6 **Car Rental** means the rental of a vehicle for a short period of time by a Traveller for official purposes.

1.7 **Department** means the organ of state, Department or Public Entity that requires the provision of travel management services.

1.8 **Domestic travel** means travel within the borders of the Republic of South Africa.

1.9 **Emergency service** means the booking of travel when unforeseen circumstances necessitate an unplanned trip or a diversion from original planned trip.

1.10 **gCommerce** refers to the Government's buy-site for transversal contracts.

1.11 **International travel** refers to travel outside the borders of the Republic of South Africa.

1.12 **Lodge Card** is a credit card which is specifically designed purely for business travel expenditure. There is typically one credit card number which is "lodged" with the TMC at to which all expenditure is charged.

1.13 **Management Fee** is the fixed negotiated fee payable to the Travel Management Company (TMC) in monthly instalments for the delivery of travel management services, excluding any indirect service fee not included in the management fee structure (visa, refund, frequent flyer tickets etc).

1.14 **Merchant Fees** are fees charged by the lodge card company at the point of sale for bill back charges for ground arrangements.

1.15 **'MPG'** Mpumalanga Provincial Government means all government institutions within Mpumalanga Province

1.16 **Quality Management System** means a collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management.

1.17 **Regional travel** means travel across the border of South Africa to any of the SADC Countries, namely; Angola, Botswana, Democratic Republic of Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe.

1.18 **Service Level Agreement (SLA)** is a contract between the TMC and Government that defines the level of service expected from the TMC.

1.19 **Shuttle Service** means the service offered to transfer a Traveller from one point to another, for example from place of work to the airport.

1.20 **Third party fees** are fees payable to third party service providers that provides travel related services on an ad hoc basis that is not directly provided by the TMC. These fees include visa fees and courier fees.

1.21 **Transaction Fee** means the fixed negotiated fee charged for each specific service type e.g. international air ticket, charged per type per transaction per traveller.

1.22 **Traveller** refers to a Government official, consultant or contractor travelling on official business on behalf of Government.

1.23 **Travel Authorisation** is the official form utilised by Government reflecting the detail and order number of the trip that is approved by the relevant authorising official.

1.24 **Travel Booker** is the person coordinating travel reservations with the Travel Management Company (TMC) consultant on behalf of the Traveller, e.g. the personal assistant of the traveller.

1.25 **Travel Management Company** or TMC refers to the Company contracted to provide travel management services (Travel Agents).

1.26 **Travel Voucher** means a document issued by the Travel Management Company to confirm the reservation and/or payment of specific travel arrangements.

1.27 **Value Added Services** are services that enhance or complement the general travel management services e.g. Rules and procedures of the airports.

1.28 **VAT** means Value Added Tax.

1.29 **VIP or Executive Service** means the specialised and personalised travel management services to selected employees of Government by a dedicated consultant to ensure a seamless travel experience.

PART A

SBD 1

INVITATION TO BID

<table>
<tr><td colspan="8">YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE MPUMALANGA PROVINCIAL GOVERNMENT</td></tr>
<tr><td>BID NUMBER:</td><td>MPPT002/22/03</td><td>CLOSING DATE:</td><td></td><td>CLOSING TIME:</td><td colspan="3">12:00</td></tr>
<tr><td>DESCRIPTION</td><td colspan="7">APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS</td></tr>
<tr><td colspan="8">THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</td></tr>
<tr><td colspan="8">BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOXES AS INDICATED IN THE BID BULLETIN ADVERTISEMENT</td></tr>
<tr><td colspan="8">SUPPLIER INFORMATION</td></tr>
<tr><td>NAME OF BIDDER</td><td colspan="7"></td></tr>
<tr><td>POSTAL ADDRESS</td><td colspan="7"></td></tr>
<tr><td>STREET ADDRESS</td><td colspan="7"></td></tr>
<tr><td>TELEPHONE NUMBER</td><td>CODE</td><td colspan="2"></td><td>NUMBER</td><td colspan="3"></td></tr>
<tr><td>CELLPHONE NUMBER</td><td colspan="7"></td></tr>
<tr><td>FACSIMILE NUMBER</td><td>CODE</td><td colspan="2"></td><td>NUMBER</td><td colspan="3"></td></tr>
<tr><td>E-MAIL ADDRESS</td><td colspan="7"></td></tr>
<tr><td>VAT REGISTRATION NUMBER</td><td colspan="7"></td></tr>
<tr><td></td><td>Tax Clearance Status Pin (TCS)</td><td></td><td>OR</td><td>CSD No:</td><td colspan="3"></td></tr>
<tr><td>B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]</td><td colspan="2">☐ Yes
☐ No</td><td colspan="2">B-BBEE STATUS LEVEL SWORN AFFIDAVIT</td><td colspan="3">☐ Yes
☐ No</td></tr>
<tr><td>IF YES, WHO WAS THE CERTIFICATE ISSUED BY?</td><td colspan="7"></td></tr>
<tr><td rowspan="4">AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA) AND NAME THE APPLICABLE IN THE TICK BOX</td><td>☐</td><td colspan="6">AN ACCOUNTING OFFICER AS CONTEMPLATED IN THE CLOSE CORPORATION ACT (CCA)</td></tr>
<tr><td>☐</td><td colspan="6">A VERIFICATION AGENCY ACCREDITED BY THE SOUTH AFRICAN ACCREDITATION SYSTEM (SANAS)</td></tr>
<tr><td rowspan="2">☐</td><td colspan="6">A REGISTERED AUDITOR</td></tr>
<tr><td colspan="6">NAME:</td></tr>
<tr><td colspan="8">[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/SWORN AFFIDAVIT(FOR EMEs& QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</td></tr>
</table>

ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	☐Yes ☐No [IF YES ENCLOSE PROOF]	**ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?**	☐ Yes ☐ No [IF YES ANSWER PART B:3 BELOW]
SIGNATURE OF BIDDER	………………………………	**DATE**	
CAPACITY UNDER WHICH THIS BID IS SIGNED *(Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)*			
TOTAL NUMBER OF ITEMS OFFERED		**TOTAL BID PRICE (ALL INCLUSIVE)**	

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		**TECHNICAL INFORMATION MAY BE DIRECTED TO:**	
DEPARTMENT/ PUBLIC ENTITY	Provincial Treasury	**CONTACT PERSON**	Mr S Mpila
CONTACT PERSON	Mr A Vermeulen	**TELEPHONE NUMBER**	013 766 8711
TELEPHONE NUMBER	013 766 8706	**FACSIMILE NUMBER**	
FACSIMILE NUMBER		**E-MAIL ADDRESS**	sjmpila@mpg.gov.za
E-MAIL ADDRESS	avermeulen@.gov.za		

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 online
1.3.	Bidders must register on the Central Supplier Database (CSD) to upload mandatory information namely: (business registration/ directorship/ membership/identity numbers; tax compliance status; and banking information for verification purposes). B-BBEE certificate or sworn affidavit for B-BBEE must be submitted to bidding institution.
1.4.	Where a bidder is not registered on the CSD, mandatory information namely: (business registration/ directorship/ membership/identity numbers; tax compliance status may not be submitted with the bid documentation. B-BBEE certificate or sworn affidavit for B-BBEE must be submitted to bidding institution.
1.5.	This bid is subject to the Preferential Procurement Policy framework act 2000 and the preferential procurement regulations, 2017, the General Conditions of Contract (GCC) and, if applicable, any other legislation or special conditions of contract. (bidders should take note of the pre-qualification criteria stated in this bid)
2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	Bidders must ensure compliance with their tax obligations.
2.2	Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status. (To be completed on the SBD 1)
2.3	Application for Tax Compliance Status (TCS) or pin may also be made via e-filing. In order to use this provision, taxpayers will need to register with SARS as e-filers through the website www.sars.gov.za.
2.4	Bidders may also submit a printed TCS together with the bid.
2.5	In bids where consortia / joint ventures / sub-contractors are involved, each party must submit a separate proof of TCS / pin / CSD number.
2.6	Where no TCS is available but the bidder is registered on the Central Supplier Database (CSD), a CSD number must be provided.
3.	**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**
3.1.	Is the bidder a resident of the republic of South Africa (RSA)? ☐ YES ☐ NO
3.2.	Does the bidder have a branch in the RSA? ☐ YES ☐ NO
3.3.	Does the bidder have a permanent establishment in the RSA? ☐ YES ☐ NO
3.4.	Does the bidder have any source of income in the RSA? ☐ YES ☐ NO
	If the answer is "no" to all of the above, then, it is not a requirement to obtain a tax compliance status / tax compliance system pin code from the South African Revenue Service (SARS) and if not register as per 2.3 above.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

PART C: REQUEST FOR PROPOSALS

1. **PURPOSE**

1.1. The purpose of this Request for Proposal (RFP) is to solicit proposals from potential bidder(s) for the provision of travel management services to the Mpumalanga Provincial Government (MPG).

1.2. The Mpumalanga Provincial Treasury on behalf of Mpumalanga Provincial Government wishes to enter into an agreement with one or more Travel Agency/ Agencies. This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential bidder required by the Mpumalanga Provincial Treasury for the provision of Travel Management Services (all travel and accommodation related services) to the MPG Institutions.

1.3. This RFP document details and incorporates, as far as possible, the tasks and responsibilities of the potential bidder required by the MPG for the provision of travel management services to the MPG Institutions.

1.4. This RFP does not constitute an offer to do business with the MPG, but merely serves as an invitation to bidder(s) to facilitate a requirements-based decision process.

2. **OBJECTIVE**

2.1 Mpumalanga Provincial Government (MPG) currently uses appointed travel management service providers to manage the travel requisition and travel expense processes within the travel management lifecycle. The travel requisition process will be managed through a Lodge Card system. The travel requisition will be captured on a provided system and spending will be managed through a bank lodge card. The service provider travel co-ordinator captures the requisition into their management system which goes through an approval workflow process and then through to the Travel Management Company (TMC) for travel booking.

MPG primary objective in issuing this RFP is to enter into agreement with successful bidder(s) who will:

a) Provide MPG with the travel management services that are consistent and reliable and will maintain a high level of traveler satisfaction in line with the service levels;
b) Achieve significant cost savings for MPG without any downgrading of the services;
c) Appropriately contain MPG's travel and accommodation risk.
d) Ensure the efficient and effective facilitation of domestic and international travelling and accommodation bookings requirements for the participating departments.
e) Provide separate reports for the participating departments' travelling and accommodation
f) Provide monthly lodge card reports to Departments and Provincial Treasury
g) Ensure that the most economical travelling and accommodation means are utilized by the participating departments.
h) Ensure that the National Travel policy namely Cost Containment (Annexure B) is attained with respect to the travelling and accommodation service sectors.
i) Provide quarterly report to Provincial Treasury on agreed template

2.2 Travel Volumes/Services

The table below details the estimated number of transactions for a financial year for previous participating government institutions as per below table. It should be noted that detailed transactions are provided on the pricing schedule and services to be provided will include but not be limited to the following:

Service Category	Estimated Number of Transactions per annum
Air travel – Domestic	4 961
Air Travel - Regional & International	197
Car Rental – Domestic	703
Car Rental - Regional & International	101
Shuttle Services – Domestic	176
Accommodation – Domestic	50 511
Accommodation - Regional & International	197
Transfers – Domestic	197
Transfers - Regional & International	197
Bus/Coach bookings	5
Train - Regional & International	20
Visa assistance (provision of documents and advice)	147
Courier services for travel documentation	100
Conferences/Events	1 728
After Hours	1488
Parking	100
Insurance	18
Forex	197
Other (flowers, corporate gifts, etc.)	200

Note: These figures are meant for illustration purposes to assist the bidders to prepare the pricing schedule and proposal.

3. NATURE OF SERVICES

3.1 The successful bidder will be required to provide travel management services. Deliverables under this section include without limitation, the following:

a. The travel services will be provided to all Travelers travelling on behalf of Mpumalanga Provincial Government (MPG), locally and internationally. This will include employees and contractors, consultants and clients where the agreement is that the MPG is responsible for the arrangement and cost of travel.

b. Provide travel management services during normal office hours (Monday to Friday 8h00 – 17h00) and provide after hours and emergency services as stipulated in paragraph 1.5 (page 33)

c. Familiarization with the MPG current travel requirements, business processes and have regular meetings with participants.
d. Familiarization with current travel suppliers and negotiated agreements that are in place between MPG and third parties. Assist with further negotiations for better deals with travel service providers.
e. Familiarization with current MPG Travel Policy and implementations of controls to ensure compliance.
f. Penalties incurred as a result of the inefficiency or fault of a travel consultant will be for the Travel Management Companies (TMC's) account, subject to the outcome of a formal dispute process.
g. Management of Provincial Lodge Cards for all Departments and consolidated for Provincial Treasury
h. Provide a facility for the MPG to update their travelers' profiles.
i. Manage the third party service providers by addressing service failures and complaints against these service providers.
j. Consolidate and submit all invoices from travel suppliers.
k. Provide a detailed transition plan for implementing the service without service interruptions and engage with the incumbent service provider to ensure a smooth transition.
l. Consideration of travelers with special needs.
m. Ensure that travelers personal information is kept confidential especially for Executive Committee members.
n. Ensure that travelers travel plans remain confidential as well as any other state records pertaining travel information.
o. Provide the reference letters from at least three (3) contactable existing/recent clients (within past 3 years) which are of a similar size to one of MPG Departments.

4. PARTICIPATING GOVERNMENT INSTITUTIONS

4.1 The Provincial Treasury is conducting the bid on behalf of the Government Institutions in the Mpumalanga Province; the requirement for the travel, accommodation and related services is applicable for the following participating departments and any other Mpumalanga Public Entity or institutions:

NO.	DEPARTMENTS
1.	Office of the Premier
2.	Provincial Treasury
3.	Cooperative Governance and Traditional Affairs
4.	Agriculture, Rural Development, Land and Environmental Affairs
5	Economic Development and Tourism
6.	Education
7.	Public Works, Roads and Transport
8.	Community Safety, Security and Liaison
9.	Health
10.	Culture, Sport and Recreation
11.	Social Development
12.	Human Settlements

Note: This bid may or may not be limited to the above listed Departments, other participants may be included as and when they have applied and obtained the necessary approval from the Provincial Treasury.

5. BIDDING REQUIREMENTS

5.1 Mpumalanga Provincial Government (MPG) reserves the right:

5.1.1 To award this tender to a bidder that did not score the highest total number of points, only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000)

5.1.2 To negotiate with one or more preferred bidder(s) identified in the evaluation process, regarding any terms and conditions, including price without offering the same opportunity to any other bidder(s) who has not been awarded the status of the preferred bidder(s).

