

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINNG</b>							
BID NUMBER:	DHET162	CLOSING DATE:	3 September 2024	CLOSING TIME:	11:00		
DESCRIPTION	APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO RENDER INTERNAL AUDIT SERVICES AT THE NATIONAL SKILLS FUND IN A CO-SOURCED CAPACITY FOR A PERIOD OF 36 MONTHS						
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>							
The Director: Demand, Acquisition and Contract Management							
Private Bag X174							
PRETORIA							
0001							
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>				<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>			
CONTACT PERSON				CONTACT PERSON			
TELEPHONE NUMBER				TELEPHONE NUMBER			
FACSIMILE NUMBER				FACSIMILE NUMBER			
E-MAIL ADDRESS	Tenders@dhet.gov.za			E-MAIL ADDRESS	Tenders@dhet.gov.za		
<b>SUPPLIER INFORMATION</b>							
NAME OF BIDDER							
POSTAL ADDRESS							
STREET ADDRESS							
TELEPHONE NUMBER	CODE			NUMBER			
CELLPHONE NUMBER							
FACSIMILE NUMBER	CODE			NUMBER			
E-MAIL ADDRESS							
VAT REGISTRATION NUMBER							
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA		
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]		
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>							
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?					<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A BRANCH IN THE RSA?					<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?					<input type="checkbox"/> YES <input type="checkbox"/> NO		
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?					<input type="checkbox"/> YES <input type="checkbox"/> NO		
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?					<input type="checkbox"/> YES <input type="checkbox"/> NO		
<b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>							

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO 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: .....



## higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

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### REQUEST FOR TENDER

#### TERMS OF REFERENCE FOR THE APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO RENDER INTERNAL AUDIT SERVICES AT THE NATIONAL SKILLS FUND IN A CO-SOURCED CAPACITY FOR A PERIOD OF 36 MONTHS

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RFP NUMBER: **BID DHET162**

Date Issued: **6 August 2024**

Closing date and time: **3 SEPTEMBER 2024 at 11:00**

Bid Validity Period: **120 days**

#### TENDER BOX ADDRESS:

Department of Higher Education and Training

117 - 123 Francis Baard Street

Pretoria

0002

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## **REQUEST FOR TENDER**

### **Terms of Reference for the appointment of a suitable Service Provider to render internal audit services at the National Skills Fund in a co-sourced capacity for a period of 36 months**

The National Skills Fund (NSF) through the Department of Higher Education and Training (Department) is requesting potential service providers to submit proposals for a tender to render internal audit services in a co-sourced capacity at the National Skills Fund (NSF) for a period of 36 months.

## **PART A – INFORMATION ON THE TENDER**

### **1. BACKGROUND**

- 1.1 The NSF was established in terms of Chapter 7, section 27 of the Skills Development Act (SDA), 1998. The NSF is listed as a Schedule 3A public entity in terms of the Public Finance Management Act, 1999 (PFMA). Before listing as a public entity in 2012, the NSF operated as a programme under the Skills Development Branch of the Department of Higher Education and Training (DHET).
- 1.2 The NSF receives 20% of the funding through the skills development levy, a payroll tax introduced by the Skills Development Levies Act (SDLA) of 2000. The NSF provides funding for projects identified in the National Skills Development Strategy (NSDS) and the National Skills Development Plan 2030 (2030) that are focused on national priorities, and provides resources to unlock and catalyse national human development potential. These resources fund skills development, institutional capacity building, skills infrastructure development and research in the Post-School Education and Training (PSET) sector.
- 1.3 The in-house Internal Audit function of the NSF was established in May 2017. It was previously a shared function with the Department of Higher Education and Training (DHET). The Internal Audit function is based on a co-sourced business model, with limited internal capacity. Co-sourcing in this context refers to an arrangement where the in-house Internal Audit works together with an external service provider to achieve its objectives.

- 1.4 The objectives of the NSF Internal Audit function include, amongst others, the following:
  - 1.4.1 To provide independent and objective assurance and consulting services designed to add value and improve the organisation's operations.
  - 1.4.2 This will assist NSF to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

## **2. PURPOSE OF THE TENDER**

- 2.1 The purpose of the tender is to appoint a service provider with public sector experience who will assist the Internal Audit unit in rendering effective internal audit services to the National Skills Fund in a co-sourced capacity.

## **3. SCOPE AND DEFINITION OF WORK**

- 3.1 The operating model will be on a co-sourced basis to support the NSF Internal Audit directorate in both strengthening the in-house team with skills and capacity to conduct audits on behalf of Internal Audit as per the Audit Committee annually approved Internal Audit Plan.
- 3.2 The successful bidder to report directly to the Director: Internal Audit (or his/her delegate).
- 3.3 The bidders must be able to assist the in-house internal audit services in reviewing the entire operations of NSF to ensure internal controls are effective and efficient as it relates to, amongst others:
  - 3.3.1 Achievement of the organisation's strategic objectives.
  - 3.3.2 The reliability and integrity of financial and operational / performance information.
  - 3.3.3 The effectiveness and efficiency of operations and programs.
  - 3.3.4 Safeguarding of assets; and
  - 3.3.5 Compliance with laws, regulations, policies, procedures and contracts.
- 3.4 Provide NSF with skilled and experienced auditors and supervisors to conduct internal audit projects according to the approved internal audit plan that may include the following areas:

- 3.4.1 Assurance audits of operational areas, such as but not limited to grant/project life cycle reviews, project site visits, human resource management, asset management, supply chain management, procurement and contract management.
- 3.4.2 Financial and related Audits, including Financial Statement reviews in accordance with the relevant accounting framework.
- 3.4.3 Performance information reviews, including but not limited to the review of strategic plan and annual performance plans against relevant frameworks; and assessment of efficiency and effectiveness of controls to address the reliability of quarterly performance information report.
- 3.4.4 Probity audits, such as reviews of procurement processes and funding allocation processes throughout various stages prior to the conclusion of awards and/or allocations.
- 3.4.5 Information Communication Technology (ICT), including ICT General Controls, Application Controls, Network Security, ICT Governance, System Development Life Cycle (SDLC) and post implementation reviews. Knowledge of Microsoft Dynamics, BAS, PERSAL, LOGIS and SAGE PASTEL is required.
- 3.4.6 Enterprise Risk Management Audits.
- 3.4.7 Combined assurance, including assisting with inputs to policies, frameworks, plans, and related reporting.
- 3.4.8 Governance and Ethics Audits.
- 3.4.9 Compliance Audits. Knowledge of the PFMA and Treasury Regulations is required, and other relevant laws and regulations.
- 3.4.10 Determination tests for irregular, fruitless and wasteful expenditure, or material irregularities identified by the Auditor-General of South Africa (AGSA) – *if* such cases are referred to Internal Audit. NSF has the right to establish its own panel of service providers to conduct determination tests or investigations under the Loss Control Function, independent of internal audit.
- 3.4.11 Infrastructure projects or construction audit reviews.
- 3.4.12 Audit technical related opinions.
- 3.4.13 Consulting / advisory services, including policy and procedure reviews.
- 3.4.14 Quality Assurance Reviews and internal quality assurance assessments.



- 3.4.15 Performance audits (economy, efficiency, effectiveness)
- 3.4.16 Ad-hoc audits as and when requested by NSF management, the Audit Committee or Accounting Authority.
- 3.5 Execute allocated audit assignments at the NSF in line with the standards set by the International Institute of Internal Auditors. The work will also be subjected to an external quality assurance review, if necessary.
- 3.6 Assist NSF to strengthen its internal control environment by considering fraud risks in allocated internal audit projects. All serious defects in internal controls that could result in malpractice must be identified and reported to the Director: Internal Audit.
- 3.7 Provide inputs to the Director: Internal Audit for the compilation of the three year rolling and annual internal audit plan.
- 3.8 Bidders should have the ability to perform value added data analytics through computer assisted audit techniques (CAATS) to increase audit scope and efficiencies in the audit process.
- 3.9 Assist to assess the adequacy of internal and external audit action plans and provide assurance over the implementation of the audit action plans.
- 3.10 Assist NSF in achieving its objectives by evaluating and developing recommendations for the enhancement or improvement of the process through which:
  - 3.10.1 Objectives and values are established and communicated.
  - 3.10.2 The accomplishment of objectives is monitored.
  - 3.10.3 Accountability is ensured; and
  - 3.10.4 Corporate values are preserved.
- 3.11 The Internal Audit Methodology of the NSF must be followed during the audit assignments, unless specialist services are required which are not addressed in the methodology.
- 3.12 The service provider will be required to review the Internal Audit Methodology and Internal Audit Charter of the NSF and make recommendations to be consistent with the definition of Internal Audit, Internal Audit Code of Ethics and International Standards for the Professional Practice of Internal Auditing; and assist with development and/or updating of documents to ensure compliance with standards and best practice.
- 3.13 Provide inputs for the annual review of the Audit Committee Charter.

- 3.14 The appointed service provider should involve knowledgeable staff who will be able to transfer skills/knowledge to the in-house internal audit team, including interns.
- 3.15 The service provider shall be held responsible for the conduct of his / her employees and the conduct of his sub-contractor's employees for the full duration of the contract.
- 3.16 The staff should maintain their objectivity by remaining independent of the activities they audit. The service provider shall:
  - 3.16.1 Have no executive or managerial powers, functions or duties.
  - 3.16.2 Not be involved in the day-to-day operations of the NSF; and
  - 3.16.3 Not be responsible for the detailed development or implementation of new systems and procedures.
- 3.17 Refer to **Annexure A** for completion of a list of the project team that will be allocated to the NSF. Requirements for staff assigned to the audit:
  - 3.17.1 All staff assigned to the assignment must be properly qualified with at least 3 years audit experience in Internal Audit or specialised experience.
  - 3.17.2 There must be professionally qualified supervisors present throughout the duration of the contract.
  - 3.17.3 A person certified by the Institute of Internal Auditors as a quality reviewer must perform the final quality review on all audit files and reports to ensure that the objectives of the projects were met; that working papers and reports are of acceptable standards and confirm to the relevant requirements; and that final reports are supported by appropriate documented evidence.
  - 3.17.4 The proposed audit team to conduct the Internal Audit work should comprise of at least 16 auditors that will be allocated to the NSF (including specialised staff).
  - 3.17.5 Be required to keep record of a breakdown of hours spent on NSF audit matters.
- 3.18 The bidder must be able to conduct audits across all the provinces due to the provincial projects and growing provincial presence of the NSF (**Annexure B**). The bidder should put measures in place for skills transfer and knowledge of NSF business where regional office staff will be required to assist in NSF audits.
- 3.19 The bidder must have the capacity to conduct several projects simultaneously.
- 3.20 The bidder might be required to work together with other audit teams.

- 3.21 The bidder will be required to transfer knowledge and skills to the internal audit team at NSF, including interns.
- 3.22 All information, audit files including working papers and reports, will remain the property of the NSF after the contractual period is terminated.
- 3.23 Bidders will be responsible for their own hardware and technical software to adequately perform its functions.

#### **4. DELIVERABLES**

The Service Provider shall:

In carrying out its support functions to the Director: Internal Audit, produce at least the following:

- 4.1 Quality assured audit files that comply with the Institute of Internal Audit's International Standards for the Professional Practice of Internal Auditing and other relevant standards for specialised audits.
- 4.2 Working papers required per NSF Internal Audit Methodology includes, but is not limited to the following:
  - 4.2.1 Notification letter.
  - 4.2.2 Team assignment forms
  - 4.2.3 Team independence declarations
  - 4.2.4 Audit Planning Memorandum for approval by Director: Internal Audit indicating detail of budgets, timeframes and the detailed scope of the allocated internal audit.
  - 4.2.5 Minutes of the opening/entrance meeting.
  - 4.2.6 System Description (Process analysis document).
  - 4.2.7 Risk and Control matrix document.
  - 4.2.8 Audit Programme.
  - 4.2.9 Audit working papers.
  - 4.2.10 Draft internal audit report.
  - 4.2.11 Final internal audit report signed off by the project director.
  - 4.2.12 Follow-up of prior year findings.
  - 4.2.13 Customer satisfaction survey.
  - 4.2.14 Quality review checklist

- 4.3 On completion of each assignment the service provider shall discuss the draft and final report with the Director: Internal Audit before copies of the draft and final reports are distributed to the client.
- 4.4 The Director: Internal Audit will discuss reports at the Audit Committee meetings, unless otherwise arranged under exceptional circumstances.
- 4.5 Prepare reports for the Audit Committee meetings and/or other stakeholder engagements as and when required by the Director: Internal Audit.
- 4.6 Submit monthly progress reports against the approved internal audit plan.
- 4.7 Time spent on assignments must be efficiently and effectively managed. The NSF will not be billed for any unproductive or duplicated time spent on assignments, for any reason.
- 4.8 Invoices for services rendered must be submitted as per billing arrangements.
- 4.9 The service provider will be required to keep record of a breakdown of hours committed with relevant supporting documentation. Staff timesheets should be made available upon request.
- 4.10 The service provider will be required to monitor the hours spent against the individual budget. Any delays that will result in potential overruns must be reported to the Director: Internal Audit well before the budget is depleted for consideration and escalation to management and the Audit Committee, if required.
- 4.11 The NSF will:
  - 4.11.1 Supply the service provider with all relevant, available data and information required.
  - 4.11.2 Provide assistance reasonably required by the service provider to execute its duties;
  - 4.11.3 Provide staff for transfer of skill; and
  - 4.11.4 Provide logistical services such as office space in Pretoria.

## **5. APPROPRIATE QUALIFICATIONS, EXPERIENCE, SKILLS AND KNOWLEDGE**

- 5.1 All staff assigned to the assignment must be properly qualified and trained with at least 3 years audit experience in Internal Audit or specialised experience where applicable. Refer to **Annexure A** for completion of list of

project team that will be allocated to the NSF. Minimum requirements include:

<b>Team members</b>	<b>Qualifications and minimum experience</b>
Internal Audit Manager	CA / CIA with five years' experience in internal auditing.
Internal Audit Team members	Degree or relevant qualification in auditing / internal auditing with three years' experience in internal auditing
ICT Manager	CISA with five years' experience in computer auditing, cyber security reviews, SDLC audits.
ICT Audit Team members	CISA or relevant computer audit qualification with three years' experience in computer auditing, cyber security reviews, SDLC audits.
Forensic Manager (for integrated audit teams and/or determination tests)	CFE with five years' experience in forensic auditing
Forensic Team members (for integrated audit teams and/or determination tests)	CFE or studying towards CFE with three years' experience in forensic auditing
Infrastructure Team Manager	Practical Engineering or quantity surveying qualification with 5 years' experience
Quality Control Reviewer	IIA certification for quality assessment with at least 5 years' experience in quality control reviews.

## **6. DURATION OF THE CONTRACT**

- 6.1 The successful bidder will be appointed to render the requisite service portfolio for a period of thirty six (36) months.

- 6.2 Contracting commences with the letter of appointment and work will start on issuing of an order or as determined by the NSF.

## **PART B – LEGISLATIVE FRAMEWORK**

### **1. TAX LEGISLATION**

- 1.1 Bidders must be vigilant of compliance measures and requirements when submitting a proposal to the Department and remain compliant in terms of all applicable tax legislation for the entire contract period, including but not limited to the application parameters of the Income Tax Act, 1962 (Act No. 58 of 1962) and Value Added Tax Act, 1991 (Act No. 89 of 1991).
- 1.2 It is a pre-condition of this bid document that the tax affairs of the successful bidder will be in order, or that satisfactory arrangements have been made with the South African Revenue Service (SARS) in meeting the bidder's pending tax obligations.
- 1.3 The relevant tax compliance status requirements are also applicable to any foreign bidders / individuals who wish to participate during the bidding process.
- 1.4 It is a requirement that bidders when submitting a bid, provide written confirmation that SARS may on an ongoing basis and for the duration of the tenure of the contract, disclose the bidder's tax compliance status. By the very act of submitting a bid, such a confirmation therefore is also deemed to have been granted by the potential bidder.
- 1.5 Bidders must be registered on the National Treasury Central Supplier Database (CSD) prior to the submission of bidding documentation and National Treasury will accordingly verify the bidder's tax compliance status through screening of the requisite information provided on the Central Supplier Database.
- 1.6 Where consortia / joint ventures and/or sub-contractors are involved in the bidding process, each party must be registered individually on the Central Supplier Database and their tax compliance status will accordingly be verified by National Treasury through the Central Supplier Database.

### **2. PROCUREMENT LEGISLATION**

- 2.1 The Department utilises a detailed evaluation methodology premised on Treasury Regulation 16A3 promulgated phased 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)*; the *Preferential*

*Procurement Regulations, 2022 and the Broad-Based Black Economic Empowerment Act, 2003 (Act, No. 53 of 2003).*

### **3. TECHNICAL LEGISLATION AND/OR STANDARDS**

- 3.1 Bidder(s) should at all times be cognisant of the relevant legislation and/or standards specifically applicable to the service portfolio to be rendered in terms of this tender.



## PART C – THE BIDDING PROCESS

### 1. TIMELINE OF THE BID PROCESS

- 1.1 The validity period and possible withdrawal of offers, subsequent to the closing date and time of this tender is 120 days. The relevant project timeframes in terms of this bid are indicated as follows:

Activity	Due Date
Advertisement of the bid via the Department e-tender portal / Department's website	<b>6 August 2024</b>
Non-compulsory briefing session	<b>22 August 2024</b> Time: 10:00am Via Microsoft Teams Online Meeting: Follow a link on the Department website Meeting ID: 388 710 891 608 Passcode: Sxfwtw
Questions related to the bids received from bidder(s)	<b>26 August 2024</b>
Collated answers from end user published on website	<b>30 August 2024</b>
The bid closing date	<b>3 September 2024 at 11:00</b>

- 1.2 All dates and times in this bid are determined in accordance with South African standard time.
- 1.3 Any time or date reflected in this bid is subject to change at the NSF/Department's discretion. The determination of a time or date in this bid does not presuppose an obligation on the part of the NSF/Department in taking action or creating by any manner rights in terms of which bidders may demand that specific action(s) be undertaken on the date(s) accordingly reflected in this bid. The bidder therefore accepts that, in the event of the Department extending the deadline for bid submissions (the closing date) based on and influenced by whichever circumstance, the conditions and requirements attached to this bid remain unaltered and apply equally with regard to the revised deadline.

## **2. NON COMPULSORY BRIEFING SESSION**

- 2.1 A non-compulsory briefing session for all prospective bidders will be held Via Microsoft Teams Online Meeting: Follow a link on the Department website.
- 2.2 No reimbursement of expenses incurred by prospective bidders to attend the session will be possible.

## **3. CONTACT AND COMMUNICATION**

- 3.1 A nominee on behalf of the bidder may make enquiries in writing, up and until **26 August 2024**, to the Directorate: Supply Chain Management, via email at [Tenders@dhet.gov.za](mailto:Tenders@dhet.gov.za). The delegated office of the Department is entitled to communicate with Bidders whenever further clarity is sought regarding information provided in bid proposals.
- 3.2 Any communication by Bidders addressed to or with an official or person acting in an advisory capacity on behalf of the Department, in so far as it has relevance to bid proposal, during the period commencing from the bid closing date and that of awarding of the tender is strongly discouraged.
- 3.3 All communication between Bidders and the Department must be provided in writing.
- 3.4 While due care has been taken regarding the finalisation of this bid, the Department duly makes no representations or provides any warranty that the contents thereof, or any part of the information accordingly communicated or provided to Bidders during the bidding process is accurate, current and/or complete. The Department and its employees/advisors therefore will not be liable in relation to any information communicated and proves to be inaccurate, outdated and/or incomplete.
- 3.5 In the event of bidders reasonably believing there to be substantive discrepancy, ambiguity, error or inconsistency contained in this bid or any part of other information provided by the Department (excluding any minor clerical matters), bidders must promptly bring such a discrepancy, ambiguity, error or inconsistency, in writing, to the attention of the Department before the closing date with the aim of affording the Department an opportunity to consider the issue(s) and where required, take the requisite corrective action.

- 3.6 All bidders (including any other relevant persons) obtaining or receiving the bid and/or any other information in relation to the bid or the tender process are obliged to keep the entire contents of the bid and all related information confidential and may not disclose or use the information in any other manner than for the express purpose of developing a proposal in response to this bid.
- 3.7 Any actual discrepancy, ambiguity, error or inconsistency in relation to the bid or part of any other information provided by the Department will, where possible, be corrected and the revised documentation be published.

#### 4. LATE BIDS

- 4.1 Bids received at the address indicated in the bid documents after the specified closing date and time, will not be accepted for consideration and where practical, will be returned unopened to the bidder(s).

#### 5. COUNTER CONDITIONS

- 5.1 Bidders are advised that subsequent **amendments to any of the Bid Conditions, the proposals of any counter conditions by bidders or qualifications made in respect of the Bid Conditions shall result in the immediate disqualification of such bids.** Bidders should therefore adapt their standard conditions in line with those that are issued by the Department.