5.1.3 To carry out site inspections, product evaluations or explanatory meetings in order to verify the nature and quality of the services offered by the bidder(s), whether before or after adjudication of the Bid.

5.1.4 To cancel and/or terminate the tender process at any stage, including after the Closing Date and/or after presentations have been made, and/or after tenders have been evaluated and/or after the preferred bidder(s) have been notified of their status as such.

5.1.5 Award to multiple bidders based either on size or geographic considerations.

5.2 Preparation costs

The Bidder will bear all its costs in preparing, submitting and presenting any response or Bid and all other costs incurred by it throughout the bid process. Furthermore, no statement in this bid will be construed as placing the MPG, its employees or agents under any obligation.

5.3 Negotiations

The MPG reserves the right to negotiate prices with shortlisted bidders in order to arrive at an acceptable flat rate per item.

5.4 MPG Proprietary Information

Bidder will on his/her bid cover letter make declaration that he/she did not have access to any MPG proprietary information or any other matter that may have unfairly placed that bidder in a preferential position in relation to any of the other bidder(s).

6. SERVICE LEVEL AGREEMENT

6.1 Upon award the Mpumalanga Provincial Government (MPG) and the successful bidder will conclude a Service Level Agreement regulating the specific terms and conditions applicable to the services being procured by the MPG

6.2 Successful bidder(s) will be requested to:

a. Comment on draft Service Level Agreement and where necessary, make proposals to the agreement;

b. Explain each comment and/or amendment; and

c. Use an easily identifiable colour font or "track changes" for all changes and/or amendments to the draft Service Level Agreement for ease of reference.

6.3 MPG reserves the right to accept or reject any or all amendments or additions proposed by a bidder if such amendments or additions are unacceptable to the MPG or pose a risk to the organisation.

6.4 The draft Service Level Agreement Indicators is available on the following website: http://ocpo.treasury.gov.za/Resource_Centre/Legislation/Annexures%20to%20Instruction%2004%20of%202016-17.zip (information purposes only)

7. EVALUATION AND SELECTION CRITERIA / PROCESS

7.1 Pre-qualification criteria

In Terms of the Preferential Procurement Policy Framework Act, 2000: Preferential Procurement Regulations, 2017, section 4.1 (a), the Mpumalanga Provincial Government is advertising this bid with the specific condition that only bidders with a B-BBEEE status level 1 or 2 may respond.

MPG has set minimum standards that a bidder needs to meet in order to have his/her bid evaluated.

The minimum standards consist of the following:

Minimum Criteria (Stage 1)	Functionality/ Technical Evaluation Criteria (Stage 2)	Price and B-BBEE Evaluation (Stage 3)
Bidders must submit all documents as outlined in paragraph 7.2 (Table 1) below. Only bidders that comply with ALL these criteria will proceed to Stage 2.	Bidder(s) are required to achieve a minimum of 70 points out of 100 points to proceed to Stage 3 (Price and BEE). Detail of functionality will be explained within Table 3	Bidder(s) will be evaluated out of 100 points and Stage 3 will only apply to bidder(s) who have met the functionality criteria threshold.

7.2 Stage 1: Minimum Criteria

Without limiting the generality of the MPG's other critical requirements for this Bid, bidder(s) must submit the documents listed in **Table 1** below. All documents must be completed and signed by the duly authorised representative of the prospective bidder(s). During this phase Bidders' responses will be evaluated based on compliance with the listed administration and mandatory bid requirements. The bidder(s) proposal may be disqualified for non-submission of any of the documents.

Table 1: Documents for minimum requirements

Compulsory returnable documents	Requirement description
Certificate of attendance of compulsory briefing session	Certificates will be matched against the attendance register on the day of the compulsory briefing session.
Invitation to Bid – SBD 1	Fully completed and signed pro forma document
Tax Status Tax Clearance Certificate – SBD 2	Confirmation that persons bidding for business with the state are tax compliant, at the time of award. In the event where the Bidder submits a hard copy of the Tax Clearance Certificate, the CSD report / SARS pin utilisation verification of status will take precedence.
Registration on Central Supplier Database (CSD)	The Travel Management Company (TMC) must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your proposal. Visit https://secure.csd.gov.za/ to obtain your vendor number. Submit proof of registration.
Declaration of Interest – SBD 4	Fully completed and accurate signed pro forma document by the bidder
IATA and ASATA License / Certificate	Bidders are required to submit their International Air Transport Association (IATA) and Association of Southern African Travel Agency (ASATA) license/ certificate (certified copy not older than three months). Where a bidding company is using a 3rd party IATA license, proof of the agreement must be attached and copy of the certificate to that effect at closing date.
Pricing Schedule	A valid pricing submission that is signed and complete (Price declaration, Annexure A and Template 1 and 2) Unsigned pricing schedules will be considered as an invalid offer. However pricing will be evaluated further page 44, SBD 3.1

Table 2: Returnable documents

The following documents must be signed and completed and if any false declarations are detected, this may lead to disqualification or cancellation of the contract subject to implementation of the relevant PPPFA regulation or SBD instruction. Bidders are encouraged to thoroughly read the contents of each form.

Returnable documents	Requirements
Preference Point Claim Form – SBD 6.1	Non-submission will lead to a zero (0) score on BBBEE

7.3 Stage 2: Functionality / Technical Evaluation Criteria

All bidders are required to respond to the functionality evaluation criteria scorecard and compliance checklist. Only Bidders that have met Stage 1 minimum requirements will be evaluated for functionality. Functionality will be evaluated as follows:

Presentation / and or proposal must be attached with the bid documents table 9.3.3 and scores will be allocated accordingly to the rating scale that BEC members may use.

The overall combined score must be equal or above 70 points in order to proceed to Stage 3 for Price and BBBEE evaluations.

As part of due diligence, MPG Bid Evaluation committee may conduct a site visit at a client of the Bidder (reference) or the Bidders office for validation of the services rendered. The choice of site will be at Mpumalanga Provincial Government's sole discretion.

Mpumalanga Provincial Treasury reserved the right to call bidders to make a presentation in line with the proposal attached to the bid document.

8. FUNCTIONALITY / TECHNICAL EVALUATION

Rating scale that BEC members may use unless specific points are allocated for a functional area

Rating	Definition	Score
Excellent	**Exceeds** the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	**5**
Good	**Satisfies** the requirement with **minor additional benefits**. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services. Response identifies factors that will offer potential added value, with supporting evidence.	**4**
Acceptable	**Satisfies** the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource, and quality measures required to provide the goods / services, with supporting evidence.	**3**
Minor Reservations	Satisfies the requirement with **minor reservations**. Some minor reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	**2**
Serious Reservations	Satisfies the requirement with **major reservations**. Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods / services, with little or no supporting evidence.	**1**
Unacceptable	**Does not meet the requirement**. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource & quality measures required to provide the goods / services, with little or no supporting evidence.	**0**

8.1 The Bidders will be evaluated according to the technical evaluation criteria in the scorecard below.

Table 3: Bidders must indicate their ability to do the following and to substantiate as required with supporting documentation and submit a detailed presentation / proposal as evidence.

FUNCTIONALITY

	TECHNICAL EVALUATION CRITERION	WEIGHT	RATING SCORES
1	**LOCALITY**	**15**	
1.1	Established travel management business in the Mpumalanga Province (MP) Residence or leasing agreement if not owning the property within Mpumalanga or right to occupy or permission to occupy from the tribal authority Municipal accounts in the bidders' name or Municipal Clearance Certificate	5	5 = Proof of: • Physical address of Business operating within Mpumalanga Province • lease agreement or right to occupy or tribal authority • Municipal bill registered in company name 1= Any other Province
1.2	Local employment of staff Provide employee payroll list with residential addresses for local employees (This may be verified by Treasury) Or COIDA certificate	10	10 points =10 and above employees 7 points = 6-9 employees 4 points=1-5 employees
2	**RESERVATIONS**	**40**	
2.1	Manage all reservations/ bookings Describe how all travel reservations/ bookings are handled e.g. hotel (Accommodation); car rental; flights etc. This will include, without limitation, an example of a detailed complex itinerary confirmation that includes air, car, hotel, passport requirement, confirmation numbers and additional proof of competency	10	5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor

2.2	**Manage group bookings** Describe your capabilities for handling group bookings (e.g. for meetings, conferences, events etc.).	10	5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
2.3	**Directly negotiated rates** Negotiated airline fares, accommodation establishment rates, car rental rates, etc., that are negotiated directly or established by National Treasury are **non-commissionable**, where commissions are earned for MPG bookings, all these commissions should be returned to the MPG on a quarterly basis. Describe how these specific rates will be secured.	5	5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
2.4	**Manage airline reservations** Describe in detail the process of booking the most cost-effective and practical routing for the traveller. This will include how you manage the unused non-refundable airline tickets, your ability to secure special airline services for traveller(s) including preferred seating, waitlist clearance, special meals, travellers with disabilities, etc.	5	5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
2.5	**After-hours and emergency services** The bidder should have capacity to provide reliable and consistent after hours and emergency support to traveller(s). Please provide details/ Standard Operating Procedure of your after-hour support e.g. - how it is accessed by Travellers, - where it is located, centralized/ regionalised, in-country (owned)/outsourced etc.- is it available 24/7/365.	10	5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor

3	COMMUNICATION	5	
3.1	Describe how you will ensure that travel bookers will be informed of the travel booking processes. Describe Applications in place to receive and View Itinerary (Mobile App Platform) and SMS Messaging Capabilities. Describe your communication process where the traveller, travel coordinator/ booker and travel management company will be linked in one smooth continuous workflow.		5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
4	FINANCIAL MANAGEMENT	10	
4.1	Describe how you will manage the 30-day bill-back account facility. Describe how invoicing will be handled, including the process of rectifying discrepancies between purchase orders and invoices, supporting documentation, reconciliation of transactions and the timely provision of invoices to participating departments and entities Please describe Lodge card reconciliation process, timing and deliverables (if applicable).		5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
5	CONTRACT MANAGEMENT	10	
5.1	Describe what quality control procedures/ processes you have in place to ensure that your clients receive consistent quality service. Describe how queries, requests, changes and cancellations will be handled. What is your mitigation and issue resolution process? Please provide a detailed response indicating performance standards with respect to resolving service issues. Complaint handling procedure should be submitted. What is in place to ensure that the National Treasury's travel Policy is complied with?		5 = Excellent 4 = Very Good 3 = Good 2 = Average 1 = Poor
6	**Industrial Experience**	20	
	Number of years' experience in the travel industry gained from government institutions .(Attach proof, Appointment letter or purchase orders and recommendation letter)		5 = above 8 years 4 = 6-8 years 3 = 3-5 years 2 = 1-2 years 1 = < 1year
	TOTAL POINTS	100	
	Threshold	70%	

MPUMALANGA
THE PLACE OF THE RISING SUN

1 PREFERENCE POINTS IN TERMS OF PPPFA

1.1 The contract shall be awarded in terms of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and Preferential Procurement Regulations of 2017. Responsive bids shall be adjudicated by the Provincial Treasury on the 90/10 preference point system in terms of which points are awarded to bidder(s) on the basis of:

1.1.1 Points allocation for functionality:

Functionality	100

1.1.2 Points for price and B-BBEE Status level of Contributor

Price	90
B-BBEE Status level of Contributor	10

1.2 A maximum of 10 points shall be awarded to a bidder(s) in respect of B-BBEE contribution as contemplated in sub-regulation (2) and will be added to the points scored for price as calculated in accordance with sub-regulation (1)

1.3 Subject to regulation 7, the contract will be awarded to the tenderer/s who scores the highest total number of points.

1.4 Subject to sub-regulation (3), points will be awarded to the tenderer/s for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status level of Contributor	Number of points
1	10
2	9
3	6
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

1.5 The Department may award the bid to a bidder who did not score the highest total number of points in accordance with the section 2 (1) (f) of the Act.

1.6 A bidder(s) must attach an original or originally certified copy of B-BBEE Verification Certificate from a Verification Agency accredited by the South African National Accreditation System (SANAS) or sworn affidavit indicating the level of preferential points to be claimed as contemplated on the amended Code of Good Practice of the B-BBEE Act. Joint venture / partnership / consortium must attach a consolidated original or originally certified copy of the B-BBEE Certificate(s). The B-BBEE certification sworn affidavit only applies to Exempted Micro Enterprises (EME). Qualifying Small Enterprises (QSE) as well as medium to larger businesses must submit B-BBEE certificates accredited by SANAS.

2 LEGISLATIVE FRAMEWORK OF THE BID

2.1 Tax Legislation

2.1.1 Bidder(s) must be compliant when submitting a proposal to Mpumalanga Provincial Government (MPG) and remain compliant for the entire contract term with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).

2.1.2 It is a condition of this bid that the tax matters of the successful bidder be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

2.1.3 The Tax Compliance status requirements are also applicable to foreign bidders / individuals who wish to submit bids.

2.1.4 It is a requirement that bidders grant a written confirmation when submitting this bid that SARS may on an ongoing basis during the tenure of the contract disclose the bidder's tax compliance status and by submitting this bid such confirmation is deemed to have been granted.

2.1.5 Bidders are required to be registered on the Central Supplier Database and the National Treasury shall verify the bidder's tax compliance status through the Central Supplier Database.

2.1.6 Where Consortia / Joint Ventures / Sub-contractors are involved, each party must be registered on the Central Supplier Database and their tax compliance status will be verified through the Central Supplier Database.

2.2 Procurement Legislation

MPG has a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated under Section 76 of the Public Finance Management Act, 1999 (Act, No. 1 of 1999), the Preferential Procurement Policy Framework Act 2000 (Act, No.5 of 2000) and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).

2.3 Technical Legislation and/or Standards

Bidder(s) should be cognisant of the legislation and/or standards specifically applicable to the services.

3 PRICING MODEL

MPG requires bidders to complete the transactional fee model in full. **(see Annexure A)**

3.1 Transaction Fees

Refer Annexure A: Pricing Instructions and templates

3.1.1 The transaction fee must be a fixed amount per service. The fee must be linked to the cost involved in delivering the service and not a percentage of the value or cost of the service provided by third party service providers.

3.1.2 Refer to **Annexure A** for pricing submission and price instructions

3.1.3 Complete **Template 1** off-site option

3.1.4 Complete **Template 2** price declaration

3.1.5 Complete **SBD 3** page 43 *(To be provided electronically on submission of email address or at soft copy provided at briefing session).*

3.2 Volume driven incentives

It is important for bidders to note the following when determining the pricing:

- National Treasury has negotiated non-commissionable fares and rates with various airlines carriers and other service providers;
- No override commissions earned through MPG reservations will be paid to the TMCs;
- An open book policy will apply and any commissions earned through the appointed TMCs volumes will be reimbursed to the relevant MPG.
- TMCs are to book these negotiated rates or the best fare available, whichever is the most cost effective for the institution.