#### 6. FRONTING

- 6.1 The Department supports the spirit of broad - based black economic empowerment and recognises that true empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and garnering opportunities in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Department strongly condemns any form of fronting.
- 6.2 The Department, 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 in determining the accuracy of the representations 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 determined during such an enquiry/investigation, the onus rests on the bidder/contractor to prove that the allegation of fronting does in fact not exist. Failure to do so within a period of 14 days and determined from the date of notification may invalidate the bid/contract and also result in the restriction of the Bidder/contractor to conduct business with the public sector for a subsequent period of up to ten years and in addition to any other actions the Department may have at its disposal and accordingly wish to institute against such bidders/contractors.

## **7. SUPPLIER DUE DILIGENCE**

- 7.1 The Department reserves the right to conduct rolling out due diligence on suppliers prior to final awarding of the contract, or on an occasional basis during the implementation of the mandated contract period. These actions may also include site visits and requests for the provision of additional information.

## **8. SUBMISSION OF PROPOSALS**

- 8.1 Bid documents must be placed in the Department's tender box situated in **123/117 Francis Baard Street, Pretoria, 0001** (Opposite Pretoria Magistrate Court) on or before the closing date and time.

Closing Date: **3 SEPTEMBER 2024**

Closing Time: 11:00

- 8.2 Bid documents will only be considered if received by the Department before or on the closing date and time, regardless of the method used to send or deliver such documents to the Department.
- 8.3 Bidders are requested to initial the bottom right-hand corner of each page of the tender document. On pages where bidders are required to provide full signatures, initialling at the bottom of these pages is not required.

## **9. MANDATORY BID DOCUMENTS**

- 9.1 The Department has set minimum standards that bidders need to meet as a precursor to evaluation and selection as the successful bidder.
- 9.2 The minimum standards consist of the following criteria:

Pre-qualification Criteria (Phase 0)	Technical Evaluation Criteria (Phase 1)	Price and Specific Goals (Phase 2)
Bidders must submit all documents as outlined in paragraph 1.3 below. Only bidders that comply with <b>ALL</b> these criteria will proceed to Phase 1.	Bidders are required to achieve a minimum of <b>80 points</b> out of 100 points to proceed to Phase 2 (Price and specific goals).	Bidders will be evaluated out of 100 points and Phase 2 will only apply to bidders who have met and/or exceeded the threshold of <b>80 points</b> .

### 9.3 Phase 0: Pre-Qualification Criteria:

- 9.3.1 Without any limitation in respect of the Department's other critical requirements relevant to this Bid, prospective bidders must submit all the documents listed in **the table** below.
- 9.3.2 Document that must be submitted for bidder, [each legal persona of consortium/JV] and each subcontractor.

**Table 1: Documents to be submitted for pre-qualification:**

Document that must be submitted for bidder, [each legal persona of consortium/JV ] and each subcontractor	YES/NO	Non-submission shall result in disqualification
Permission in terms of POPI Act to utilise information contained in documents for procurement purpose		Complete and sign the attached pro-forma document
Invitation to Bid – SBD 1		Complete and sign the attached <i>pro-forma</i> document
Tax Status		i. Written confirmation that SARS may on an ongoing basis during the period of the contract disclose the bidders tax compliance status. ii. In the event where the bidder submits a hard copy of the Tax Clearance Certificate, the CSD verification outcome will take precedence. Pin number may be provided for tax verification status.
Declaration of Interest – SBD 4		Complete and sign the attached pro-forma documents. <b>NOTE! Care must be taken to list ALL "other related companies" (SBD 4, par. 2.3). Failure to comply shall lead to disqualification. NB: ALL COMPANIES ON CSD &amp; CIPC MUST BE DECLARED</b> The DHET reserves the right to verify bidder related information on CSD, CIPC or any system and updated

Document that must be submitted for bidder, [each legal persona of consortium/JV ] and each subcontractor	YES/NO	Non-submission shall result in disqualification
		status on these and other applicable systems remain responsibility of the bidders
Preferential Points Claim Form SBD 6.1		Complete and sign the attached pro-forma document
Preferential Points Claim Form SBD 6.3 Promotion of Small Medium and Micro Enterprises (SMMEs)		Complete and sign the attached pro-forma document
Preferential Points Claim Form SBD 6.4 (Black people, Women, Youth and people with disability)		Complete and sign the attached pro-forma document
Registration on the Central Supplier Database (CSD report)		i. The bidder must be registered as a service provider on the Central Supplier Database (CSD). If not registered proceed with completing the company registration prior to submission of the proposal. Visit <a href="https://secure.csd.gov.za/">https://secure.csd.gov.za/</a> to obtain a vendor number. ii. Submit proof of registration.
Pricing Schedule (Bidder only)		Submit full details of the pricing proposal in a separate envelope

9.3.3 Each document must be completed and signed by the duly authorised representative on behalf of the prospective bidding company.

9.3.4 During this phase bid responses will be evaluated with emphasis placed on documentary compliance with the listed administrative and mandatory bid requirements.

9.3.5 **Bidders' proposal shall be disqualified as a result of non-submission.**

9.3.6 **Bidders' proposal shall be disqualified as a result of non-completion of the listed documents.**

#### 9.4 Phase 1: Technical Evaluation Criteria = 100 points:

9.4.1 All bidding companies are required to fully adhere to the technical evaluation criteria scorecard and compliance checklist.

- 9.4.2 Only Bidding companies that have fully met the Pre-Qualification Criteria in Phase 0 will accordingly be evaluated in Phase 1 for determination of functionality.
- 9.4.3 Bidding companies will be evaluated on an overall score of 100 points.
- 9.4.4 The Department as part of on-site reference checks for allocating points, may at its own discretion choose a site at one of the bidding company's clients for validation of the services rendered. The choice of site will remain Department's sole discretion.
- 9.4.5 Bidders are required to score a minimum of **80 points** to proceed to **Phase 2: Evaluation for Pricing and specific goals.**
- 9.4.6 **Phase 1: Technical Evaluation Criteria:** The bidders' information will be scored according to the points determination system.

**9.5 Phase 2: Price and specific goals Evaluation (80 + 20) = 100 points:**

- 9.5.1 Only prospective bidders that have attained the **80-points allocation** threshold in phase 1 will subsequently progress for evaluation in phase 2 in relation to pricing options and **specific goals** qualification criteria.
- 9.5.2 The following formula must be used to calculate the points out of 80 for price in respect of a tender with a rand-value equal to or below R50 million, inclusive of all applicable taxes:

**9.5.3 Stage 1 - Price Evaluation (80 Points):**

Criteria	Points
<b>Price Evaluation</b> $P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$	<b>80</b>

Where-

- $P_s$**  = Points scored for price of tender under consideration.
- $P_t$**  = Price of tender under consideration; and
- $P_{\min}$**  = Price of lowest acceptable tender

**9.5.4 Stage 2 – Specific goals (20 Points):**

- 9.5.4.1 A maximum of 20 points may be awarded to a bidder for specific goals specified in the tender.
- 9.5.4.2 The points scored for specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

9.5.4.3 The table below provides the specific goals, its criteria of measurement and the proof to be offered by tenderers for a tenderer to qualify for 20 points:

NO	SPECIFIC GOAL	CRITERIA	80/20		PROOF/ EVIDENCE
			Specific Goal Contribution	Points Claimed	
1	Person historically disadvantaged on the basis of race	100% black owned	60.00	7.19	Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database)
		75%-99% black owned	50.00	5.99	
		60%-74% black owned	40.00	4.79	
		51%-59% black owned	30.00	3.59	
		1-50% black owned	10.00	1.20	
		None	0.00	0.00	
2	Persons historically disadvantaged on the basis of gender	100% women owned	40.00	4.79	Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database)
		75%-99% women owned	30.00	3.59	
		60%-74% women owned	20.00	2.40	
		51%-59% women owned	10.00	1.20	
		1-50% women owned	5.00	0.60	
		None	0.00	0.00	
3	Persons historically disadvantaged on the basis of disability	100% owned by persons with disabilities	7.00	0.84	Certified medical certificate or substantive proof
		75%-99% owned by persons with disabilities	5.00	0.60	
		60%-74% owned by persons with disabilities	3.00	0.36	
		1-59% owned by persons with disabilities	1.00	0.12	
		None	0.00	0.00	
4	Development of Youth	100% youth owned	30.00	3.59	Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database)
		75%-99% youth owned	20.00	2.40	
		60%-74% youth owned	15.00	1.80	
		51%-59% youth owned	10.00	1.20	
		1-50% youth owned	5.00	0.60	
		None	0.00	0.00	
5	Development of SMMEs			3.59	BBBEE certificate or sworn affidavit for EME or QSE. Copy of CIPC (Companies and Intellectual Property Commission) registration. SARS Return indicating turnover or audited financial statement.
		QSE; EME	30.00		
		GEN; Other	0.00	0.00	

9.5.4.4 A tenderer must submit proof or evidence for claiming points for specific goals as indicated above. A bidder must also complete a preference form (SBD 6.1) in detail to claim points for specific goals.

9.5.4.5 A tenderer failing to submit proof or evidence may not be disqualified but

9.5.4.5.1 May only score points out of 80 for price; and



9.5.4.5.2 Scores 0 points out of 20 for specific goals.

9.5.4.6 The points scored by a tenderer for specific goals must be added to the points scored for price for total points.

9.5.4.7 The points scored must be rounded off to the nearest TWO decimal places.

## **10. JOINT VENTURES AND CONSORTIUMS**

10.1 Bidders must submit substantive proof of the existence of joint ventures and/or consortium arrangements. The Department will accept valid signed agreements as proof for the existence of a joint venture and/or consortia arrangement.

10.2 Joint venture and/or consortia agreements must clearly set out the roles and responsibilities of the lead partner, alongside the joint venture and/or consortium. The agreement must also clearly identify the lead partner that is accordingly provided with a power of attorney to bind the other co-parties in all matters pertaining to the joint venture and/or consortia arrangement.

10.3 A consortium or joint venture will qualify for points on evaluation of their specific goals as a legal entity, provided that the entity submits the requisite documents.

10.4 A consortium or joint venture will qualify for points on evaluation of their specific goals as an unincorporated entity, provided that each entity submits their requisite, information regarding points claimed.

Points for Black people, Youth, Women, Persons with Disabilities and SMME's are calculated based on the percentage of the contract value managed or executed by their Black people, Youth, Women, SMME and Persons with Disabilities.