4 Price and BBBEE Evaluation (90/10) = 100 points (Stage 3)

Only Bidders that have met the 70 point threshold in Stage 2 will be evaluated in Stage 3 for price and BBBEE. Price and BBBEE will be evaluated as follows:

In terms of regulation 6 of the Preferential Procurement Regulations pertaining to the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), responsive bids will be adjudicated on the 90/10-preference point system in terms of which points are awarded to bidders on the basis of:

- The bid price (maximum 90 points)
- B-BBEE status level of contributor (maximum 10 points)

4.1 *Step 1 – Price Evaluation (90 Points)*

The following formula will be used to calculate the points for price:

Criteria	Points
Price Evaluation $Ps = 90\left(1 - \frac{Pt - P\min}{P\min}\right)$	90

Where

Ps = Points scored for comparative price of bid under consideration

Pt = Comparative price of bid under consideration

Pmin = Comparative price of lowest acceptable bid

4.2 *Step 2 – BBBEE Evaluation (10 Points)*

a. BBBEE Points allocation

A maximum of 10 points may be allocated to a bidder for attaining their B-BBEE status level of contributor in accordance with the table below:

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

B-BBEE points may be allocated to bidders on submission of the following documentation or evidence:

- A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1); and
- B-BBEE Certificate

b. Joint Ventures, Consortiums and Trusts

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.

A trust, consortium or joint venture will qualify for points for their B-BBEE status level as an unincorporated entity, provided that the entity submits their consolidated B-BBEE scorecard as if they were a group structure and that such a consolidated B-BBEE scorecard is prepared for every separate bid.

Bidders must submit concrete proof **(signed agreement)** of the existence of joint ventures and/or consortium arrangements. The MPG will accept signed agreements as acceptable proof of the existence of a joint venture and/or consortium arrangement.

The joint venture and/or consortium agreements must clearly set out the roles and responsibilities of the Lead Partner and the joint venture and/or consortium party. The agreement must also clearly identify the Lead Partner (the authorise signatory), who shall be given the power of attorney to bind the other party/parties in respect of matters pertaining to the joint venture and/or consortium arrangement.

c. Sub-contracting

Bidders/ tenderers who want to claim Preference points will have to comply fully with regulations 11(8) and 11(9) of the PPPFA Act with regard to sub-contracting.

The following is an extract from the PPPFA Act:

11(8) "A person must not be awarded points for B-BBEE status level if it is indicated in the tender documents that such a tenderer intends sub- contracting more than 25% of the value of the contract to any other enterprise that does not qualify for at least the points that such a tenderer qualifies for, unless the intended sub-contractor is an EME that has the capability and ability to execute the sub-contract."

11(9) "A person awarded a contract may not sub-contract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level than the person concerned, unless the contract is sub-contracted to an EME that has the capability and ability to execute the sub-contract."

4.3 Step 3 (90/10 = 100 points)

The Price and BBBEE points will be consolidated.

5 SUBMISSION OF PROPOSALS

5.1 Bid documents may either be couriered or delivered to any of the following Mpumalanga Provincial Treasury Bid offices on or before closure of the Bid:

- Riverside Government Complex, Tender Office Building 9, Mbombela, or

- **Nkangala District**
  - KwaMhlanga Government Complex,
  - Middelburg Department of Public Works building, \
  - Siyabuswa Old Parliament Building or

- **Gert Sibande District**
  - Evander old Home Affairs Offices,
  - Ermelo Batho Pele Building,
  - Elukwatini opposite Community Hall,
  - Piet Retief 11 Measroch street; or

- **Ehlanzeni District**
  - Bushbuckridge advice centre,
  - Malelane 24 Air Street

5.2 Bid documents will only be considered if received by the MPG before the closing date and time, regardless of the method used to send or deliver such documents to the MPG.

5.3 The bidder(s) are required to submit the original document and fully signed bid document with the pricing schedule to the relevant tender office as well as a softcopy of the excel pricing schedule. The files and CD-ROM must be marked with the bid number and bidder name and sealed separately for confidentiality of reference during the evaluation process.

6 LATE BIDS

Bids received after the closing date and time, at the address indicated in the bid documents, will not be accepted for consideration and where practicable, be returned unopened to the Bidder.

7 COUNTER CONDITIONS

Bidders' attention is drawn to the fact that amendments to any of the Bid Conditions or setting of counter conditions by Bidders will result in the invalidation of such bids.

8 FRONTING

8.1 MPG supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, the Government condemn any form of fronting.

8.2 The MPG, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry, be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the Department may have against the Bidder / contractor concerned.

9 SUPPLIER DUE DILIGENCE

The MPG reserves the right to conduct supplier due diligence during evaluation, prior to final award or at any time during the contract period. This may include site visits.

10 VETTING OF BIDDERS

All qualifying Bidders will be vetted prior to appointment.

11 COMMUNICATION AND CONFIDENTIALITY

11.1 Bidder(s) can make enquiries in writing, to the specified person, Mr. S Mpila via email sjmpila@mpg.gov.za and or/ 013 766 8711. Bidder(s) must reduce all telephonic enquiries to writing and send to the above email address.

11.2 Any communication to an official or a person acting in an advisory capacity for MPG in respect of the bid between the closing date and the award of the bid by the Bidder(s) is discouraged.

11.3 The MPG may communicate with bidder where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

11.4 All communication between the Bidder and the MPG must be done in writing.

11.5 Whilst all due care has been taken in connection with the preparation of this bid, the MPG makes no representations or warranties that the content of this bid or any information communicated to or provided to bidders during the Biding process is, or will be, accurate, current or complete. The MPG, and its offers, employees and advisors will not be liable with respect to any information communicated, which is not accurate, current or complete.

11.6 If a Bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Department (other than minor clerical matters), the Bidder must promptly notify the MPG in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the MPG an opportunity to consider what corrective action is necessary (if any).

11.7 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the MPG will, if possible, be corrected and provided to all bidders without attribution to the Bidder who provided the written notice.

11.8 All persons (including bidders) obtaining or receiving this bid and any other information in connection with this bid or the Biding process must keep the contents of the bid and other such information confidential, and not disclose or use the information except as required for the purpose of developing a proposal in response to this bid.

11.9 No material or information derived from the procurement and provision of the services under the contract may be used for any purposes other than those of MPG, except where authorized in writing to do so. All documents will remain the property to the MPG

11.10 Information relating to the evaluation of proposals and recommendations concerning award shall not be disclosed to the bidder who submitted the proposals or to other persons not officially concerned with the process, until the successful bidder has been notified that he/she has been awarded the contract.

11.11 No material or information derived from the procurement and provision of the services under the contract may be used for any purposes other than those of MPG, except where authorized in writing to do so.

11.12 MPG agrees to keep the details of the bidder's proposal strictly confidential, including but not limited to any financial information provided, and will not disclose the content thereof to any third party, except as required and/or authorized by law after awarding of the bid.

12 OFFICIALS PROHIBITED FROM SUBMITTING BIDS

12.1 In accordance with Treasury Instruction Note 17 of 2012, an employee of the MPG or a provincial public entity may not have business interest in any entity conducting business with the Provincial Government.

12.2 According to the Public Service Regulations, 2016, an employee may not do business with any organ of state.

12.3 The Provincial Government may not award any bid or enter into any contract with an employee in the employment of the State.

12.4 All bids received contrary to Treasury Instruction Note 17 of 2012 and the Public Service Regulations, 2016 (Regulation 13) shall be disqualified.

PART D: SPECIAL CONDITIONS OF CONTRACT

1. TERMS OF REFERENCE

1.1 Reservations

The Travel Management Company (TMC) will:

a. Receive travel requests from travelers and/or travel bookers, respond with quotations (confirmations) and availability. Upon the receipt of the relevant approval, the travel agent will issue the required e-tickets and vouchers immediately and send it to the travel booker and traveler via the agreed communication medium.
b. always endeavor to make the most cost effective travel arrangements based on the request from the traveler and/or travel booker.
c. apprise themselves of all travel requirements for destinations to which travelers will be travelling and advise the Traveler of alternative plans that are more cost effective and more convenient where necessary.
d. must keep abreast of carrier schedule changes as well as all other alterations and new conditions affecting travel and make appropriate adjustments for any changes in flight schedules prior to or during the traveler's official trip. When necessary, e-tickets and billing shall be modified and reissued to reflect these changes.
e. book parking facilities at the airports where required for the duration of the travel.
f. respond timely and process all queries, requests, changes and cancellations timeously and accurately.
g. Must be able to facilitate group bookings (e.g. for meetings, conferences, events, etc.)
h. must issue all necessary travel documents, itineraries and vouchers timeously to traveler(s) prior to departure dates and times.
i. advise the Traveler of all visa and inoculation requirements well in advance.
j. assist with the arrangement of foreign currency and the issuing of travel insurance for international trips where required.
k. facilitate any reservations that are not bookable on the Global Distribution System (GDS).
l. facilitate the bookings that are generated through their own or third party Online Booking Tool (OBT) where it can be implemented.

m. Visa applications will not be the responsibility of the TMC; however, the relevant information must be supplied to the traveler(s) where visas will be required.
n. Negotiated airline fares, accommodation establishment rates, car rental rates, etc., that are negotiated directly or established by National Treasury or by the MPG are non-commissionable, where commissions are earned for the MPG bookings all these commissions should be returned to the MPG on a quarterly basis.
o. Ensure confidentiality in respect of all travel arrangements and concerning all persons requested by the MPG.
p. Timeous submission of proof that services have been satisfactorily delivered (invoices) as per the MPG's instructions.

1.2 Air Travel

a. The TMC must be able to book full service carriers as well as low cost carriers.
b. The TMC will book the most cost effective airfares possible for domestic travel.
c. For international flights, the airline which provides the most cost effective and practical routings may be used.
d. The airline ticket should include the applicable airline agreement number as well as the individual loyalty program number of the Traveler (if applicable).
e. Airline tickets must be delivered electronically (SMS and/or email format) to the traveler(s) and travel bookers promptly after booking before the departure times.
f. The TMC will also assist with the booking of charters for VIPs utilising the existing transversal term contract where applicable as well as the sourcing of alternative service providers for other charter requirements.
g. The TMC will be responsible for the tracking, management and reporting of unused e-tickets as per agreement with the participating government institution and provide a report on refund management once a quarter to the Provincial Treasury.
h. The TMC must during their reporting period provide proof that bookings were made against the discounted rates on the published fares.
i. Ensure that travelers are always informed of any travel news regarding airlines (like baggage policies, checking in arrangements, etc.)
j. Assist with lounge access if and when required.

1.3 Accommodation

a. The TMC will obtain price comparisons within the maximum allowable rate matrix as per the cost containment instruction of the National Treasury.
b. The TMC will obtain three price comparisons from accommodation establishments that provide the best available rate within the maximum allowable rate and that is located as close as possible to the venue or office or location or destination of the traveler
c. This includes planning, booking, confirming and amending of accommodation with any establishment (hotel group, private hotel, guest house or Bed & Breakfast) in accordance with the MPG's travel policy.
d. MPG travelers may only stay at accommodation establishments with which the MPG has negotiated corporate rates. Should there be no rate agreement in place in the destination, or should the contracted establishment be unable to accommodate the traveler, the TMC will source suitable accommodation bearing in mind the requirement of convenience for the traveler and conformation with acceptable costs, or as stipulated in written directives issued from time to time by the National treasury or the MPG.
e. Accommodation vouchers must be issued to all the MPG travelers for accommodation bookings and must be invoiced to the participating institution preferably within the same month or at least within 30 days. Such invoices must be supported by a copy of the original hotel accommodation charges.
f. The TMC must during their report period provide proof, where applicable, that accommodation rates were booked within the maximum allowable rates as per the cost containment instruction of the National Treasury.
g. TMCs must by all means try to negotiate cancellation cost and report on a monthly basis to the relevant participating institution as well as quarterly to Provincial Treasury.

1.4 Car Rental and Shuttle Services

a. The TMC will book the approved category vehicle in accordance with the participating institution Travel Policy with the appointed car rental service provider from the closest rental location (airport, hotel and venue).
b. The travel consultant should advise the Traveler on the best time and location for collection and return considering the Traveler's specific requirements.
c. The TMC must ensure that relevant information is shared with travelers regarding rental vehicles, like e-tolls, refueling, keys, rental agreements, damages and accidents, etc.

d. For international travel the TMC may offer alternative ground transportation to the Traveler that may include rail, buses and transfers.
e. The TMC will book transfers in line with the participating institution Travel Policy with the appointed and/or alternative service providers. Transfers can also include bus and coach services.
f. The TMC should manage shuttle companies on behalf of the MPG and ensure compliance with minimum standards. The TMC should also assist in negotiating better rates with relevant shuttle companies.
g. The TMC must during their report period provide proof that negotiated rates were booked, where applicable.

1.5 After Hours and Emergency Services

a. The TMC must provide a consultant or team of consultants to assist Travelers with after hours and emergency reservations and changes to travel plans.
b. A dedicated consultant/s must be available to assist VIP/Executive Travelers with after hour or emergency assistance.
c. After hours' services must be provided from Monday to Friday outside the official hours (17h00 to 8h00) and twenty-four (24) hours on weekends and Public Holidays.
d. A call Centre facility or after hours contact number should be available to all travelers so that when required, unexpected changes to travel plans can be made and emergency bookings attended to.
e. The TMC must have a standard operating procedure for managing after hours and emergency services.

1.6 Communication

a. The TMC may be requested to conduct workshops and training sessions for Travel Bookers of the participating institutions with the MPG only with the authorisation from the Provincial Treasury.
b. All enquiries must be investigated and prompt feedback be provided in accordance with the Service Level Agreement.
c. In order to assist with resolving queries and complains, the TMC must ensure that proper records are kept for all communication of booking confirmations such as emails, purchase orders and vouchers etc.
d. The TMC must ensure sound communication with all stakeholders. Link the business traveler, travel coordinator, Travel Management Company in one smooth continuous workflow.