## **PART D – SUBMISSIONS**

### **1. SUBMISSION OF PROPOSAL**

- 1.1 The two-envelope procedure must be followed for tender submissions.
- 1.2 The first envelope must clearly state TECHNICAL SUBMISSION, wherein the bidder should address all aspects of the required scope of services.
- 1.3 The second envelope must clearly state FINANCIAL SUBMISSION, wherein the bidder should include the proposed fee for the project.
- 1.4 Proposals must be submitted in hard copy format: One original of tech and copy.

### **2. CONTENT OF THE TECHNICAL SUBMISSION**

The technical submission should include the following (*Exhibit 6*):

- 2.1 Cover Page
- 2.2 Mandatory documents
- 2.3 **The proposal must be indexed with each page numbered and inclusive of all the following documents and in the following sequence:**
  - 2.3.1 Introduction and Executive Summary
  - 2.3.2 Company background
  - 2.3.3 Contact information of the bidder, including all parties/key team members to the consortium where applicable
  - 2.3.4 Summary of internal audit services provided to clients in the Public Sector
  - 2.3.5 Project approach
  - 2.3.6 Project management
  - 2.3.7 Plan for quality assurance on projects
  - 2.3.8 Plan for skills transfer (*Exhibit 5*)
  - 2.3.9 Other information (*to be used if additional information available that is not specifically addressed in categories above*)
  - 2.3.10 Annexure A: Audit Team Members, with CVs and relevant documentation of team members (*Exhibit 1*)

2.3.11 Annexure B: Service Provider experience in Public Sector Auditing  
(*Exhibit 2*)

2.3.12 Annexure C: Client reference letters to be completed by the bidder's clients – experience and evaluation form (*Exhibit 3*)

2.3.13 Annexure D: Provincial Footprint with proof of ownership or a valid lease agreement as proof of the regional footprint (*Exhibit 4*)

2.4 All annexures completed must be typed and should not be completed by hand.

### 3. EXHIBITS

Minimum required documents to be submitted	YES	NO
<b>Exhibit 1 / Annexure A:</b>  1. The CVs i.e. name(s), qualifications and experience of sufficient staff that must at all times be available to perform multiple audits in separate or joint teams with the internal audit staff of the NSF and the dedicated partner(s) under whose direct supervision and control the services will be executed, as well as the CVs i.e. name(s), qualifications and experience of the manager(s) and project- and technical specialists who will assist in the rendering of the services.  2. CV and name of a qualified person that must perform the final quality review on all audit files and reports to ensure that the objectives of the projects were met; that working papers and reports are of acceptable standards and conform to the relevant requirements; and that final reports are supported by appropriate documented evidence (Person must be accredited by the IIA for quality assurance).  3. Certified qualifications should be attached.  4. Refer to paragraph 5.1 for details of expected qualifications and experience.		
<b>Exhibit 2 / Annexure B:</b>  List of at least 5 previous public sector clients where the bidder rendered services in scope in the last 5 years.		
<b>Exhibit 3 / Annexure C:</b>  Client reference letters, completed by the bidder's clients, detailing:		

Minimum required documents to be submitted	YES	NO
<ul style="list-style-type: none"> <li>Type of services provided by the bidder over the contract period</li> <li>Client satisfaction rating for services rendered</li> </ul>		
<b>Exhibit 4 / Annexure D:</b>  The proposal must indicate the number of provincial offices and staff complements in all the provinces, with proof of ownership or a valid lease agreement as proof of the regional footprint.		
<b>Exhibit 5 (refer to TOR, part D – par 2.38)</b>  The proposal must demonstrate an understanding of the importance of skills transfer, the methodology and approach to ensure skills transfer to: <ul style="list-style-type: none"> <li>➤ NSF internal audit staff</li> <li>➤ Co-sourced provider team, e.g. if staff changes occur and/or regional teams are assigned to site visits.</li> </ul> A clear commitment to skills transfer should be indicated. Availability of internal training to teams as a value add.		
<b>Exhibit 6 (refer to TOR, part D – par 2)</b>  The completeness of the proposal in line with requirements per TOR, part D, paragraph 2 will be assessed.		

- 3.1 The bidder must ensure the following is demonstrated in the proposal:
- 3.1.1 The bidder must demonstrate a thorough understanding of the NSF mandate and the skills development legislative, regulatory and policy framework;
- 3.1.2 The detailed approach and methodology to be applied in managing the intended contract. This includes, but is not limited to governance, administration, financial management (including financial reporting to the NSF) and project management aspects of the project (including monitoring and reporting);
- 3.1.3 Project plan/methodology - Service providers to indicate what procedure/methodology is going to be used to execute the service or project;
- 3.1.4 A detailed structure of the bidder's organisation, how it operates and specifically how it will be able to respond with transparency and urgency to requests by the NSF;

- 3.1.5 A demonstration in how the bidder will relate to the internal arrangements of the NSF for the work to be performed;
- 3.1.6 A demonstration in how the bidder will relate to internal audit as internal assurance provider and the Auditor-General of South Africa as external assurance provider for DHET with regards to audit matters;
- 3.2 Compulsory tender documents completed in full together with supplementary bidder documents as required. This includes tax certificates and completed SBD forms for all the bidders and consortium members, where applicable.

#### 4. FINANCIAL SUBMISSION

- 4.1 The financial submission should include the proposed **total average rate per hour for each year over the three year** (36 month) period. The proposed total average fee per hour structure for each year must be based on the following:
  - 4.1.1 **Internal audit work** – average hourly rate for year 1, year 2 and year 3.
  - 4.1.2 **Information technology work, including programme assurance** – average hourly rate for year 1, year 2 and year 3.
  - 4.1.3 **Specialised audit work** – average hourly rate for year 1, year 2 and year 3 regarding consulting (e.g. engineers, valuers, technical team and forensic skills).
- 4.2 The calculation of the average rate should be clearly indicated using rates per relevant level, per year, example:

Level <i>(adapt as relevant)</i>	Quantity	Internal audit work			Information technology work			Specialised audit work		
		Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
Engagement Partner		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Senior Manager		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Manager		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Assistant Manager		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Supervisor		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Senior Auditor		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Auditor <i>(minimum 3 years' experience)</i>		Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate	Hourly rate
Average hourly rate per audit category per year [A]		Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate	Average hourly rate
Overall average rate for evaluation and comparison purposes only										
Percentage allocation [B]		60%	60%	60%	20%	20%	20%	20%	20%	20%
Apportioned hourly rate [C = A x B]		Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate	Apportioned average hourly rate
Overall average hourly rate [Total of all apportioned rates above for C for IA + ICT + Specialist]		Overall average hourly rate			Overall average hourly rate			Overall average hourly rate		

- 4.3 A fixed percentage (60:20:20) will be assigned to each category of audit work (internal audit; information technology audit work; specialised audit work) during the financial evaluation phase to determine the overall average rate for comparison purposes. **Note that the actual allocation of work between various categories will be dependent on the needs of the NSF and the approved internal audit plan.**
- 4.4 The proposed rates should include any costs that will be incurred by the bidder, including travel and subsistence expenses. The proposed rates will be regarded as inclusive of VAT and applicable taxes.
- 4.5 Only travelling costs for approved site visits and/or provincial visits can be claimed. Travel arrangements must be made by the service provider. Rates according to the Travel Policy of the NSF will apply, limited to actual expenditure incurred if less.
- 4.6 The co-sourced hours will be determined by the Internal Audit Plan that is approved by the Audit Committee and any approved ad-hoc requests.. Internal audit staff resources within NSF will also utilise hours. The resource mix will be determined during planning phase of individual assignments.

## 5. EVALUATION CRITERIA

- 5.1 The following table reflects the evaluation criteria that will be used in evaluating the technical submission.

No	Element	Weight
1	<p><b>QUALIFICATIONS AND EXPERIENCE OF AUDIT MANAGERS AND STAFF</b></p> <p><b>Source:</b> Exhibit 1 (Annexure A)</p> <p><b>Guideline:</b></p> <ul style="list-style-type: none"> <li>○ <b>1.1 Qualifications per audit manager</b> (<i>Maximum of 15 points</i>) <ul style="list-style-type: none"> <li>○ <u>Internal Audit:</u> CA/CIA (<i>CIA is preferred</i>) – 3 points</li> <li>○ <u>Computer Audit:</u> CISA – 3 points</li> <li>○ <u>Forensic s:</u> CFE – 3 points</li> <li>○ <u>Construction:</u> Practical Engineer / Quantity surveyor – 3 points</li> <li>○ <u>Quality Control:</u> QAR certified by IIA: 3 points</li> <li>○ Other qualifications - 0 points</li> </ul> </li> <li>○ <b>1.2 Experience per manager</b> (<i>Maximum of 15 points</i>) <ul style="list-style-type: none"> <li>Managers have at least 5 years experience in each relevant field</li> <li>○ <u>Internal Audit Manager:</u> 5 years experience - 3 points</li> </ul> </li> </ul>	40

No	Element	Weight
	<ul style="list-style-type: none"> <li>○ <u>Computer Audit Manager</u>: 5 years experience - 3 points</li> <li>○ <u>Forensic Audit Manager</u>: 5 years experience – 3 points</li> <li>○ <u>Construction Manager</u>: 5 years experience – 3 points</li> <li>○ <u>Quality Control</u>: 5 years' experience: 3 points</li> <li><i>Less than 5 years experience in the above = 0 points</i></li> </ul> <p><b>1.3 Team member qualifications and experience</b> (<i>Maximum: 10 points</i>)</p> <ul style="list-style-type: none"> <li>○ All team members have relevant qualifications – 5 points</li> <li>○ All team members have at least 3 years relevant experience – 5 points</li> <li><i>Not all team members have relevant qualifications; and experience = 0 points</i></li> </ul> <p><b>Note:</b> The Audit Manager will be responsible for management of the audit projects and will spend at least 20% of their time on the projects when assigned to specific audits.</p>	
2	<p><b>SERVICE PROVIDER EXPERIENCE</b></p> <p><b>2.1 Public Sector experience in internal auditing and specific items as highlighted in scope.</b></p> <p><b>Source:</b> Exhibits 2 and 3 (<b>Annexure B and C</b>)</p> <p><b><u>2.1.1 Public sector experience – 5 points (Annexure B)</u></b></p> <p><b>Source:</b> Exhibit 2 (<b>Annexure B</b>)</p> <p><b>Guideline:</b></p> <ul style="list-style-type: none"> <li>○ Experience in Schedule 3A public sector audits – 5 points</li> <li>○ Experience in other public sector audits (other public entities, departments, SOCs etc) – 2 points</li> <li>○ No public sector audit experience – 0 points.</li> </ul> <p><b><u>2.1.2 Experience of completed projects in the following broad audit areas (letters must collectively reflect deliverables) – 10 points (Annexure C)</u></b></p> <p><b>Source:</b> Exhibit 3 (<b>Annexure C</b>)</p> <p><b>Guideline:</b></p> <ul style="list-style-type: none"> <li>○ Assurance audits – operational areas</li> <li>○ Financial audits, including financial statement reviews</li> <li>○ Performance information reviews</li> <li>○ Probity audits (e.g. supply chain management, funding allocation processes)</li> <li>○ Information technology audits, such as: <ul style="list-style-type: none"> <li>➤ ICT general control reviews</li> <li>➤ ICT application control reviews</li> <li>➤ ICT network security</li> <li>➤ ICT Governance reviews</li> <li>➤ ICT system development lifecycle (SDLC)</li> </ul> </li> <li>○ Performance audits (economy, efficiency, effectiveness)</li> <li>○ Governance and ethics audits</li> <li>○ Enterprise risk management reviews</li> <li>○ Combined assurance assessment and reporting</li> <li>○ Compliance audits</li> </ul>	40