1.7 Financial Management

a. The TMC must implement the rates negotiated by the MPG with travel service providers or the discounted air fares, or the maximum allowable rates established by the National Treasury where applicable.
b. The TMC will be responsible to manage the service provider accounts. This will include the timely receipt of invoices to be presented to MPG departments for payment within the agreed time period.
c. Savings on travel expenditure must be reported and proof provided during quarterly reviews.
d. The TMC will be responsible to ensure that the service provider's accounts are settled by means of a 30-day bill-back account facility. This will include that the TMC must timeously receive invoices from the service provider and present it to the participating institutions for payment against the matching purchase order within the same month or at least within 30 days only applicable where the lodge card is not in place.
e. Where pre-payments are required for smaller Bed & Breakfast /Guest House facilities, these will be processed by the TMC. These are occasionally required at short notice and even for same day bookings.
f. Consolidate Travel Supplier bill-back invoices.
g. MPG will have a travel lodge card in place, the TMC should be responsible to process the payment of air, accommodation and ground transportation and will also be responsible to consolidate through a corporate card vendor.
h. The TMC is responsible for the consolidation of invoices and supporting documentation to be provided to the MPG's Financial Department on the agreed time period (e.g. weekly). This includes attaching the Travel Authorisation or Purchase Order and other supporting documentation to the invoices reflected on the Service provider bill-back report or the credit card statement.
i. Ensure Travel Supplier accounts are settled timeously.

1.8 Technology, Management Information and Reporting

a. The TMC must have the capability to consolidate all management information related to travel expenses into a single source document with automated reporting tools.
b. The implementation of an Online Booking Tool to facilitate domestic bookings should be considered to optimise the services and related fees.
c. All management information and data input must be accurate.
d. The TMC will be required to provide the MPG with standard monthly reports as per the service level agreements that are in line with the National Treasury's Cost Containment Instructions reporting template requirements at no cost.
   The reporting templates can be found on
   http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/AccountantGeneral.aspx
e. Reports must be accurate and be provided as per the MPG's specific requirements at the agreed time. Information must be available on a transactional level that reflect detail including the name of the traveler, date of travel, spend category (example air travel, shuttle, accommodation).
f. The Provincial Treasury or participating institutions may request the TMC to provide additional management reports.
g. Reports must be available in an electronic format for example Microsoft Excel.
h. Service Level Agreements reports must be provided on the agreed date. It may include but will not be limited to the following:

- **Travel**
  i. After hours' Report;
  ii. Compliments and complaints;
  iii. Consultant Productivity Report;
  iv. Long term accommodation and car rental;
  v. Extension of business travel to include leisure;
  vi. Upgrade of class of travel (air, accommodation and ground transportation);
  vii. Bookings outside Travel Policy.
- **Finance**
  i. Reconciliation of commissions/rebates or any volume driven incentives;
  ii. Creditor's ageing report;
  iii. Creditor's summary payments;
  iv. Daily invoices;
  v. Reconciled reports for Travel Lodge card statement;
  vi. No show report;
  vii. Cancellation report;

viii. Receipt delivery report;
ix. Monthly reconciliation of Lodge Card payments (where in use);
x. Refund Log;
xi. Open voucher report, and
xii. Open Invoice Age Analysis.
xiii. Outstanding orders report
xiv. Monthly statements on allocation of payments and outstanding invoices

i. The TMC will implement all the necessary processes and programs to ensure that all the data is secure at all times and not accessible by any unauthorised parties.

1.9 Account Management

a. An Account Management structure should be put in place to respond to the needs and requirements of the Government Institution and act as a liaison for handling all matters with regard to delivery of services in terms of the contract.
b. The TMC must appoint a dedicated Account or Business Manager that is ultimately responsible for the management of the MPG's account.
c. The necessary processes should be implemented to ensure good quality management and ensuring Traveler satisfaction at all times.
d. A complaint handling procedure must be implemented to manage and record the compliments and complaints of the TMC and other travel service providers through consultation with Provincial Treasury.
e. Ensure that the MPG's Travel Policy is enforced.
f. The Service Level Agreement (SLA) must be managed and customer satisfaction surveys conducted to measure the performance of the TMC through consultation with Provincial Treasury.
g. Ensure that workshops/training are provided to Travelers and/or Travel Bookers
h. During reviews / meetings, comprehensive reports on the travel spend and the performance in terms of the SLA must be presented and the TMC must provide improvement plans and report on it on a quarterly basis as and where it may be applicable.
i. The TMC's will be responsible to provide monthly reports on Lodge Card utilization per institution with a quarterly summarized report to Provincial Treasury

1.10 Value Added Services

The TMC must provide the following value added services:

a. Destination information for regional and international destinations:

- Health warnings;
- Weather forecasts;
- Places of interest;
- Visa information;
- Travel alerts;
- Location of hotels and restaurants including travel distances from venues;
- Information including the cost of public transport;
- Rules and procedures of the airports;
- Business etiquette specific to the country;
- Airline baggage policy; and
- Supplier updates

b. Electronic voucher retrieval via web and smart phones;

c. SMS notifications for travel confirmations;

d. Travel audits, trend analyses and keeping record for audit trails;

e. Global Travel Risk Management;

f. Advice and assistance on foreign exchange for international travel arrangements.

g. VIP services for Executives that include, but is not limited to check-in support.

i. Quarterly and Annual Travel Reviews

Quarterly reviews are required to be presented by the TMC on all the MPG travel activity in the previous three-month period. These reviews are comprehensive and presented to the MPG's Procurement and Finance teams as part of the performance management reviews based on the service levels.

ii. Annual Reviews are also required to be presented to the MPG's Senior Executives.

iii. These Travel Reviews will include without limitation the following information:

- Institution to list the information that will be required. The reporting requirements in the National Treasury Instruction 3 of 2016/17 (Cost Containment Measures related to Travel & Subsistence) may be used as minimum.

1.11 Cost Management

a. The National Treasury cost containment initiative and the MPG's Travel Policy are establishing a basis for a cost savings culture.

b. It is the obligation of the TMC Consultant to advise on the most cost effective option at all times, and costs should be within the framework of the National Treasury's cost containment instructions.

c. The TMC plays an essential role to provide high quality travel related services that are designed to strike a balance between effective cost management, flexibility and traveler satisfaction.

d. The TMC should have in-depth knowledge of the relevant supplier(s)' products, to be able to provide the best option and alternatives that are in accordance with the MPG's Travel Policy to ensure that the Traveler reaches his/her destination safely, in reasonable comfort, with minimum disruption, cost effectively and in time to carry out his/her business.

1.12 Office Management

a. The TMC to ensure high quality service to be delivered at all times to the MPG's travelers. The TMC is required to provide the MPG with highly skilled and qualified human resources with skills to perform the following among others but not limited to:

- Senior Consultants

Junior Consultants

- Finance Manager or Accountant with Admin Back Office staff (Creditors / Debtors/Finance Processors)
- System Administrator (General Admin)
- Travel Manager / Customer Manager

1.13 Other service

The TMC will also be required to book conference venues as well as facilitate other related services such as:

- Corporate gifts / flowers etc.

2. DURATION OF THE CONTRACT

a. The successful bidder will be appointed for a period of 36 (thirty-six) months with an option to extend in line with the prescripts.

3. CONTRACT PRICE ADJUSTMENT

Contract price adjustments will be done annually as per fixed pre-negotiated prices. No price adjustments will be allowed during the 1st year of the contract period, it will only be considered on the anniversary of the contract.

Price adjustment will be in line with CPIX.

4. ROTATION

Service providers will be rotated by all participating MPG Institutions.

5. CODE OF CONDUCT

MPG requires bidder(s) to declare that for the duration of the contract, the successful bidder(s) and their employees commit to:

a. Act honestly, fairly, and with due skill, care and diligence, in the interests of the MPG;
b. Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
c. Act with caution and treat the MPG fairly in a situation of conflicting interests;
d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the MPG;
f. Avoidance of fraudulent and misleading advertising, canvassing and marketing;
g. To conduct their business activities with transparency and consistently uphold the interests and needs of MPG as a client before any other consideration; and
h. To ensure that any information acquired by the bidder(s) from MPG will not be used or disclosed unless the written consent of the client has been obtained to do so.

6. CONFLICT OF INTEREST, CORRUPTION AND FRAUD

a. MPG reserves its right to disqualify any bidder or cancel the contract of any successful bidder who either itself or any of whose members (save for such members who hold a minority interest in the bidder through shares listed on any recognised stock exchange), indirect members (being any person or entity who indirectly holds at least a 15% interest in the bidder other than in the context of shares listed on a recognised stock exchange), directors or members of senior management, whether in respect of any government institution or any other government organ or entity and whether from the Republic of South Africa or otherwise ("Government Entity") (as per National Treasury instruction note 4 of 2016/17 on minimum specification requirement for travel management services and annexures)

   i. engages in any collusive tendering, anti-competitive conduct, or any other similar conduct, including but not limited to any collusion with any other bidder in respect of the subject matter of this bid;
   ii. seeks any assistance, other than assistance officially provided by a Government Entity, from any employee, advisor or other representative of a Government Entity in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
   iii. makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the MPG's officers, directors, employees, advisors or other representatives;
   iv. makes or offers any gift, gratuity, anything of any value or other inducement, to any Government Entity's officers, directors, employees, advisors or other representatives in order to obtain any unlawful advantage in relation to procurement or services provided or to be provided to a Government Entity;
   v. accepts anything of value or an inducement that would or may provide financial gain, advantage or benefit in relation to procurement or services provided or to be provided to a Government Entity;
   vi. pays or agrees to pay to any person any fee, commission, percentage, brokerage fee, gift or any other consideration, that is contingent upon or results from, the award of any tender, contract, right or entitlement which is in any way related to procurement or the rendering of any services to a Government Entity;
   vii. has in the past engaged in any matter referred to above; or
   viii. has been found guilty in a court of law on charges of fraud and/or forgery, regardless of whether or not a prison term was imposed and despite such bidder, member or director's name not specifically appearing on the List of Tender Defaulters kept at National Treasury.

7. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT

a. The bidder should note that the terms of its Bids will be incorporated in the proposed contract by reference and that MPG relies upon the bidder's Bids as a material representation in making an award to a successful bidder and in concluding an agreement with the bidder.

b. It follows therefore that misrepresentations in a Bids may give rise to service termination and a claim by the MPG against the bidder notwithstanding the conclusion of the Service Level Agreement between the MPG and the bidder for the provision of the Service in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the Service Level Agreement will prevail.

8. INDEMNITY

If any bidder breaches the conditions of this contract and, as a result of that breach, the MPG incurs costs or damages (including, without limitation, the cost of any investigations, procedural impairment, repetition of all or part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), then the bidder indemnifies and holds the MPG harmless from any and all such costs which the MPG may incur and for any damages or losses the MPG may suffer.

9. PRECEDENCE

This document will prevail over any information provided during any briefing session whether oral or written, unless such written information provided, expressly amends this document by reference.

10. LIMITATION OF LIABILITY

A bidder participates in this bid process entirely at its own risk and cost. The MPG shall not be liable to compensate a bidder on any grounds whatsoever for any costs incurred or any damages suffered as a result of the Bidder's participation in this Bid process.

11. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS

No bid shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appear on the Register of Tender Defaulters kept by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers. MPG reserves the right to withdraw an award, or cancel a contract concluded with a Bidder should it be established, at any time, that a bidder has been blacklisted with National Treasury by another government institution.

12. GOVERNING LAW

South African law governs this bid and the bid response process. The bidder agrees to submit to the exclusive jurisdiction of the South African courts in any dispute of any kind that may arise out of or in connection with the subject matter of this bid, the bid itself and all processes associated with the bid.

13. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL

A bidder is responsible for ensuring that its personnel (including agents, officers, directors, employees, advisors and other representatives), its sub-contractors (if any) and personnel of its sub-contractors comply with all terms and conditions of this bid. In the event that the MPG allows a bidder to make use of sub-contractors, such sub-contractors will at all times remain the responsibility of the bidder and the MPG will not under any circumstances be liable for any losses or damages incurred by or caused by such sub-contractors.

14. CONFIDENTIALITY

Except as may be required by operation of law, by a court or by a regulatory authority having appropriate jurisdiction, no information contained in or relating to this bid or a bidder's tender(s) will be disclosed by any bidder or other person not officially involved with the MPG examination and evaluation of a Bid.

No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronic, photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a Bid. This bid and any other documents supplied by the MPG remain proprietary to the MPG and must be promptly returned to the MPG upon request together with all copies, electronic versions, excerpts or summaries thereof or work derived there from.

Throughout this bid process and thereafter, bidder(s) must secure the MPG written approval prior to the release of any information that pertains to (i) the potential work or activities to which this bid relates; or (ii) the process which follows this bid. Failure to adhere to this requirement may result in disqualification from the bid process and civil action.

BIDDER DECLARATION

The bidder hereby declares the following

1. Acceptance of the bid terms of reference, bid requirements, special conditions and general conditions of contract

   Failure to accept the above or any part thereof may result in the bid not being considered. Bidders may not amend any of the Special Conditions or include their own conditions; as such, amendments or inclusions will result in disqualification of the bid.

   I _______________________________in my capacity as _______________________________ of the company, hereby certifies that I take note and accept the bid requirements, special conditions and general conditions of contract.

2. I further confirm that ________________________ (Bidder's Name) will: –

a. Act honestly, fairly, and with due skill, care and diligence, in the interests of the Mpumalanga Provincial Government (MPG);
b. Employ effectively the resources, procedures and appropriate technological systems for the proper performance of the services;
c. Act with caution and treat the MPG fairly in a situation of conflicting interests;
d. Comply with all applicable statutory or common law requirements applicable to the conduct of business;
e. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with the MPG;
f. Avoid fraudulent and misleading advertising, canvassing and marketing; Conduct business activities with transparency and consistently uphold the interests and needs of the MPG as a client before any other consideration; and
g. Ensure that any information acquired by the bidder(s) from the MPG will not be used or disclosed unless the written consent of the client has been obtained to do so.

Signature____ *Date*________________________

Print Name of Signatory: ____________________________________
Designation: ____
FOR AND ON BEHALF OF: _____________________________________*(Bidding Company's Name)*

GUIDELINES ON SBD 3.1

PRICING SCHEDULE –FIRM PRICES

(PURCHASES)

Bidders are requested to complete the available excel pricing schedule Annexure A templates as well as the SBD 3.1

Bid price offered on SBD 3.1 must match your price offer on the cover page and on Annexure A *(Pricing schedule will be provided on CD at compulsory briefing session and must be submitted on a soft copy and signed hard copy with the tender document)*

SBD 3.1
PRICING SCHEDULE – FIRM PRICES
(PURCHASES)

NOTE: **ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES (INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

Name of bidder………………………………………	Bid number………………………………………
Closing Time: 12:00	Closing date………………………………………

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

ITEM NO. | QUANTITY | DESCRIPTION | BID PRICE IN RSA CURRENCY ** (ALL APPLICABLE TAXES INCLUDED)

Required by: ………………………………………
- At: ………………………………………
………………………………………
- Brand and model ………………………………………
Country of origin ………………………………………
Does the offer comply with the specification(s)? *YES/NO
- If not to specification, indicate deviation(s) ………………………………………
Period required for delivery ………………………………………
*Delivery: Firm/not firm
- Delivery basis ………………………………………

Note: ***All delivery costs must be included in the bid price, for delivery at the prescribed destination.***

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

*Delete if not applicable

SBD 4
BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest1 in the enterprise, 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. employed by the state?