No	Element	Weight
	<ul style="list-style-type: none"> <li>○ Specialist audits, such as               <ul style="list-style-type: none"> <li>➢ Determination tests into irregular, fruitless and wasteful expenditure and material irregularity assessments</li> <li>➢ Infrastructure projects / construction reviews</li> <li>➢ Technical opinions</li> </ul> </li> <li>○ Consulting / advisory services</li> <li>○ Quality assurance reviews and assessments (internal and/or external)</li> </ul> <p><b>Experience in all areas = 10 points</b>  <b>Experience in some areas only = 0 points</b></p> <p><b><u>2.2 Evidence of successful provision of similar services as per client reference letter ratings – 25 points</u></b></p> <p><b>Source:</b> Exhibit 3 (Annexure C)  <b>Guideline:</b>          Overall average rating per client reference letters is used as follows:</p> <ul style="list-style-type: none"> <li>○ Poor / Below average = 0</li> <li>○ Average = 1</li> <li>○ Good / satisfactory = 3</li> <li>○ Very good = 4</li> <li>○ Excellent = 5</li> </ul> <p><b>Maximum points = 5 points x 5 clients = 25</b></p> <p><b><u>Note:</u></b></p> <ol style="list-style-type: none"> <li>1. Reference letter (Annexure C) to be completed by bidder's clients and include contactable references. NSF reserves the right to contact the references prior to award.</li> <li>2. <b><i>NSF may not be used as a reference for annexure C.</i></b></li> </ol>	
3	<p><b>SERVICE PROVIDER CAPACITY AND FOOTPRINT</b></p> <p><b>Footprint of offices in all provinces (Max 10 points)</b></p> <p><b>Source:</b> Exhibit 4 (Annexure D)</p> <p><b>Guideline:</b></p> <ul style="list-style-type: none"> <li>○ 9 Provinces: 10</li> <li>○ 8 Provinces: 8</li> <li>○ 7 Provinces: 7</li> <li>○ 6 Provinces: 6</li> <li>○ 5 Provinces: 5</li> <li>○ 4 Provinces: 4</li> <li>○ 3 Provinces: 2</li> <li>○ 2 Provinces: 1</li> <li>○ 1 Province: 0</li> </ul> <p><b>Note:</b> For a point to be awarded per province, proof of ownership or a valid lease agreement as proof of the regional footprint is required.</p>	10

No	Element	Weight
4	<p><b>TRANSFER OF SKILLS – METHODOLOGY, APPROACH AND STEPS TO TRANSFERS SKILLS TO NSF INTERNAL AUDIT STAFF</b></p> <p><b>Source: Proposal</b></p> <p><b>Guideline:</b></p> <ul style="list-style-type: none"> <li>• The proposal must demonstrate an understanding of the importance of skills transfer, the methodology and approach to ensure skills transfer to: <ul style="list-style-type: none"> <li>➢ NSF internal audit staff</li> <li>➢ Co-sourced provider team, e.g. if staff changes occur and/or regional teams are assigned to site visits.</li> </ul> </li> <li>• Clear commitment to skills transfer indicated through a skills transfer implementation plan.</li> <li>• Indicate how skills will be transferred to NSF internal audit teams</li> <li>• Indicate how skills transfer within co-sourced provider regional teams will be managed</li> <li>• Availability of internal training to teams as a value add</li> </ul> <ul style="list-style-type: none"> <li>○ Comprehensive skills transfer implementation plan submitted outlining skills transfer = 10 points</li> <li>○ Less comprehensive skills transfer implementation plan = 5 points</li> <li>○ Irrelevant skills transfer plan or no skills transfer plan = 0 points</li> </ul>	10
	<b>Total</b>	<b>100</b>

## **PART E – CONDITIONS**

### **1. GENERAL CONDITIONS OF CONTRACT**

- 1.1 Any subsequent award/concession made to a prospective bidder in terms of this TOR is conditional on, (among others):
  - 1.1.1 The bidding party accepting the terms and conditions as contained in the General Conditions of Contract as the minimum terms and conditions on which the Department is prepared to enter into a contract with the successful Bidder.
  - 1.1.2 The bidder submitting the General Conditions of Contract to the Department together with its bid, has ensured that the document has duly been signed by an authorised representative on its behalf.

### **2. SPECIAL CONDITIONS OF CONTRACT**

The Department reserves the right to:

- 2.1 Award this tender to any bidder that did not score the highest (cumulative total) number of points and only in accordance with section 2(1)(f) of the PPPFA (Act 5 of 2000).
- 2.2 Negotiate with one or more preferred bidders identified in the evaluation process, regarding any terms and conditions, including pricing without offering the same opportunity to any other bidder(s) who had not been awarded the status of a preferred bidder.
- 2.3 Accept any part of a tender in lieu of the whole tender.
- 2.4 Carry out at its discretion, site inspections, product evaluations or facilitate explanatory meetings in order to verify the nature and quality of the services offered by the potential bidders, either before, during or subsequent to adjudication of the Bid.
- 2.5 Correct mistakes during any stage of the tender evaluation process which may already have been apparent in the bid documents or subsequently occurred during any stage of the tender evaluation process.
- 2.6 At any stage during the evaluation of bids, cancel and/or terminate the tender process, even subsequent to the tender closing date and/or after presentations by selected bidders have been made, and/or after tenders have been evaluated

and/or after the preferred bidders have as such been notified of their status;  
and

- 2.7 Award the tender to multiple bidders based either on organisational capacity, specialisation and size, as well as geographic considerations.

### **3. GOVERNING LAW**

- 3.1 South African law will in its full extent govern the Application parameters of this bid and the bid response process.
- 3.2 The bidder agrees to submit to the exclusive jurisdiction of the South African court system 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.

### **4. DECLARATION**

Bidders as part of their respective technical responses, are required to declare the following and confirm that they will:

- 4.1 At all times for the duration of the tender, act honestly, fairly and with due skill, care and diligence in the best interest of the National Skills Fund.
- 4.2 Manage, effectively utilise and apply the resources, procedures and appropriate technological systems to ensure the proper performance of the services for the duration of the tender.
- 4.3 Act with circumspection and treat the National Skills Fund fairly in all situations where conflicting interests may become apparent.
- 4.4 Comply with all applicable statutory or common law requirements related to the conduct of its business.
- 4.5 Make adequate disclosures regarding relevant and material information, including the disclosure of actual or potential interests the company may acquire, in relation to its dealings with the National Skills Fund.
- 4.6 Avoid any form or instance of fraudulent and misleading advertising, canvassing and marketing for the duration of the tender.
- 4.7 Conduct business activities transparently and consistently uphold the interests and needs of the National Skills Fund as a client, before any other consideration; and

- 4.8 Ensure that for the duration of the tender no information acquired from the National Skills Fund will be utilised and/or disclosed to any third party/ies unless written consent from the National Skills Fund has been obtained to do so.

## **5. CONFLICT OF INTEREST, CORRUPTION AND FRAUD**

- 5.1 The National Skills Fund reserves the right to disqualify any potential bidder who either itself, or through any of its 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 the Department or any other Department organ or entity and whether from the Republic of South Africa or otherwise ("Department "):

- 5.1.1 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.
- 5.1.2 Seeks any assistance, other than assistance officially provided by a Department, from any employee, advisor or other representative of a Department in order to obtain any unlawful advantage in relation to the procurement or services provided or to be provided to the National Skills Fund.
- 5.1.3 Makes or offers any gift, gratuity, anything of value or other inducement, whether lawful or unlawful, to any of the Department / National Skills Fund'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 the National Skills Fund.
- 5.1.4 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 the National Skills Fund.
- 5.1.5 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 awarding of any tender, contract, right or entitlement

which is in any way related to procurement or the rendering of any services to the National Skills Fund.

5.1.6 Has in the past engaged in any matter referred to above; or

5.1.7 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 a bidder, member or director's name(s) not specifically appearing on the List of Tender Defaulters kept at National Treasury.

## **6. MISREPRESENTATION DURING THE LIFECYCLE OF THE CONTRACT**

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

6.2 It follows therefore that misrepresentations in a tender may give rise to service termination and a claim by the National Skills Fund against the bidder notwithstanding the conclusion of the Service Level Agreement between the National Skills Fund and the bidder for the provision of the service(s) in question. In the event of a conflict between the bidder's proposal and the Service Level Agreement concluded between the parties, the contents of the Service Level Agreement will prevail.

## **7. PREPARATION COSTS**

7.1 The Bidder will bear all its costs in preparing, submitting and presenting any response or tender to this bid and all other costs incurred by it throughout the bidding process.

7.2 Furthermore, no statement in this bid will be construed as placing the National Skills Fund, its employees or agents under any obligation whatsoever, including in respect of costs, expenses or losses incurred by the bidder(s) in the preparation of their responses to this bid.

## **8. INDEMNITY**

8.1 If a bidder breaches the conditions of this bid and as a result of that breach, the National Skills Fund incurs costs or damages (including, without limitation, the

cost(s) of any investigations, procedural impairment, repetition of all- or any part of the bid process and/or enforcement of intellectual property rights or confidentiality obligations), the bidder then indemnifies and holds the National Skills Fund harmless from any and all such costs which the National Skills Fund may incur and for any damages or losses the National Skills Fund may suffer.

## **9. PRECEDENCE**

- 9.1 This document will prevail over any information provided during any stage whether oral, electronically or written, unless such written information provided, expressly amends this document by reference.