YES / NO

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

FULL NAME	IDENTITY NUMBER	NAME OF STATE INSTITUTION

SBD 6.1

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

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

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

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2 GENERAL CONDITIONS

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

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

2.3

a) The value of this bid is estimated to exceed R50 000 000 (all applicable taxes included) and therefore the **90/10** preference point system shall be applicable; or

b) 90/10 preference point system will be applicable to this tender

2.4 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

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

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

2.6 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

2.7 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

1. POINTS AWARDED FOR PRICE

1.1. THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

80/20 or 90/10

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

3. BID DECLARATION

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

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

4.1. B-BBEE Status Level of Contributor: = ...(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

5. SUB-CONTRACTING

5.1. Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES		NO	

5.1.1. 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
*(**Tick applicable box***)

YES		NO	

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

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

6. **DECLARATION WITH REGARD TO COMPANY/FIRM**

6.1. Name of company/firm:...

6.2. VAT registration number:...

6.3. Company registration number:...

6.4. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

6.5. DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

6.6. COMPANY CLASSIFICATION

Manufacturer

Supplier

Professional service provider

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

[*TICK APPLICABLE BOX*]

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

6.8. I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES	
1. …………………………………	…………………………………
	SIGNATURE(S) OF BIDDERS(S)
2. …………………………………	DATE: …………………………………

PART E:

GENERAL CONDITIONS OF CONTRACT

Any award made to a bidder(s) under this bid is conditional, amongst others, upon –

a. The bidder(s) accepting the terms and conditions contained in the General Conditions of Contract as the minimum terms and conditions upon which Mpumalanga Provincial Government (MPG) is prepared to enter into a contract with the successful Bidder(s).
b. The bidder submitting the General Conditions of Contract to the MPG together with its bid, duly signed by an authorised representative of the bidder.

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	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 anything 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 sub bidders) 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	"MPG" Mpumalanga Provincial Government
	1.20	"Order" means an official written order issued for the supply of goods or works or the rendering of a service.
	1.21	"Project site," where applicable, means the place indicated in bidding documents.
	1.22	"Purchaser" means the organization purchasing the goods.
	1.23	"Republic" means the Republic of South Africa.
	1.24	"SCC" means the Special Conditions of Contract.
	1.25	"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.
	1.26	"Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.
2. Application	2.1	These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
	2.2	Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.

	2.3	Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. General	3.1	Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
	3.2	With certain exceptions, invitations to bid are only published in the Government Bid Bulletin. The Government Bid Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za
4. Standards	4.1	The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
1. Use of contract documents and information; inspection.	5.1	The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
	5.2	The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
	5.3	Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.

	5.4	The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.
6. Patent rights	6.1	The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.
7. Performance security	7.1	Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
	7.2	The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
	7.3	The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms: (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or (b) a cashier's or certified cheque
	7.4	The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.
8. Inspections, tests and analyses	8.1	All pre-bidding testing will be for the account of the bidder.
	8.2	If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or bidder 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 sub-bidder(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.
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 favorable difference shall on demand be paid forthwith by the bidder to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the bidder 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 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).
	35.	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.
	36.	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.

Annexure A: Price submission and templates

The above mentioned documents will be provided on a CD at the briefing session.

Bidders are required to submit a hard and soft copy together with the bid documents which must be signed off.

Annexure B: National Travel Policy Framework and Cost Curtailment measures

provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

TEMPLATE 2: TRANSACTION FEE MODEL
OFF-SITE SERVICES

RFP NO:	MPPT02/22/03
RFP NAME:	APPOINTMENT OF A SERVICE PROVIDER(S) FOR TRAVEL, ACCOMMODATION AND RELATED SERVICES FOR MPUMALANGA PROVINCIAL GOVERNMENT FOR A PERIOD OF THREE (3) YEARS
BIDDER NAME	NAME OF BIDDER

1.1 TRANSACTION FEES

			TRADITIONAL BOOKINGS		
ITEM	**Transaction Type**	**Estimated Volume**	**Unit Price (excl VAT)**	**Unit Price (incl VAT)**	**TOTAL Price (incl VAT)**
1	Air Travel – International	50			
2	Air Travel – Regional	147			
3	Air Travel – Domestic	4961			
4	Air Travel – International (Re-issue)	100			
5	Air Travel – Regional (Re-issue)	100			
6	Air Travel – Domestic (Re-issue)	100			
10	Car Rental – Domestic	703			
11	Car Rental – Regional	80			
12	Car Rental – International	21			
13	Transfers/Shuttle – Domestic	176			
14	Transfers/Shuttle – Regional	147			
15	Transfers/Shuttle – International	50			
16	Accommodation – Domestic	50511			
17	Accommodation – Regional	147			
18	Accommodation – International	50			
19	Bus/Coach Bookings	5			
20	Train bookings – International	20			
21	Visa Assistance (Provision of documents and advice)	50			
22	Courier services for travel documentation	50			
24	Parking bookings	100			
25	Cancellations	1000			
27	After Hours Services	1488			
30	Travel Lodge card Reconciliation	50			
32	Other (Corporate gifts, flowers etc.) Less than R1000 Per transaction value	100			
33	Other (Corporate gifts, flowers etc.) Between R1000 and R5000 Per transaction value	50			
34	Other (Bookings longer than 10 nights for a person (no groups))	50			
35	Other (Group and Conference bookings more than 10 people less than 100 delegates	50			
36	Other (Group and Conference bookings for 100 delegates and more)	50			
	Total	60406		R -	R -

PRICE THAT WILL BE USED FOR EVALUATION PURPOSES	**R -**

1.2 ALTERNATIVE TRANSACTION FEE FOR OTHER SERVICES LISTED FROM ITEM 32 TO 35 ABOVE (subject to negotiation)

Item	Description	Percentage Fee	Comment
1	Long stay bookings for a person **(as a % fee total cost for period longer than 10 nights)**		
2	Conference Transaction Fee **(as a % of the Total turnover of the event)**		
3	Corporate gifts / flowers or other services **as a % of the cost of the transaction**		

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6	Air Travel – Domestic (Re-issue)	100			
10	Car Rental – Domestic	703			
11	Car Rental – Regional	80			
12	Car Rental – International	21			
13	Transfers/Shuttle – Domestic	176			
14	Transfers/Shuttle – Regional	147			
15	Transfers/Shuttle – International	50			
16	Accommodation – Domestic	50511			
17	Accommodation – Regional	147			
18	Accommodation – International	50			
19	Bus/Coach Bookings	5			
20	Train bookings – International	20			
21	Visa Assistance (Provision of documents and advice)	50			
22	Courier services for travel documentation	50			
24	Parking bookings	100			
25	Cancellations	1000			
27	After Hours Services	1488			
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PRICE THAT WILL BE USED FOR EVALUATION PURPOSES				**R -**	

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Item	Description	Percentage Fee	Comment
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2	Conference Transaction Fee **(as a % of the Total turnover of the event)**		
3	Corporate gifts / flowers or other services **as a % of the cost of the transaction**		

ANNEXURE A:

MAXIMUM ALLOWABLE RATES FOR THE DOMESTIC ACCOMMODATION AND MEALS

1. GRADING AS A REQUIREMENT IN GOVERNMENT TO ONLY STAY IN GRAGED ACCOMMODATION ESTABLISHMENTS

1.1 South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through amongst others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.

1.2 In order to promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in instances where graded accommodation is not available, the use of establishments which are not graded by the Grading Council may be permitted.

2. MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACCOMMODATION

2.1 Table 1 indicates the maximum allowable rates per accommodation type and per star grading of the establishment that may be booked for Travellers on Official Business.

2.1.1 BAND 1: This band is for a Room only and the price is inclusive of VAT and the Tourism Levy. The Band to be booked where a traveller only requires lodging and will be taking his/her meals elsewhere. Expenses for meals can be claimed within the maximum daily amount as indicated below.

2.1.2 BAND 2: This band is for a room and includes breakfast as part of the rate. The price is inclusive for VAT and the Tourism Levy. The Band to be booked where a traveller requires lodging and will be taking his/her breakfast at the establishment. Only expenses for lunch and dinner can be claimed up to the maximum as indicated below.

2.1.3 BAND 3: This band is for a room and includes breakfast and dinner as part of the rate. The price is inclusive for VAT, the Tourism Levy and two (2) soft drinks. The Band to be booked where a traveller requires lodging and will be taking his/her breakfast and dinner at the establishment. Only expenses for lunch can be claimed.

TABLE 1:

Vouchers Includes	Band 1	Band 2	Band 3
	Room Only Tourism Levy VAT	Room & Breakfast Tourism Levy VAT	Room, Breakfast & Dinner Tourism Levy VAT 2x non-alcoholic beverages at Dinner
Graded Hotel or Boutique Hotel			
1 Star	R630	R780	R1 000
2 Star	R980	R1 120	R1 350
3 Star	R1 190	R1 310	R1 530
4 Star	R1 360	R1 470	R1 700
5 Star	R2 280	R2 401	R2 740
Graded Bed & Breakfast, Country House or Guest House			
1 Star	R350	R530	R740
2 Star	R540	R710	R920
3 Star	R980	R1 150	R1 350
4 Star	R1 090	R1 260	R1 460
5 Star	R1 300	R1 480	R1 680
Graded Self–Catering			
	Band 1	**Band 2**	**Band 3**
1 Star	R630		
2 Star	R980		
3 Star	R1 190		
4 Star	R1 360		
5 Star	R1 570		
Maximum for Meals			
Breakfast	R 120		
Lunch	R 170		
Dinner	R 190		
Maximum	R 480		

Note: Expenses for parking is NOT included in Bands 1, 2 and 3 and may be claimed separately by travelers.

3. MAXIMUM ALLOWABLE RATES FOR MEAL EXPENSES

3.1 Institutions to only reimburse officials for meal expenses within the limits as set out in Table 2. Receipts of actual expenditure to be provided with the claim in all cases.

3.2 National Treasury will set these maximum allowable amounts and review it periodically.

TABLE 2:

<table>
<tr><th colspan="3">Claims for Meal Expenditure</th><th></th></tr>
<tr><th>Description</th><th>What does it imply if the expense type is selected?</th><th>Maximum Amount</th><th></th></tr>
<tr><td>Breakfast and Lunch provided</td><td>– May claim for actual expenditure for Dinner expenses within the limits of the maximum amount.</td><td>R 190.00</td><td rowspan="3">= R480</td></tr>
<tr><td>Breakfast and Dinner provided</td><td>– May claim for actual expenditure for Lunch expenses within the limits of the maximum amount.</td><td>R 170.00</td></tr>
<tr><td>Lunch and Dinner provided</td><td>– May claim for actual expenditure for Breakfast expenses within the limits of the maximum amount.</td><td>R 120.00</td></tr>
<tr><td>Breakfast provided</td><td>– May claim for actual expenditure for lunch and dinner within the limits of the maximum amount.</td><td>R 360.00</td><td>=R170 + R190</td></tr>
<tr><td>Lunch provided</td><td>– May claim for actual expenditure for breakfast and dinner within the limits of the maximum amount.</td><td>R 310.00</td><td>=R120 + R190</td></tr>
<tr><td>Dinner provided</td><td>– May claim for actual expenditure for breakfast and lunch within the limits of the maximum amount.</td><td>R 290.00</td><td>=R120 + R170</td></tr>
</table>

3.3 Domestic Trips Longer than 24 Hours

a) Expenditure on Meals and non-alcoholic liquid refreshments can be claimed in the following circumstances:

Breakfast

- If it is not included in the Accommodation arrangements; and, or,
- If the Traveller leaves his or her residence or Place of Work before 06h00.
- Up to the maximum as set out in Table 2.

Lunch

- Lunch may only be claimed if it is not provided by the host.
- Up to the maximum as set out in Table 2.

Dinner

- If it is not included in the Accommodation arrangements; and, or,
- If the Traveller returns to his or her residence or Place of Work after 20h00.
- Up to the maximum as set out in Table 2.

b) Officials cannot claim expenses for meals if the rate of the Accommodation establishment already includes dinner and, or, breakfast or if the host provides lunch, or if the conference fee includes lunch and, or, dinner.

c) When a Traveller stays in an accommodation establishment that does not provide for meals, or does not cater for special dietary requirements such as Halaal or Kosher, he or she may claim reasonable actual expenditure for meal expenses within the maximum daily amount set out in Table 2 . Supporting evidence is required as proof of actual expenditure.

2.1 Domestic Trips Less than 24 Hours

a) When an Official Business trip is less than 24 hours, the official may claim expenses for meals and non-alcoholic liquid refreshments where meals are not provided by the host. Supporting evidence is required as proof of actual expenditure. Meal expenses may be claimed under the following conditions:

  i. Three (3) meals where the Official leaves his or her Place of Work or residence before 06h00 and only returns to his or her Place of Work or residence after 20h00, provided that the total cost of all three meals does not exceed the maximum daily amount as set out in Table 2 above;

  ii. Any two (2) meals if the total duration of the trip is more than 8 hours but less than 14 hours, provided that the total cost of the two meals does not exceed the maximum amount as set out in Table 2 above.

  iii. Any one meal if the total duration of the trip is more than 4 hours but less than 8 hours, provided that the total cost of the meal does not exceed the maximum daily amount as set out in Table 2 above.

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PFMA SCM INSTRUCTION NO. 07 OF 2022/2023

PUBLIC FINANCE MANAGEMENT ACT
(ACT 1 OF 1999)

COST CONTAINMENT MEASURES RELATED TO TRAVEL AND SUBSISTENCE

TO ALL:	ACCOUNTING OFFICERS OF DEPARTMENTS ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS ACCOUNTING AUTHORITIES OF SCHEDULE 2 AND 3 PUBLIC ENTITIES HEAD OFFICIALS OF PROVINCIAL TREASURIES

1. PURPOSE

1.1. The purpose of this National Treasury Instruction is to prescribe cost containment measures related to travel and subsistence to be implemented by accounting officers and accounting authorities.

1.2. This National Treasury Instruction must be read in conjunction with National Treasury Instruction 06 of 2022/2023 which precribes the National Travel Framework (NTF) for further understanding and definitions.

2. SCOPE OF APPLICATION

2.1. This Treasury Instruction applies to all Travellers[1] travelling on Official Business.[2]

2.2. This Treasury Instruction applies to the staff of Ministries and the support staff[3] of Traditional Leaders[4] appointed by the relevant provincial department.

2.3. This Treasury Instruction does not apply to:

a) Members,[5] as defined in the Guide for Members of the Executive;[6]

b) Traditional Leaders as defined in the Traditional Leadership Handbook;

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[1] Traveller means a person travelling at the behest of the Institution on Official Business. Institutions may include other categories of Travellers, e.g. executives, other policy beneficiaries in line with applicable employment conditions (e.g. Institution bereavement, wellness and recruitment policies); Research collaboration support such as researchers and postgraduate students utilising shared research platforms; Non-executive members; appointed members of a Committee; appointed members of a Commission of Enquiry; persons appointed as advisors on grounds of policy considerations in terms of section 12A of the Public Service Act of 1994; interview candidates, invited guests, care attendants to a Traveller with a disability and other government employees where an employer-employee relationship exists as defined in the Labour Relations Act or similar, e.g. International Labour law (in the case of employees based in foreign countries) and other applicable legislation.

[2] Official Business in relation to this Instruction, means, travel and related costs associated with the authorised performance of the Institution's functions in terms of its mandate and strategic, operational and performance plans.

[3] Personal secretaries (assistants), personal support staff, private office support staff, researchers, professional staff (technical advisers, economists, legal advisers, and drivers).

[4] **"Traditional Leader"** means any king or queen, principal traditional leader, senior traditional leader, headman or headwoman who has been recognised in terms of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)or any relevant provincial law.

[5] "**Member/s**" means a Minister, Deputy Minister, Premier, Member of the Executive Council (MEC) and a Presiding Officer/Deputy Presiding Officer in Parliament or in a Provincial Legislature, except in cases where specific categories of the above members are mentioned as national or provincial members.

[6] Guide for the Members of the Executive.(2019)

c) The Chief Justice of South Africa, the Deputy Chief Justice and the other judges of the Constitutional Court;

d) The President, Deputy President and other judges of the Supreme Court of Appeal;

e) The Judge President, Deputy Judge President and other judges of each of the High Courts;

f) Regional and district magistrates of the Magistrates' Courts;

g) The judges of other courts established by an Act of Parliament; and

h) Members of a Presidential Commission.

3. ENFORCEMENT OF THIS TREASURY INSTRUCTION

3.1. Section 38(1)(b) of the PFMA requires accounting officers of departments, trading entities or constitutional institutions to be responsible for the effective, efficient, economical and transparent use of their respective institutions' resources. Sections 38(1)(c)(iii) and 51(1)(b)(iii) of the PFMA also require accounting officers and accounting authorities to take effective and appropriate steps to manage the available working capital of their respective institutions efficiently and economically.

3.2. Accounting officers and accounting authorities are therefore required to implement control measures to ensure that all expenditure incurred by their respective institutions is necessary, appropriate and cost-effective. Accounting officers and accounting authorities are also required to ensure that all invoices related to amongst others travel related transactions are paid within 30 days from receipt of an invoice, unless otherwise agreed in a contract or other agreement with the supplier.

3.3. Accounting officers and accounting authorities are also responsible for ensuring that all employees in their respective institutions are mindful of the current economic realities of scarcity and intensify efforts to improve efficiency in expenditure and exercise oversight over supply chain management processes and procedures.

4. COMPLIANCE WITH COST CONTAINMENT MEASURES

Institutions must assist employees involved in the arrangement of travel to comply with the provisions of this Treasury Instruction to avoid possible irregular and fruitless and wasteful expenditure.

5. COST CONTAINMENT MEASURES

5.1 GENERAL PRINCIPLES

5.1.1 Institutions will allow the Travel Booker[7] or the appointed Travel Management Company (TMC), to make travel arrangements on behalf of the Institution that is in line with the provisions of the Institution's Travel Policy and this Treasury Instruction.

[7] Travel Booker: means the person coordinating travel reservations with the Travel Management Company consultant on behalf of the Traveller.

5.1.2 Travel Bookers, TMCs and Travellers must impartially consider the rates and fares available. Travel bookings must not be based on personal preferences for a particular travel service provider, access to lounges or the accumulation of reward and loyalty points.

5.1.3 Travel Bookers or the TMC must compare the best price of the day of various airline fares, accommodation establishment rates and car rental rates before confirming a booking, maintaining the principles of competitiveness and cost effectiveness in supporting the Institution's sustainability.

5.1.4 Institutions must make bookings:

a) utilising the government negotiated corporate rates and fares where applicable, e.g. discounted air fares with airlines;

b) utilising their institutional negotiated rates and fares;

c) where the TMC can obtain better rates or fares; or

d) for accommodation within the maximum allowable rates as prescribed by the National Treasury.

5.1.5 In cases where the trip includes both air and land arrangements, Travel Bookers or the TMC must select the mode and combination thereof that is the most cost-effective and practical, taking into account the total cost of the trip.

5.1.6 The double payment of expenses is prohibited, e.g. an official cannot claim for meal expenses if meals are already included in the accommodation and, or conference arrangements.

5.1.7 Accounting officers and accounting authorities must reduce an allowance where the Institution or another party or host are paying for the claimed expenses. The Institution must recovers the over payment from the Traveller in accordance with applicable the prescripts.

5.2 EMPLOYEES TRAVELLING ON SAME ENGAGEMENTS

5.2.1 Accounting officers and accounting authorities must implement policies and procedures to restrict the number of officials and persons appointed on policy considerations[8] travelling to the same event, conference, consultation or meeting to reasonable and necessary representation, including representations to Parliament or Provincial Legislatures.

5.2.2 Where more than one Traveller/official is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services in order to reduce the cost. This provision also applies to SMS officials using their own vehicle or MMS that has structured for a vehicle allowance.

5.2.3 The provisions of paragraphs 5.2.1 and 5.2.2 of this Treasury Instruction does not apply to:

a) Accounting officers (AO)/Directors-General or person holding equivalent ranks in departments;

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[8] Policy Advisors appointed in terms of section 12A of the Public Service Act, 1994.

b) Deputy Directors-General or persons holding equivalent ranks in departments;[9]

c) AO/Chief Executive Officer of constitutional institutions;

d) Officials at the level of management that report directly to the AO of a constitutional institution;

e) Members of the Board of a public entity (schedule 2 and 3 of the PFMA);

f) The Chief Executive Officer or other person in charge of a public entity;

g) Members of the executive committee that report directly to the Chief Executive Officer or to any other person in charge of a public entity;

h) Non-executive members serving on any Governance Committee of Institutions;[10] and

i) Officials of departments, constitutional institutions and public entities performing official duties in Parliament or in a provincial legislature other than those referred to in paragraph 5.2.1 above.

5.3 AIR TRAVEL

5.3.1 National Treasury has negotiated with some domestic airlines for upfront discounted air fares for government employees travelling on official business. Copies of the agreements are available on request. Due to confidentiality clauses in the agreements, National Treasury cannot publish the discounts in the public domain.

5.3.2 Travel bookers must consider the following when selecting a fare for air travel:

a) Fare class: all air travel must be booked using the best price of the day and in the class of travel permitted under this instruction.

b) Fare type: the use of restricted fare types as follows:

i. where there is a high degree of certainty of arrival or departure times, Travellers, Travel Bookers and TMC must consider restricted fare types;

ii. where there is a possibility that a scheduled meeting will not proceed, or there is uncertainty around the time that a scheduled meeting may conclude, Travellers, Travel Bookers and TMC must consider whether the additional cost of flexible fares outweighs the cost of possible changes or cancellation fees.

c) Value for money: Travellers, Travel Bookers and TMC must compare fare classes and types across airlines servicing the particular route required.

d) Advance booking: in order to benefit from the available best price of the day, domestic travel should be booked at least seven days in advance, where possible. The most cost effective options are available when making travel bookings/reservations more than 14 days prior to departure.

[9] This does not apply to persons holding other ranks/positions in departments but who are remunerated at salary levels 15.

[10] These Governance Committees include audit, risk, social and ethics and remuneration committees.

International travel should be booked at least three weeks in advance, where possible.

5.3.3 Institutions must use the negotiated discounted rates. The agreements are ***not exclusive*** agreements and, before confirming a booking, Institutions must ensure that their appointed TMCs or Travel Booker, compare the discounted rates with all other airline rates that is servicing the specific route, including the low cost carriers.

5.3.4 In order to make full use of the corporate discounts, institutions must instruct their TMCs or Travel Bookers to book against the relevant deal codes[11] assigned to Government by the airlines.

5.3.5 Air Travel (including travel to neighbouring and regional countries) that are five hours or less (from origin airport to destination airport)

5.3.5.1 The standard of air travel for **Domestic air travel** of five hours or less must be in **economy class**, with consideration of **restricted fare types** as described in 5.3.2(b). Any exceptions to this rule must be approved by the AO/Accounting Authoity (AA) or delegated official.

5.3.5.2 Business class is permitted in exceptional cases for trips less than five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.

5.3.5.3 Despite paragraphs 5.3.5.1 and 5.3.5.2, AO/AAs or delegated officials of Institutions may approve the purchase of business class tickets–

a) for Travellers with disabilities;[12]

b) for Travellers with special needs[13] based on medical grounds;

c) where the business class ticket is the same price or cheaper than the economy class ticket to the same destination.[14]

5.3.5.4 In cases where economy class flights are not available,[15] Travel Bookers or TMC are not allowed to book business class unless approved by the AO/AA or delegated official, where it has been confirmed that the airline class was full and no other applicable flights are available.

5.3.6 International Air Travel exceeding five hours

5.3.6.1 International travel requires the approval of the most senior official or a duly delegated official of the Institution.

[11] The code that the Travel Management Companies must quote/insert when making the booking in order to benefit from the negotiated discounted fares. The Government Institution will not get the discount if the deal code is not used.

[12] Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair.

[13] Special needs means a distinctly different need of a Traveller that requires the AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.

[14] A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes.

[15] A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes

5.3.6.2 The standard of air travel for international flights exceeding five hours shall be **economy class**, however, the AO/AA or delegated official may approve a higher class based on the merits of each request.

5.3.6.3 Business class is permitted for trips that exceed five hours (from origin airport to destination airport) but requires prior approval of the AO/AA or delegated official.

5.3.6.4 Business class tickets may only be purchased for the following persons, unless the person elects to fly economy class:

a) Directors-General or persons holding equivalent ranks in departments;

b) Deputy Directors-General or persons holding equivalent ranks in a department;[16]

c) Persons appointed on grounds of policy considerations in terms of section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities);

d) AO/CEO of constitutional institutions;

e) Officials at the level of management that report directly to the AO of a constitutional institution;

f) Members of Boards of public entities (schedule 2 and 3 of the PFMA);

g) The CEO or other person in charge of the public entity;

h) Members of the executive committee that report directly to the CEO or to any other person in charge of the public entity; and

i) Non-executive members serving on any Governance Committee of an Institution.[17]

5.3.6.5 Despite paragraphs 5.3.6.2 to 5.3.6.4, the AO/AA or delegated official may approve the purchase of business class tickets–

a) for Travellers with disabilities;[18]

b) for Travellers with special needs[19] based on medical grounds;

c) where the business class ticket is the same price or cheaper than the economy class ticket to the same destination;[20]

d) For a Traveller accompanying a person entitled to travel at a higher class if the traveller is required to maintain contact with that person for business purposes, e.g. travelling together to make a presentation shortly after arrivalor.

5.3.6.6 In cases where economy class flights are not available Travel Bookers or TMCs are not allowed to book business class unless approved by the AO/AA

[16] This does not apply to persons holding other ranks/positions but who are remunerated at salary levels 14 or 15.
[17] These Governance Committees include audit committees and risk management committees
[18] Disability for purposes of this document is defined as a person who are physically impaired and/or requires assistance to move or are depended upon a wheelchair.
[19] The term 'Special needs' means a distinctly different need of a Traveller that requires the AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.
[20] A complete and accurate trail of such cases must be kept by the AO/AA or Delegated Official for audit purposes.

or delegated official, where it has been confirmed that the airline class was full and no other applicable flights are available.

5.4 ACCOMMODATION

5.4.1 AA/AO must ensure that domestic accommodation expenditure does not exceed the maximum allowable rates set out in the Domestic Accommodation Rate Grid enclosed as **Annexure A** to this Treasury Instruction. National Treasury will review the rates as and when necessary.

5.4.2 Domestic overnight accommodation for travellers is limited to instances where—

a) the distance travelled exceeds 300 kilometres on a return journey (150km each way) from the place of work to the destination;
b) the meeting/ conference/workshop is held over a number of days; or
c) the event finishes after hours.

5.4.3 When choosing domestic or international accommodation, the Travel Booker or TMC must choose the lowest rate available at suitable accommodation establishments within reasonable distance from place of duty. The Travel Booker will select the most appropriate star rating, based on what is allowed in this Instruction, business requirements and total cost of travel (typically, accommodation rates plus transportation costs).

5.4.4 Domestic accommodation selected must not exceed the maximum allowable rates as prescribed by National Treasury. Any exceptions to this rule must be approved by the AO/AA or delegated official.

5.4.5 The AO/AA or delegated official may only approve domestic accommodation costs that exceed the maximum allowable rates under the following circumstances:

a) during peak holiday periods;[21]

b) when the demand is high and the accommodation establishments are sold out;

c) the accommodation that is still available is priced higher than the maximum allowable rates. In this case the Travel Booker will book the most reasonable option and retain a record of why the maximum was exceeded;

d) when officials are required to stay over in the accommodation establishment where the Official Business is conducted to avoid additional traveling cost; and

e) if there is an operational requirement.[22]

5.4.6 Expense claims for meals may not be paid to the Traveller if meals are already included in the accommodation rate or conference fee.

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[21] Peak holiday period means a period during South African school holidays and public holidays as provided for in the South African calendar.

[22] Example: VIP Protectors to stay in the same hotel as their VIP; Visiting Heads of State / Heads of Government; during major events such as WEF, SADC etc. where the hiring of an operational room in the hotel where the VIP's are accommodated is necessary. Furthermore is it sometimes an operational requirement for an entire delegation to stay in the same place of accommodation to reduce additional travelling cost.