## **10. LIMITATION OF LIABILITY**

- 10.1 A bidder participates in this bid process entirely at its own risk and cost. The Department 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 bidding process.

## **11. TAX COMPLIANCE**

- 11.1 No tender shall be awarded to any bidder which is not tax compliant. The Department reserves the right to withdraw an award made, or cancel a contract concluded with a successful bidder in the event that it is established that such bidder was in fact not tax compliant at the time of the award, or has submitted a fraudulent Tax Clearance Certificate to the Department, or whose verification against the Central Supplier Database (CSD) proves non-compliant.
- 11.2 The Department further reserves the right to cancel a contract with a successful bidder in the event that such a bidder does not remain tax compliant for the full term of the contract.

## **12. TENDER DEFAULTERS AND RESTRICTED SUPPLIERS**

- 12.1 No tender shall be awarded to a bidder whose name (or any of its members, directors, partners or trustees) appears on the Register of Tender Defaulters maintained by National Treasury, or who have been placed on National Treasury's List of Restricted Suppliers.

- 12.2 The Department 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 organ of state.

### **13. CONFIDENTIALITY**

- 13.1 Except as may be required by the operation of law, by a court or by any 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 Department's examination and evaluation of a tender.
- 13.2 No part of the bid may be distributed, reproduced, stored or transmitted, in any form or by any means, electronically, or by way of photocopying, recording or otherwise, in whole or in part except for the purpose of preparing a tender. This bid and any other documents supplied by the Department remain proprietary to the Department and must be promptly returned to the Department upon request, together with all copies, electronic versions, excerpts or summaries thereof or work as a consequence derived there from.
- 13.3 Throughout this bid process and thereafter, bidders must secure the Department's 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.

### **14. PROPRIETARY INFORMATION OF THE DEPARTMENT**

- 14.1 Bidders will declare in their respective bid cover letters that they did not have access to any departmental 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).

### **15. COPYRIGHT AND ALL OTHER INTELLECTUAL PROPERTY RIGHTS**

- 15.1 **All copyright and all other intellectual property rights in respect of any documents and materials (works) developed by the service provider during this project, shall vest in the Department.**



- 15.2 The Department will have the right to release the works under an appropriate copyright license, including an open license, that will allow any individual, official, company, agency or organisation to use or modify the works for any purpose as stated in the open licence.

## **16. RESPONSIBILITY FOR SUB-CONTRACTORS AND BIDDER'S PERSONNEL**

- 16.1 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.
- 16.2 In the event that the Department allows a bidder to make use of sub-contractors, the actions and activities of such sub-contractors will at all times remain the responsibility of the bidder and the Department will not under any circumstances, be liable for any losses or damages incurred by or caused by such sub-contractors.

## **17. SERVICE LEVEL AGREEMENT**

- 17.1 Subsequent to the Department's decision on awarding the tender the successful bidder **may be required to sign a Service Level Agreement** aimed at regulating the specific terms and conditions applicable to the services required by the Department and as far as possible.
- 17.2 The Department reserves the right to revise and amend any part of the proposed Service Level Indicators during the course of contract with a bidder.
- 17.3 The Department reserves the right to accept or reject additional service proposals, proposed by a successful bidder.

## **18. PRICING**

- 18.1 The rates quoted must be a fixed rate for the duration of the contract and must include all related costs (travel, accommodation, equipment and data communication). Only travelling costs for approved site visits and/or provincial visits can be claimed.
- 18.2 **Price must be VAT inclusive and quoted in South African Rand.**

- 18.3 Details of the **cost/fee breakdown for all the services to be rendered** must be submitted in a sealed envelope with the rest of the documentation.

## **19. OTHER IMPORTANT MATTERS TO NOTE**

- 19.1 The Department reserves the right to conduct background/probity check on key management of the bidder.
- 19.2 The Department reserves the right to conduct due diligence exercises as part of evaluating the implementing capacity of the bidder.
- 19.3 The shortlisted bidders may be called to present to the evaluation committee before a final selection is made.
- 19.4 The Department will not be liable to reimburse any costs incurred by the bidder during this tender process.
- 19.5 Bidders must identify and disclose any conflict or perceived conflict of interest caused by current assignments, relationships or other dealings, and indicate how such conflicts would be addressed.
- 19.6 Only one proposal per bidder can be submitted.

## **PART F – MONITORING AND REPORTING**

### **1. MONITORING**

- 1.1 All monitoring of the project will be conducted by the Directorate: Internal Audit.
- 1.2 A Project Management Team will be established to facilitate the smooth implementation of the project and to ensure that the objectives of the project are met. The Project Management Team will comprise officials from the NSF Internal Audit and the service provider. Meetings will be arranged as necessary for successful implementation of the Internal Audit plan.
- 1.3 The service provider has a responsibility to monitor that audits allocated to the service provider are conducted in accordance with the approved internal audit plan, within the approved audit budget and timelines and adheres to the International Standards of Professional Practice for Internal Auditing as well as the NSF Internal Audit Methodology.

### **2. REPORTING**

- 2.1 The service provider will report to the Director: Internal Audit (or his/her delegate).
- 2.2 Reports required will include, but not be limited to:
  - 2.2.1 Bi-weekly progress reports must be submitted to the Director: Internal Audit (or his/her delegate). Should the need arise, weekly progress reports will be required.
  - 2.2.2 Draft audit reports
  - 2.2.3 Final audit reports
  - 2.2.4 Quarterly progress reports against the internal audit plan for discussion at Audit Committee meetings.
  - 2.2.5 Any other reports for Audit Committee or other stakeholder meetings as and when required by the Director: Internal Audit.
- 2.3 Reports should be submitted electronically to the Director: Internal Audit (and his/her delegate) in MS Word and PDF or PowerPoint in case of presentations, unless another format is agreed between both parties.

### **3. LANGUAGE**

- 3.1 All correspondence including reports must be written in English.

### **4. SUBMISSIONS/COMMENTS TIMING**

- 4.1 Internal audits must be conducted and reports submitted in accordance with the timeframes and budgeted hours allocated per approved internal audit plan and audit planning memorandums.
- 4.2 Working papers must be made available throughout the audit assignments to the Director: Internal Audit (or his/her delegate) upon request, at periods agreed with the service provider.
- 4.3 Complete audit files with all required audit working papers must be made available to the Director: Internal Audit (or his/her delegate) on completion of the audit projects, within agreed timeframes.
- 4.4 The Director: Internal Audit (or his/her delegate), shall within 30 days of receipt of deliverables, notify the of the approval or not of the deliverable, unless another timeframe is agreed between both parties.

## **Annexure A: Audit team members**

*Note: Minimum of 16 members allocated to this tender; members should not have less than 3 years' experience; Team must include an Internal Audit Manager, at least 8 internal auditors, 1 IT audit manager; 2 IT specialists, 1 Forensic Audit Manager; 2 forensic auditors; 1 engineer/quantity surveyor and 1 Quality Assurance Reviewer. Details of the overall engagement directors that will oversee this project must also be provided. Certified copies of qualifications to be attached.*

**Note:** *Composition requirements for the team can be amended as per NSF needs at specific intervals. Sufficient staff must be allocated to the project at all times to ensure internal audit projects are completed within agreed upon timeframes meeting quality standards. Forensic and construction/engineering specialists will only be required if the need arises, and will therefore not be required on a regular basis by NSF. Integrated teams might be required from time to time.*

*Should members on teams be replaced due valid reasons, the service provider should discuss it with the Director: Internal Audit and ensure that replacement members have similar qualifications and experience and internal skills transfer is managed.*

<b>No</b>	<b>Name of individual</b> (e.g. John Brown)	<b>Qualifications</b> (e.g. CIA) <i>Certified copies of qualifications required.</i>	<b>Position</b> (e.g. Audit Manager)	<b>Estimated percentage time spent per audit (%)</b> <i>Actual allocations might vary</i>	<b>Field of expertise</b> (e.g. SCM, IT Programme Assurance, QAR, etc – link to tender scope)	<b>Years relevant experience</b> (e.g. 4 years manager; 10 years Internal Audit; etc.)	<b>Membership / affiliation</b> (e.g. IIA certificate). <i>Provide certified copies</i>
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							

<b>No</b>	<b>Name of individual</b> (e.g. John Brown)	<b>Qualifications</b> (e.g. CIA) <i>Certified copies of qualifications required.</i>	<b>Position</b> (e.g. Audit Manager)	<b>Estimated percentage time spent per audit (%)</b> <i>Actual allocations might vary</i>	<b>Field of expertise</b> (e.g. SCM, IT Programme Assurance, QAR, etc – link to tender scope)	<b>Years relevant experience</b> (e.g. 4 years manager; 10 years Internal Audit; etc.)	<b>Membership / affiliation</b> (e.g. IIA certificate). <i>Provide certified copies</i>
<b>20</b>							
<i>Additional lines can be added if required</i>							

**Annexure B: Service provider experience in Public Sector Auditing**

Provide information of **at least 5 clients**. To display evidence of simultaneous audit and capacity to assist with projects of at least 5000 hours and above **per year** over a 3 year period.

No	Client Name	Entity Type (e.g. Schedule 3A Public Entity, SOC, Department, etc.)	Scope of work in Public Sector (e.g. IA assurance, ICT audits, Consulting, etc.	Project start date	Project end date	Audit hours	Reference letter provided (Yes / no)
1							
2							
3							
4							
5							
Additional lines can be added if required							



## Annexure C: Service provider experience evaluation

Reference letter to be printed on client letterhead

Insert date

To Whom It May Concern

**REFERENCE: INTERNAL AUDIT SERVICES PROVIDED BY [INSERT COMPANY NAME]**

[Insert company name] has been providing Internal Audit Services to the [insert client name] from [date to date].

### 1. Details of services provided

Mark services rendered; description can be added to expand further.