5.4.7 Special dietary requirements must be considered when the most relevant accommodation option is booked. If the accommodation establishment does not cater for special dietary requirements, then a room excluding meals must be booked (bed-and-breakfast or room only). The Traveller may claim the actual expenditure for the Meals (not exceeding the maximum daily amount and must be accompanied by receipts as supporting evidence).

5.4.8 In cases where the accommodation establishment does not offer meal facilities, the Travel Booker or TMC must book the room only or bed-and-breakfast options. The Traveller may claim the actual expenditure for the meals (not exceeding the maximum daily amount and must be accompanied by receipts as supporting evidence).

5.4.9 Some accommodation establishments do not offer meal facilities and will provide meal vouchers in lieu of the meal which can be redeemed at facilities with which the establishment have made arrangements. The Traveller must not request or demand cash from an accommodation establishment in lieu of the meal cost included in the Institution's Travel Accommodation Voucher. Such action is misconduct and must be dealt with in terms of the Institution's Disciplinary Policy. In exceptional cases, where the accommodation establishment offers cash because there is no alternative, it may be accepted.

5.4.10 Domestic Accommodation

5.4.10.1 South African Tourism, through its Tourism Grading Council component, is mandated to provide quality assurance of tourism products and facilities through amongst others the grading of establishments such as hotels, bed & breakfasts, guest houses and conference venues in South Africa.

5.4.10.2 In order to promote the grading establishments throughout the country, Cabinet approved that government institutions should, with effect from January 2005, procure accommodation only from graded establishments and that, in exceptional cases, the use of establishments which are not graded by the Grading Council may be permitted.

5.4.10.3 Institutions may enter into agreements, through the normal procurement process, with accommodation facilities to secure rates that are lower than the maximum allowable rates prescribed by National Treasury.

5.4.10.4 The maximum allowable rates are per star grading and type (room only, bed-and-breakfast or dinner-bed-and-breakfast) for domestic accommodation within which a Traveller is allowed to be accommodated in accordance with his or her organisational level or position within the Institution.

5.4.10.5 The standard class of domestic accommodation must be a **three-star** establishment or equivalent accommodation establishment, unless approved otherwise by the AO/AA or delegated official.

5.4.10.6 The following persons may stay in a **four-star** establishment or equivalent accommodation establishment, unless the person elects to stay in a lower graded establishment:

a) AO/Director-General or persons holding equivalent ranks in departments;
b) Deputy Directors-General or persons holding equivalent ranks in departments;
c) Persons appointed on grounds of policy considerations in terms of Section 12A of the Public Service Act, 1994 (i.e. advisors to executive authorities);
d) AO/CEO of constitutional institutions.
e) Officials at the level of management that report directly to the AO of a constitutional institution;
f) Members of the AA (Board) of public entities (schedule 2 and 3 of the PFMA);
g) The CEO or other person in charge of a public entity;
h) Members of the CEO's executive committee that report directly to the CEO or to any other person in charge of a public entity; or
i) Non-executive members serving on any Governance Committee of Institutions.[23]

5.4.10.7 Despite paragraphs 5.4.10.5 and 5.4.10.6 above, a higher star graded establishment may be booked (irrespective of the organisational level or position) under the following circumstances:[24]

a) Where the rate of the higher star graded establishment is equal or lower than the lower star graded establishment and within the limits of the maximum allowable rates permitted;

b) the higher star graded establishment is the only available option due to location and availability;

c) the institution has negotiated lower rates with the higher star graded establishment and the rates are within the limits of the maximum allowable rates permitted.

d) in all cases the principle of cost-effectiveness must prevail. The lowest rate available at suitable accommodation establishments within reasonable distance from place of work. The Travel Booker will determine the most appropriate star rating, based on an assessment of government business requirements and total cost of travel (typically, accommodation rates plus transportation costs).

5.4.10.8 In exceptional cases the AO/AA or delegated official may approve a deviation from paragraphs 5.4.10.5 and 5.4.10.6 above with justifiable reasons and accurately recorded for audit purposes.

5.4.11 International Accommodation

5.4.11.1 International travel requires the approval of the most senior official or a duly delegated official of the Institution.

[23] These Governance Committees include audit, risk and remuneration committees.
[24] A Complete and accurate trail of such cases must be kept by the Institution for audit purposes.

5.4.11.2 The approval submission must comply with the requirements of the National Travel Policy Framework, with specific reference to the financial implications and be approved by the most senior official or a duly delegated official.

5.5 GROUND TRANSPORTATION

5.5.1 In cases where the Official Business trip includes both air and road travel, Travel Bookers or TMCs must select the mode and combination thereof that is the most cost-effective and practical, taking into account the total cost of the Official Business trip and time consumed.

5.5.2 Where more than one Traveller is attending the same event or meeting, they must co-ordinate the renting of cars or shuttle services in order to reduce the cost. This provision also applies to SMS officials using their own vehicle or MMS that has structured for a vehicle allowance.

5.5.3 Travellers may make use of public transport such as Uber, Gautrain, taxi, municipal bus services, etc. or shuttle services when travelling to and from the airport if it is safe and more cost effective than the cost of car rental and, or, the cost of parking and, or, kilometres claimed.

5.5.4 AOs/AAs are responsible for the cost-effective management of travel reimbursement and vehicle hire (car rental) expenses and for the adoption of policies and procedures to this effect.

5.5.5 Car Rental

5.5.5.1 The Travel Booker or TMC must book a rental vehicle for the period that it is actually required for Official Business.

5.5.5.2 The Traveller must return the rental vehicle within the specified rental period or notify the Travel Booker or TMC to make additional arrangements with the Car Rental Company. If the Traveller fails to inform the Travel Booker or the TMC, where it was in his or her ability to do so, and additional charges are incurred, the Institution will settle the account, and if the Traveller is found liable, recover the amount from the Traveller.

5.5.5.3 If the Traveller needs to extend the rental period for Official Business purposes, the Traveller must obtain approval from the Authorising Official and the TMC will issue a Travel Voucher for the extended period.

5.5.5.4 The various Car Rental Companies use different groups and, or SIPP codes to categorise their vehicles. Please refer to **Annexure B** for the various Car Rental Companies' Group and SIPP code categorisation.

5.5.5.5 The default car types to be booked are vehicles categorised as **"Mini, Economy or Compact"** also known as **Group B**, subject to availability and cost effectiveness.

5.5.5.6 The following officials may hire a higher class vehicle (categorised as "Intermediate, Standard, Premium or Luxury"), unless the person elects to hire a "Mini, Economy or Compact" type of vehicle:

a) AO/Director-General or persons holding equivalent ranks in departments;
b) AO and CEO of constitutional institutions;
c) Members of the Boards of public entities (schedule 2 and 3 of the PFMA); and
d) The CEO or other person in charge of a public entity.

5.5.5.7 Officials with a disability who require the use of an automatic vehicle or officials who have a restriction on their driver's license may hire a "Mini, Economy or Compact" type of vehicle with an automatic transmission. The hiring of an automatic vehicle for any other Traveller must be approved by the AO/AA or delegated official.

5.5.5.8 Despite paragraphs 5.5.5.5 to 5.5.5.7 above, AOs/AAs or delegated officials may approve the hiring of an "Intermediate, Standard, Premium or Luxury" type vehicle, minibus, bus (above 16 seater) or passenger van in instances where:

a) three or more Travellers are travelling together;
b) the return journey to be travelled exceeds 400 kilometres to and from the destination (return journey);
c) the special needs[25] of a Traveller (based on medical grounds) are to be catered for;
d) extra luggage must be accommodated;
e) transportation of more than 16 passengers; or
f) transporting of foreign dignitaries.

5.5.5.9 A different class of vehicle (e.g. Intermediate or Standard sports utility vehicle or 4X4) may be hired if required for a particular terrain. Mountainous and gravel roads are considered difficult terrain and vehicles with higher ground clearance may be required.

5.5.5.10 A Traveller is permitted to accept a higher category of rental vehicle if such an upgrade is offered free of charge. A Traveller is, under no circumstances, allowed to demand such an upgrade.

5.6 ENGAGEMENT OF TRAVEL MANAGEMENT COMPANIES

5.6.1 The Institution may appoint one or more Travel Management Companies. This must be done in accordance with the applicable prescripts and instructions issued by National Treasury to effectively and efficiently manage the Institution's travel services.

5.6.2 The working relationship between the TMC and the Institution shall be regulated by a Service Level Agreement, which amongst others, shall require the TMC to:

a) obtain the best possible travel arrangements with the most competitive option when making travel bookings. In doing so, the TMC must be mindful of cost and value for money and provide competitive rates and best prices; and

[25] The term 'Special needs' means a distinctly different need of a Traveller that requires AO/AA or Delegated Official to make a judgment call to provide for such a need. A medical certificate noting the medical need and the applicable period of time must be provided.

b) constantly provide feedback on bookings including any pertinent information regarding the Official Business trip to the Traveller, and resolutions of any concerns raised by Travellers on the services rendered by the TMC.

5.6.3 The Institution must manage the TMCs to deliver cost-effective and operationally efficient support in achieving the Institution's mandate.

5.6.4 All rates offered by TMCs to Institutions for domestic air and land arrangements must be net and non-commissionable.[26] This will include rates offered by domestic airlines, hotels, car rental companies and the informal accommodation market e.g. Guest Houses, Bed & Breakfast or similar establishments.

5.6.5 A transparent relationship between the Institution and the TMC must be maintained and any commissions earned through an Institution's volumes will be reimbursed to that Institution. Where it is found or suspected that commissions are earned by the TMC for a specific Institution's travel bookings, the Institution may demand that all these commissions be declared and reimbursed to the relevant Institution or set-off against the TMC fees to the credit of the Institution.

5.6.6 Institutions will only pay the transaction fees or management fees as agreed in the Service Level Agreement between the parties and the actual cost of the airline ticket, Accommodation, car hire or shuttle service.

5.6.7 In the absence of the contracted services of a Travel Management Company, Institutions must administer the procurement of travel related services via the prescribed procurement processes.

5.6.8 Only the services as approved and described on the Travel Voucher that correspond with the Travel Authorisation Form is for the account of the Institution and the TMC only invoices this to the Institution. The Institution may instruct the TMC to invoice all other unauthorised expenses separately to the Institution. The Institution must settle the account, and if the Traveller is found liable, recover the amount from the Traveller, subject to the applicable prescripts.

5.6.9 In the event of an After-Hours Reservation, the TMC must execute the request based on a verbal approval or approval via Short Message Service (SMS) or email from the Authorising Official. The Institution must present the Travel Authorisation Form or purchase order to the TMC within 72 hours after the request was executed by the TMC or where not practical, within 24 hours upon return to the place of work, to avoid irregular or fruitless and wasteful expenditure. The TMC must follow up with the Institution and upon failure by the Institution to submit the Travel Authorisation Form or purchase order, the TMC may proceed to invoice the transaction.

5.7 EXPENSE MANAGEMENT AND REIMBURSEMENT

5.7.1 Institutions must have a travel and subsistence policy (Institutional Travel Policy) in terms of which the Institution will pay employees who are required to spend at least one night away from their usual place of residence on local travel for business

[26] The net and non-commissionable rate means a rate that does not include any third party reward, i.e. a rate that is not marked up to include any commissions.

purposes, an allowance for each night away to cover personal expenses such as meals, refreshments and laundry.

5.7.2 Travel expenses must be properly documented and approved according to the Institutional Travel Policy and/or procedures. It is each Traveller's responsibility to adhere to these policies and/or procedures when involved with travel expenditure on behalf of the Institution. Further, it is the responsibility of the Authorising Official to be familiar with the reason for the expenditure and to be satisfied that they have been reported and claimed in a manner consistent with the Institution's policies and/or procedures.

5.7.3 The DPSA annually publishes a "Financial Manual for the Purposes of Calculation and Application of Allowances and Benefits" and issues Circulars indicating any adjustments of allowances and tariffs contained in the Financial Manual.

5.7.4 The PSCBC Resolution 3 of 1999 makes provision for various kinds of remunerative allowances and benefits related to travel.

5.7.5 Institutions to which the DPSA Financial Manual and the PSCBC Resolution 3 of 1999 do not apply must use the published South African Revenue Service (SARS) subsistence allowance and advance rates.

5.7.6 Institutions must familiarise themselves with these provisions and apply them accordingly.

5.8 REIMBURSABLE EXPENSES

The following expenses are reimbursable via the Institution's expense claim policy and/or procedures while on Official Business. Institutions may only reimburse costs on submission of proof of expenditure.

a) parking costs at airports, hotels and conferences;
b) toll fees (excluding SAPS and DOD who are exempt);
c) laundry expenses;
d) cost of meals (if not included in the Accommodation voucher);
e) mileage on the use of private vehicle;
f) use of business centres and communication at Accommodation Establishments or event facilities;
g) business travel vaccination requirements;
h) visas or expenses related to obtaining business visas or passports;
i) excess luggage if it is for business purposes;
j) loss as a result of exchange rate fluctuations;
k) public transport expenses;
l) refuelling of hired vehicles;or
m) any other expense related to the Official Business trip on a case-by-case basis and approved by the Authorising Official.

5.9 NON-REIMBURSABLE EXPENSES

5.9.1 The following expenses may not be claimed:

a) Tips or gratuities for waitering staff included in the bills for meals;
b) room service or tray service;
c) alcoholic beverages;
d) consumable items taken from mini bars in an accommodation establishment;
e) personal phone calls;
f) private travelling;
g) internet connectivity for private purposes at accommodation establishments, airports and other public places;
h) overweight and, or over-limit baggage expenses, unless it is due to Official Business purposes;
i) fees incurred to access the health club or fitness centres of accommodation establishments; and
j) any other expenses not directly linked to official business.

5.10 KILOMETERS TRAVELLED

Institutional policies must make provision for the management of kilometres claimed when using a private vehicle for Official Business purposes. Specific focus should be given to the following areas:

5.10.1 Kilometers claimed. All claims must be based on the actual distance travelled calculated from the place of work to the destination.

5.10.2 Kilometer claim rate.[27] Traveller will be compensated for the official kilometres travelled, either according to the Tariffs for the Use of Motor Transport, as determined by the DoT or the SARS kilometre rates, whichever is applicable to the Institution.

5.10.3 Incorrect mileage and engine size: Where it is found or suspected that travellers are claiming incorrect mileage or incorrect engine size in an attempt to defraud government, the Institution may institute disciplinary actions and deduct the amount from the Traveller's salary, subject to applicable prescripts.

6. APPLICABILITY

This Treasury Instruction applies to all departments, constitutional institutions and public entities listed in Schedules 2 and 3 to the PFMA.