Engagement type	Mark with "X" only if applicable	Further description / type of projects ( <i>where relevant</i> )
<i>Example – Assurance audit</i>	X	• Grant management, Supply chain management, Human Resource Management, Assets (adjust as relevant)
1. Assurance audits – operational areas		•
2. Financial audits, including financial statement reviews		•
3. Performance information reviews		•
4. Probity audits (e.g. SCM / funding allocation processes)		•
<i>Information Technology audits, such as:</i>		• Specify ICT systems audited: <i>e.g. BAS / PERSAL / LOGIS / Pastel / MS Dynamics / other - specify.</i>
5. ICT general control reviews		•
6. ICT Application control reviews		•
7. ICT Network security		•
8. ICT Governance review		•
9. ICT System development life cycle (SDLC)		•
10. Performance audits (economy, efficiency, effectiveness)		•

Engagement type	Mark with "X" only if applicable	Further description / type of projects ( <i>where relevant</i> )
11. Governance and ethics audits		•
12. Enterprise Risk Management reviews		•
13. Combined assurance assessment and reporting		•
14. Compliance audits		•
<i>Specialist services, such as:</i>		•
15.		•
16. Determination tests into irregular, fruitless and wasteful expenditure and material irregularity assessments		•
17. Infrastructure projects / construction reviews		•
18. Technical opinions		•
19. Consulting / advisory services		•
20. Quality assurance reviews and internal quality assurance assessments.		•
<b>Total hours</b>	<i>Total hours per contract = xx</i>	

## 2. Rating of services rendered by the service provider:

The quality of the service provided by [insert bidder name] can be summarised as follows:

No	Evaluation Criteria	Rating	Remarks / Comments
1	Audit projects completed in the allocated time and hour		
2	Quality of working papers and audit file, including compliance with IA standards.		
3	Quality of reports and recommendations		
4	Sufficient capacity (number of staff, level, experience and qualifications) provided throughout the audit		
5	Overall customer feedback and value added services rendered		

No	Evaluation Criteria	Rating	Remarks / Comments
	Total score out of 25		
	<u>Average score</u> Total score out of 25 divided by 5 (score / 25)		

**Rating scale:**

Rating	Description
0	Poor / below average
1	Average
3	Good / satisfactory
4	Very good
5	Excellent

**3. Contact details**

<b>Name:</b>	
<b>Designation:</b>	
<b>Email:</b>	
<b>Telephone:</b>	

Kind regards

\_\_\_\_\_

**Name and surname**

**Designation**

**Date**

## Annexure D: Provincial footprint

No	Province	City (provide physical address)	Number of staff at regional office	Proof of ownership or lease agreement (Yes / No)
1				
2				
3				
4				
5				
6				
7				
8				
9				

*\* Note: If proof of ownership or lease agreement is not provided for a regional office, the point for that regional office will not be awarded.*

**PRICING SCHEDULE**  
(Professional Services)

NAME OF BIDDER: ..... BID NO.: **DHET 162**

CLOSING TIME **11:00**

CLOSING DATE: **3 September 2024**

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

ITEM NO	DESCRIPTION	BID PRICE IN RSA CURRENCY **(ALL APPLICABLE TAXES INCLUDED)	
1.	The accompanying information must be used for the formulation of proposals.		
2.	Bidders are required to indicate a ceiling price based on the total estimated time for completion of all phases and including all expenses inclusive of all applicable taxes for the project.	R.....	
3.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	.....	R.....	..... days
	.....	R.....	..... days
	.....	R.....	..... days
	.....	R.....	..... days
5.1	Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.		
	DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY AMOUNT
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
	.....	.....	R.....
		TOTAL: R.....	

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

Name of Bidder: .....

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

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

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

\*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

**Tenders@dhet.gov.za**



## higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

### BIDDER'S DISCLOSURE

#### 1. PURPOSE OF THE FORM

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

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

#### 2. Bidder's declaration

- 2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state?

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

Select (x) the correct box

- 2.1.1 If yes, 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 institution	State

- 2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the Department of Higher Education & Training?

YES	NO

Select (x) the correct box

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<sup>2</sup> enterprise whether or not they are bidding for this contract?

YES	NO

Select (x) the correct box

*Information not stated but found on CSD, CIPC or any other system may lead to disqualification of a bid.*

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 consortium<sup>3</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring 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

---

<sup>1</sup> 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

<sup>2</sup> "related" as referred to in the Companies Act 2008, Act No 71 of 2008, section 2(1)(a)-(c). The Department reserves the right to access the Central Supplier Database (CSD), Companies Intellectual Property Commission (CIPC) or any other system to verify information

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



# higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022

This preference form must form part of all tenders invited. It contains general information and serves as a claim form for preference points for specific goals.

**NB: BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF THE TENDER AND PREFERENTIAL PROCUREMENT REGULATIONS, 2022**

### 1. GENERAL CONDITIONS

1.1 The following preference point systems are applicable to invitations to tender:

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

1.2 The applicable preference point system for this tender is the

**1.2.1 80/20** preference point system;

**1.2.2 90/10** preference point system.

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

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

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

	80/20	90/10
<b>PRICE</b>	<b>80</b>	<b>90</b>
<b>SPECIFIC GOALS</b>	<b>20</b>	<b>10</b>
<b>Total points for Price and SPECIFIC GOALS</b>	<b>100</b>	<b>100</b>

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to

preferences, in any manner required by the organ of state.

## 2. DEFINITIONS

- (a) **“Consortium or joint venture”** means an association of individuals, companies, or organisations for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity to respond to a tender and participating in common activity of execution through concluding a contract or written agreement stipulating their roles and responsibilities.
- (b) **“tender or bid”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (c) **“price”** means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.
- (d) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (e) **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to or employing another person to support such primary contractor in the execution of part of a project in terms of the contract.
- (f) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (g) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. Points awarded for price.

#### 3.1.1 The 80/20 or 90/10 Preference Point Systems

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

$$\begin{array}{ccc} \mathbf{80/20} & \mathbf{or} & \mathbf{90/10} \\ \mathbf{Ps} = \mathbf{80} \left( \mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) & \mathbf{or} & \mathbf{Ps} = \mathbf{90} \left( \mathbf{1} - \frac{\mathbf{Pt} - \mathbf{Pmin}}{\mathbf{Pmin}} \right) \end{array}$$

Where

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

### 3.2. Formulae for disposal or leasing Of State Assets and Income Generating

## Procurement

### 3.2.1. Points awarded for Price

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

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

Where

- $P_s$  = Points scored for price of tender under consideration  
 $P_t$  = Price of tender under consideration  
 $P_{max}$  = Price of highest acceptable tender

## 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
  - (c) then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

**Table 1:** The table below provides the specific goals, its criteria of measurement for a tenderer to qualify for a maximum of 20 points (80/20) OR 10 points (90/10) based on the proof submitted. Please complete the table selecting the relevant 80/20 OR 90/10 as advertised:

APPLICATION OF SPECIFIC GOALS IN THE WHITE PAPER ON RDP; & THE CODE OF GOOD PRACTICE IN 8-BBEE: DHET PREFERENTIAL PROCUREMENT												
NO	SPECIFIC GOAL	REFERENCE	CRITERIA	80/20		CLAIM	90/10		CLAIM	EVIDENCE		
				Specific Goal Contribution	Points Claimed	Bidder must tick (x) next to points claimed	Specific Goal Contribution	Points Claimed	Bidder must tick (x) next to points claimed	PROOF/ EVIDENCE	Indicate if evidence is provided, & specify	
1	Person historically disadvantaged on the basis of race	RDP 1.4.4; 3.1.4	100% black owned	60,00	7,84		60,00	3,92		Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database)	Y	N
			75%-99% black owned	50,00	6,54		50,00	3,27				
			60%-74% black owned	40,00	5,23		40,00	2,61				
			51%-59% black owned	30,00	3,92		30,00	1,96				
			0-50% black owned	10,00	1,31		10,00	0,65				
			None	0,00	0,00		0,00	0,00				
2	Persons historically disadvantaged on the basis of gender	RDP 1.4.4; 3.1.4; 3.2.7; 7.7	100% women owned	40,00	5,23		40,00	2,61		Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database).	Y	N
			75%-99% women owned	30,00	3,92		30,00	1,96				
			60%-74% women owned	20,00	2,61		20,00	1,31				
			51%-59% women owned	10,00	1,31		10,00	0,65				
			0-50% women owned	5,00	0,65		5,00	0,33				
			None	0,00	0,00		0,00	0,00				
3	Persons historically disadvantaged on the basis of disability	RDP 7.7	100% owned by persons with disabilities	3,00	0,39		3,00	0,20		Certified medical certificate or substantive proof.	Y	N
			75%-99% owned by persons with disabilities	2,00	0,26		2,00	0,13				
			60%-74% owned by persons with disabilities	1,00	0,13		1,00	0,07				
			0-59% owned by persons with disabilities	0,50	0,07		0,50	0,03				
			None	0,00	0,00		0,00	0,00				
4	Development of Youth	RDP 1.4.6; 7.7	100% youth owned	20,00	2,61		20,00	1,31		Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database) to be 35 years	Y	N
			75%-99% youth owned	15,00	1,96		15,00	0,98				
			60%-74% youth owned	10,00	1,31		10,00	0,65				
			51%-59% youth owned	5,00	0,65		5,00	0,33				
			0-50% youth owned	2,50	0,33		2,50	0,16				
			None	0,00	0,00		0,00	0,00				
5	Development of SMMEs	RDP 3.10; 3.1.4	Micro 0 - 10 employees; turn-over per sector	30,00	3,92		30,00	1,96	BBBEE certificate or sworn affidavit for EME or QSE; Copy of CIPC (Companies and Intellectual Property Commission) registration; SARS Return indicating turnover or audited financial statement.	Y	N	
			Small 11- 50 employees; turn-over per sector	15,00	1,96		15,00	0,98				
			Medium 51 - 250 employees; turn-over per sector	10,00	1,31		10,00	0,65				
			None	0,00	0,00		0,00	0,00				
			TOTAL	153,00	20		153,00	10				

**\*LEGEND FOR CLAIMING POINT IN TABLE 1**

- **Tenderer may claim points in respect of the five (5) specific goals in the table;**
- **Tenderer must select the relevant and appropriate qualifying points in column (d) next to the point indicated in column (c);**
- **The evidence provided will be verified by the Department, who reserves the right to amend or ignore points claimed if incorrect or no/irrelevant evidence provided.**
- **Points claimed- must be valid at the time of closing date of tender (excluding tax information that must be valid at the date of award);**
- **A tenderer that fails to claim points for specific goals as per Table 1 will not be disqualified but will not qualify points for specific goals;**
- **The following as a minimum requirement of valid evidence is to be submitted:**

<b>Person historically disadvantaged on the basis of race</b>	<ul style="list-style-type: none"> <li>• Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database).</li> </ul>
<b>Person historically disadvantaged on the basis of gender</b>	<ul style="list-style-type: none"> <li>• Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database).</li> </ul>
<b>Persons historically disadvantaged on the basis of disability</b>	<ul style="list-style-type: none"> <li>• Certified medical certificate or substantive proof.</li> </ul>
<b>Development of Youth</b>	<ul style="list-style-type: none"> <li>• Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database).</li> </ul>
<b>Development of SMMEs</b>	<ul style="list-style-type: none"> <li>• BBBEE certificate or sworn affidavit for EME or QSE</li> </ul>

	<ul style="list-style-type: none"> <li>• Copy of CIPC (Companies and Intellectual Property Commission) registration.</li> <li>• SARS Return indicating turnover or audited financial statement.</li> </ul>
--	--

## 5. ADJUDICATION USING A POINT SYSTEM

- 5.1. The tenderer obtaining the highest number of points will be awarded the contract.
- 5.2. Preference points shall be calculated after prices have been brought to a comparative basis.
- 5.3. Points scored will be rounded off to 2 decimal places.