7. REPEAL OF NATIONAL TREASURY INSTRUCTION

National Treasury Instruction No. 4 of 2017/2018 on Cost Containment Measures related to Travel and Subsistence dated 25 May 2017 is hereby repealed.

[27] https://www.sars.gov.za/AllDocs/OpsDocs/Guides/PAYE-GEN-01-G03%20-%20Guide%20for%20Employers%20in%20respect%20of%20Allowances%20-%20External%20Guide.pdf

8. DISSEMINATION OF INFORMATION CONTAINED IN THIS INSTRUCTION

8.1 Accounting officers of departments and constitutional institutions must bring the contents of this Instruction to the attention of:

a) Chief Financial Officers and supply chain management officials of their respective departments and constitutional institutions;
b) Accounting authorities of public entities reporting to their executive authorities.

8.2 Heads of provincial treasuries are requested to bring the contents of this Instruction to the attention of accounting officers, chief financial officers and supply chain management officials in their respective provincial departments.

8.3 Accounting authorities of Schedules 2 and 3 public entities must bring the contents of this Instruction to the attention of Chief Financial Officers and supply chain management officials of their respective public entities.

9. AUTHORITY FOR THIS INSTRUCTION

This Treasury Instruction is issued in terms of section 76(4)(b) and (c) of the of the Public Finance Management Act, 1999 (Act No. Act 1 of 1999).

10. EFFECTIVE DATE

This Treasury Instruction takes effect on 1 September 2022.

11. CONTACT INFORMATION

11.1 Accounting officers and accounting authorities of departments, constitutional institutions, public entities and government business enterprises may submit formal enquires in terms of this Treasury Instruction to:

The Chief Procurement Officer
National Treasury
Private Bag X115
PRETORIA
0001
For attention: The Chief Procurement Officer
cpo@treasury.gov.za

11.2 Queries related to this Treasury Instruction may be submitted to:

Phale Naake
Director: Strategic Procurement
012 315 5883
phale.naake@treasury.gov.za

MOLEFE ISAAC FANI
ACTING CHIEF PROCUREMENT OFFICER
DATE: 7 July 2022

ATTACHMENTS

ANNEXURE A: MAXIMUM ALLOWABLE RATES FOR DOMESTIC ACOMMODATION AND MEALS

ANNEXURE B: CAR RENTAL GROUPS AND SIPP CODES

TAX CLEARANCE

TCC 001

Application for a Tax Clearance Certificate

Purpose

Select the applicable option .... Tenders Good standing

If "Good standing", please state the purpose of this application

Particulars of applicant

Name/Legal name
(Initials & Surname or registered name)

Trading name
(if applicable)

ID/Passport no

Company/Close Corp. registered no

Income Tax ref no

PAYE ref no 7

VAT registration no 4

SDL ref no L

Customs code

UIF ref no U

Telephone no

Fax no

E-mail address

Physical address

Postal address

Particulars of representative (Public Officer/Trustee/Partner)

Surname

First names

ID/Passport no

Income Tax ref no

Telephone no

Fax no

E-mail address

Physical address

Particulars of tender (If applicable)

Tender number

Estimated Tender amount R ,

Expected duration of the tender year(s)

Particulars of the 3 largest contracts previously awarded

Date started	Date finalised	Principal	Contact person	Telephone number	Amount

Audit

Are you currently aware of any Audit investigation against you/the company? YES NO
If "YES" provide details

Appointment of representative/agent (Power of Attorney)

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct ______ to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

Signature of representative/agent

Date

Name of representative/ agent

Declaration

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

Signature of applicant/Public Officer

Date

Name of applicant/ Public Officer

Notes:

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
   (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
   (b) without just cause shown by him, refuses or neglects to-
      (i) furnish, produce or make available any information, documents or things;
      (ii) reply to or answer truly and fully, any questions put to him ...
   As and when required in terms of this Act ... shall be guilty of an offence ...
3. **SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.**
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

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

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

2.2.1 If so, furnish particulars:

....
...

....
...

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

2.3.1 If so, furnish particulars:

....

....

3 DECLARATION

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

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

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

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

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

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

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

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

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

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE IS CORRECT.
I ACCEPT THAT THE STATE MAY REJECT THE BID OR ACT AGAINST ME IN TERMS OF PARAGRAPH 6 OF PFMA SCM INSTRUCTION 03 OF 2021/22 ON PREVENTING AND COMBATING ABUSE IN THE SUPPLY CHAIN MANAGEMENT SYSTEM SHOULD THIS DECLARATION PROVE TO BE FALSE.

……………………………………………………………………

Signature	Date

…………………………………… ……………………………………………

Position	Name of bidder

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

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

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

---

1. GENERAL CONDITIONS

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

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

1.2

a) The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the **90/10** preference point system shall be applicable; or

b) Either the 80/20 or 90/10 preference point system will be applicable to this tender (*delete whichever is not applicable for this tender*).

1.3 Points for this bid shall be awarded for:

(a) Price; and

(b) B-BBEE Status Level of Contributor.

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

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

1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.

1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

2. DEFINITIONS

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

(b) "**B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

(c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;

(d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);

(e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(f) **"functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.

(g) **"prices"** includes all applicable taxes less all unconditional discounts;

(h) **"proof of B-BBEE status level of contributor"** means:

1) B-BBEE Status level certificate issued by an authorized body or person;

2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;

3) Any other requirement prescribed in terms of the B-BBEE Act;

(i) **"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

(j) **"rand value"** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

3. POINTS AWARDED FOR PRICE

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

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

80/20 **or** **90/10**

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

Where

Ps = Points scored for price of bid under consideration

Pt = Price of bid under consideration

Pmin = Price of lowest acceptable bid

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

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

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

5. BID DECLARATION

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

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

6.1 B-BBEE Status Level of Contributor: . = ………(maximum of 10 or 20 points)

(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

7. SUB-CONTRACTING

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

(*Tick applicable box*)

YES		NO	

7.1.1 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
(*Tick applicable box*)

YES		NO	

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

Designated Group: An EME or QSE which is at last 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		

Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

8. **DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name of company/firm:...

8.2 VAT registration number:...

8.3 Company registration number:..

8.4 TYPE OF COMPANY/ FIRM

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

8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES

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

8.6 COMPANY CLASSIFICATION

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

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

8.8 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we acknowledge that:

i) The information furnished is true and correct;

ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;

iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;

iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –

(a) disqualify the person from the bidding process;

(b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;

(c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;

(d) recommend that the bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(e) forward the matter for criminal prosecution.

WITNESSES 1. …………………………………… 2. ……………………………………	…………………………………… SIGNATURE(S) OF BIDDERS(S) DATE: …………………………………… ADDRESS …………………………………… …………………………………… ……………………………………

DECLARATION CERTIFICATE FOR LOCAL PRODUCTION AND CONTENT FOR DESIGNATED SECTORS

This Standard Bidding Document (SBD) must form part of all bids invited. It contains general information and serves as a declaration form for local content (local production and local content are used interchangeably).

Before completing this declaration, bidders must study the General Conditions, Definitions, Directives applicable in respect of Local Content as prescribed in the Preferential Procurement Regulations, 2017, the South African Bureau of Standards (SABS) approved technical specification number SATS 1286:2011 (Edition 1) and the Guidance on the Calculation of Local Content together with the Local Content Declaration Templates [Annex C (Local Content Declaration: Summary Schedule), D (Imported Content Declaration: Supporting Schedule to Annex C) and E (Local Content Declaration: Supporting Schedule to Annex C)].

1. General Conditions

1.1. Preferential Procurement Regulations, 2017 (Regulation 8) make provision for the promotion of local production and content.

1.2. Regulation 8.(2) prescribes that in the case of designated sectors, organs of state must advertise such tenders with the specific bidding condition that only locally produced or manufactured goods, with a stipulated minimum threshold for local production and content will be considered.

1.3. Where necessary, for tenders referred to in paragraph 1.2 above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local production and content and the second stage price and B-BBEE.

1.4. A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

1.5. The local content (LC) expressed as a percentage of the bid price must be calculated in accordance with the SABS approved technical specification number SATS 1286: 2011 as follows:

$$LC = [1 - x / y] * 100$$

Where
x   is the imported content in Rand
y   is the bid price in Rand excluding value added tax (VAT)

Prices referred to in the determination of x must be converted to Rand (ZAR) by using the exchange rate published by South African Reserve Bank (SARB) at 12:00 on the date of advertisement of the bid as indicated in paragraph 4.1 below.

The SABS approved technical specification number SATS 1286:2011 is accessible on http:/www.thedti.gov.za/industrial development/ip.jsp at no cost.

1.6. A bid may be disqualified if this Declaration Certificate and the Annex C (Local Content Declaration: Summary Schedule) are not submitted as part of the bid documentation;

2. The stipulated minimum threshold(s) for local production and content (refer to Annex A of SATS 1286:2011) for this bid is/are as follows:

Description of services, works or goods	Stipulated minimum threshold
_______________	_______%
_______________	_______%
_______________	_______%

3. Does any portion of the goods or services offered have any imported content?
(*Tick applicable box*)

YES		NO	

3..1 If yes, the rate(s) of exchange to be used in this bid to calculate the local content as prescribed in paragraph 1.5 of the general conditions must be the rate(s) published by SARB for the specific currency at 12:00 on the date of advertisement of the bid.

The relevant rates of exchange information is accessible on www.reservebank.co.za

Indicate the rate(s) of exchange against the appropriate currency in the table below (refer to Annex A of SATS 1286:2011):

Currency	**Rates of exchange**
US Dollar	
Pound Sterling	
Euro	
Yen	
Other	

NB: Bidders must submit proof of the SARB rate (s) of exchange used.

4. Where, after the award of a bid, challenges are experienced in meeting the stipulated minimum threshold for local content the dti must be informed accordingly in order for the dti to verify and in consultation with the AO/AA provide directives in this regard.

LOCAL CONTENT DECLARATION
(REFER TO ANNEX B OF SATS 1286:2011)

LOCAL CONTENT DECLARATION BY CHIEF FINANCIAL OFFICER OR OTHER LEGALLY RESPONSIBLE PERSON NOMINATED IN WRITING BY THE CHIEF EXECUTIVE OR SENIOR MEMBER/PERSON WITH MANAGEMENT RESPONSIBILITY (CLOSE CORPORATION, PARTNERSHIP OR INDIVIDUAL)

IN RESPECT OF BID NO. ....

ISSUED BY: (Procurement Authority / Name of Institution):
....

NB

1 The obligation to complete, duly sign and submit this declaration cannot be transferred to an external authorized representative, auditor or any other third party acting on behalf of the bidder.

2 Guidance on the Calculation of Local Content together with Local Content Declaration Templates (Annex C, D and E) is accessible on http://www.thdti.gov.za/industrial_development/ip.jsp. Bidders should first complete Declaration D. After completing Declaration D, bidders should complete Declaration E and then consolidate the information on Declaration C. **Declaration C should be submitted with the bid documentation at the closing date and time of the bid in order to substantiate the declaration made in paragraph (c) below.** Declarations D and E should be kept by the bidders for verification purposes for a period of at least 5 years. The successful bidder is required to continuously update Declarations C, D and E with the actual values for the duration of the contract.

I, the undersigned, ... (full names), do hereby declare, in my capacity as ....
of ....(name of bidder entity), the following:

(a) The facts contained herein are within my own personal knowledge.

(b) I have satisfied myself that:

(i) the goods/services/works to be delivered in terms of the above-specified bid comply with the minimum local content requirements as specified in the bid, and as measured in terms of SATS 1286:2011; and

(c) The local content percentage (%) indicated below has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E which has been consolidated in Declaration C:

Bid price, excluding VAT (y)	R
Imported content (x), as calculated in terms of SATS 1286:2011	R
Stipulated minimum threshold for local content (paragraph 3 above)	
Local content %, as calculated in terms of SATS 1286:2011	

If the bid is for more than one product, the local content percentages for each product contained in Declaration C shall be used instead of the table above.
The local content percentages for each product has been calculated using the formula given in clause 3 of SATS 1286:2011, the rates of exchange indicated in paragraph 4.1 above and the information contained in Declaration D and E.

(d) I accept that the Procurement Authority / Institution has the right to request that the local content be verified in terms of the requirements of SATS 1286:2011.

(e) I understand that the awarding of the bid is dependent on the accuracy of the information furnished in this application. I also understand that the submission of incorrect data, or data that are not verifiable as described in SATS 1286:2011, may result in the Procurement Authority / Institution imposing any or all of the remedies as provided for in Regulation 14 of the Preferential Procurement Regulations, 2017 promulgated under the Preferential Policy Framework Act (PPPFA), 2000 (Act No. 5

of 2000).

SIGNATURE: ____________________ **DATE:** __________

WITNESS No. 1 ____________________ **DATE:** __________

WITNESS No. 2 ____________________ **DATE:** __________

THE NATIONAL TREASURY

Republic of South Africa

GOVERNMENT PROCUREMENT:

GENERAL CONDITIONS OF CONTRACT

July 2010

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT
July 2010

NOTES

The purpose of this document is to:

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

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

- The General Conditions of Contract will form part of all bid documents and may not be amended.

- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if (applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.

1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.

1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.

1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.

1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.

1.7 "Day" means calendar day.

1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.

1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.

1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.

1.14 "GCC" means the General Conditions of Contract.

1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.

1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.

1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.

1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.

1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

1.20 "Project site," where applicable, means the place indicated in bidding documents.

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.

7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.

7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:

(a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or

(b) a cashier's or certified cheque

7.4 The performance security will be discharged by the purchaser and returned to the supplier not later than thirty (30) days following the date of completion of the supplier's performance obligations under the contract, including any warranty obligations, unless otherwise specified in SCC.

8. Inspections, tests and analyses

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

8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or contractor shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.

8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.

8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.

8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

(d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

(a) such spare parts as the purchaser may elect to purchase from the supplier, provided that this election shall not relieve the supplier of any warranty obligations under the contract; and

(b) in the event of termination of production of the spare parts:

(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.

15. Warranty

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

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

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

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

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

16. Payment

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

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

21. Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

(a) if the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 21.2;

(b) if the Supplier fails to perform any other obligation(s) under the contract; or

(c) if the supplier, in the judgment of the purchaser, has engaged in corrupt or fraudulent practices in competing for or in executing the contract.

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

26. Termination for insolvency

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

27. Settlement of Disputes

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

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

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

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

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

(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
(b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

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

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

29. Governing language

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

30. Applicable law

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

31. Notices

31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

32. Taxes and duties

32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

33. National Industrial Participation (NIP) Programme

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

34 Prohibition of Restrictive practices

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

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

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