## 6. POINTS AWARDED FOR BLACK PEOPLE, YOUTH, WOMEN, SMMES AND PEOPLE WITH DISABILITIES

- 6.1. Points for Black people, Youth, Women, SMME and People with Disabilities are calculated on their percentage shareholding in a business, provided that they are actively involved in and exercise control over the enterprise. The following formula is prescribed:

$$NEP = NOP \times \frac{EP}{100}$$

Where

**NEP** = Points awarded for equity ownership by Black people, Youth, Women, SMME and People with disabilities.

**NOP** = The maximum number of points awarded for equity ownership by Black people, Youth, Women, SMME and People with disabilities in that specific category.

**EP** = The percentage of equity ownership by Black people, Youth, Women, SMME and People with disabilities within the enterprise or business.

In case of sub-contracting, points will be awarded to the main contractor based on ownership.

## 7. DECLARATION WITH REGARD TO COMPANY/FIRM

7.1. Name of firm : .....

7.2. VAT registration number : .....

7.3. Company registration number : .....

7.4. **Type of company/ firm**

☐ Partnership/Joint Venture / Consortium

- ☐ One-person business/sole propriety
  - ☐ Close corporation
  - ☐ Public Company
  - ☐ Personal Liability Company
  - ☐ (Pty) Limited
  - ☐ Non-Profit Company
  - ☐ State Owned Company
- [TICK APPLICABLE BOX]

**7.4.1. Describe principal business activities.**

.....

.....

.....

.....

.....

**7.4.2. Company classification**

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

**7.4.3. Total number of years the firm has been in business?**

.....

**7.5. Consortium / Joint Venture**

7.5.1 A consortium or joint venture will qualify for points on evaluation of their specific goals as a legal entity, provided that the entity submits the requisite documents.

7.5.2 A consortium or joint venture will qualify for points on evaluation of their specific goals as an unincorporated entity, provided that each entity submits their requisite, information regarding points claimed.

7.5.3 Points for Black people, Youth, Women, SMME and People with Disabilities are calculated based on the percentage of the contract value managed or executed by their Black people, Youth, Women, SMME and People with disabilities. The following formula is prescribed:

$$NEP = NOP \times CVM/100$$

Where

**NEP** = Points awarded for equity ownership by Black people, Youth, Women, SMME and People with Disabilities

**NOP** = The maximum number of points awarded for equity ownership by Black people, Youth, Women, SMME and People with Disabilities in that specific category

**CVM** = The percentage of the contract value managed by JV partner.

## 8. BID DECLARATION

8.1. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) **If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –**
  - (a) **disqualify the person from the tendering process;**
  - (b) **recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;**
  - (c) **cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;**
  - (d) **recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and**
  - (e) **forward the matter for criminal prosecution, if deemed necessary.**

.....	
SIGNATURE(S) OF TENDERER(S)	
SURNAME AND NAME:	.....
DATE:	.....
ADDRESS:	.....
	.....
	.....





# higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (ACT 5 OF 2000) AND SUBSEQUENT PREFERENTIAL PROCUREMENT REGULATIONS OF 2022: BLACK PEOPLE, WOMEN, YOUTH, PEOPLE WITH DISABILITIES

**NB:** BEFORE COMPLETING THIS FORM, TENDERERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES SPECIFIED IN CLAIM FORM SBD 6.1 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, BASED ON THE PPPFA (Act 5 of 2000).

1. **Section 217 (1)** of the Constitution of the Republic of South Africa, 1996, determine: "When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective".
2. **Section 217 (2)** of the Constitution determine: "Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for – (a) categories of preference in the allocation of contracts; and (b) the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination."
3. **Section 1 (iv)** of the Preferential Procurement Policy Framework Act (Act 5 of 2000) determine: "preferential procurement policy" means a procurement policy contemplated in section 217 (2) of the Constitution".
4. **Section 2 (1) (d) (i) and (ii)** of the Preferential Procurement Policy Framework Act (Act 5 of 2000) determine that "the specific goals targeting preference, may include: (i) contracting with persons or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability; (ii) implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994".
5. In line with the above **the DHET SCM Policy** make provision for the promotion of Black people, Youth (in line with RDP), Women and people with disabilities relating to HDI.

80/20 PREFERENTIAL PROCUREMENT POINTS	
SPECIFIC GOAL	*MAXIMUM POINTS ALLOCATED
Race	7.19
Women	4.79
Youth	3.59
People with Disabilities	0.84

### 6. GENERAL DEFINITIONS

- a) **"Acceptable tender"** means any tender which, in all respects, complies with the specifications and conditions of tender as set out in the tender document.
- b) **"Tender"** 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, works or services.
- c) **"Black People"** Is a generic term which means African, Coloureds and Indians
  - I. who are citizens of the Republic of South Africa by birth or decent; or
  - II. who became citizens of the Republic of South Africa by naturalisation –
  - III. before 27 April 1994;

IV. on or after 27 April 1994 and who have been entitled to acquire citizenship by naturalisation prior to that date.

- d) **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration
- e) **“Contract”** means the agreement that results from the acceptance of a tender by an organ of state.
- f) **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Policy Framework Act (Act 5 of 2000) and further elaborated upon in the SCM Policy of **the dtic**.
- g) **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- h) **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being, or persons who have a long-term or recurring physical or mental impairment, which substantially limits their prospects of entry into, or advancement in employment.
- i) **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.
- j) **“Historically Disadvantaged Individual (HDI)”** means a South African citizen.
  - a. who, due to the apartheid policy that was in place, had no voting rights in the national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No. 100 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) (“the interim Constitution”), and/or
  - b. who are women; and/or
  - c. who has a disability:
- k) **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- l) **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- m) **“Person”** includes reference to a juristic person.
- n) **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of tender invitations and includes all applicable taxes and excise duties.
- o) **“Youth”** means persons between the ages of 14 and 35 (NO. 19 OF 1996: NATIONAL YOUTH COMMISSION ACT, 1996: Definitions 1 (vi).)

## **7. ESTABLISHMENT OF BLACK PEOPLE, YOUTH, WOMEN AND PEOPLE WITH A DISABILITY EQUITY OWNERSHIP IN AN ENTERPRISE**

- 7.1 Equity ownership shall be equated to the percentage of an enterprise which is owned by individuals classified as Black people, Youth, Women and People with Disabilities or in the case of a company, the percentage shares that are owned by individuals classified as Black people, Youth Women and People with Disabilities who are actively involved in the management and daily business operations of the enterprise and exercise control over the enterprise, commensurate with their degree of ownership.
- 7.2 Where individuals are not actively involved in the management and daily business operations and do not exercise control over the enterprise commensurate with their degree of ownership, equity ownership may not be claimed.

## **8. BID DECLARATION**

- 8.1 Tenderers who claim points in respect of equity ownership must complete the Bid Declaration at the end of this form.

## 8.2 POINTS TO BE CALCULATED FROM INFORMATION FURNISHED IN PARAGRAPH 8.

OWNERSHIP	PERCENTAGE OWNED	POINTS CLAIMED.
8.2.1. Equity ownership <b>by people who are Black</b>	%	
8.2.2. Equity ownership <b>by persons who Qualify as Youth</b>	%	
8.2.3. Equity ownership <b>by women</b>	%	
8.2.4. Equity ownership <b>by disabled persons*</b>	%	

\*If points are claimed for disabled persons, indicate nature of impairment (see paragraph 6(h) above)

.....  
**Copy of CIPC (Companies and Intellectual Property Commission) registration, copies of ID's as well as CSD (Central Supplier Database) report must be submitted in order to substantiate information provided against 8.21; 8.2.2 and 8.2.3 above.**

**A medical certificate/ letter signed by a registered medical practitioner (HPCSA) confirming disability should be submitted to substantiate information provided against 8.2.4 above.**

## 9. DECLARATION WITH REGARD TO EQUITY

9.1 **List all Directors by Name, Position, Identity Number, Citizenship, Black, Youth or HDI status and ownership, as relevant. Information to be used to calculate the points claimed in paragraph 8.2.**

Name	Date/Position occupied in Enterprise	ID Number	* Status				% of businesses / enterprise owned
			Black	Youth	Women	Disabled	

**\*Indicate YES or NO**

10. I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm certify that points claimed, based on the equity ownership, indicated in paragraph 8 of the foregoing certificate, qualifies the firm for the preference(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) The Equity ownership claimed is in accordance with the General Conditions as indicated in paragraph 1 of the SBD 6.1 form.
- (iii) In the event of a contract being awarded as a result of points claimed as shown in

paragraph 10, the contractor may be required to furnish additional documentary proof to the satisfaction of the purchaser that the claims are correct.

- (iv) If the claims are found to be incorrect, the purchaser may, in addition to any other remedy it may have -
- (a) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (b) 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;
  - (a) impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the tender; or
  - (b) 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.

**WITNESSES:**

1. ....

.....  
SIGNATURE(S) OF TENDERER(S)

2. ....

DATE:.....

ADDRESS:.....

.....

.....

.....



# higher education & training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (ACT 5 OF 2000) AND SUBSEQUENT PREFERENTIAL PROCUREMENT REGULATIONS OF 2022: PROMOTION OF SMALL BUSINESSES (SMME)

**NB:** BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES SPECIFIED IN CLAIM FORM SBD 6.1 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, BASED ON THE PPPFA (Act 5 of 2000)

1. Section 2 (1) (d) (ii) of the Preferential Procurement Policy Framework Act (Act 5 of 2000) makes provision for the promotion of small businesses within the preference point systems.

80/20 PREFERENTIAL PROCUREMENT POINTS	
SPECIFIC GOAL	*MAXIMUM POINTS ALLOCATED
Development of SMMEs	3.59

### 2. DECLARATION WITH REGARD TO SMMEs

Bidders who wish to claim points in respect of this goal must complete paragraph 4 below.

### 3. POINTS CLAIMED

Indicate whether the points allocated for this goal is claimed.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

### 4. INFORMATION FURNISHED WITH REGARD TO THE PROMOTION OF SMALL BUSINESSES

Indicate whether the company is a small, medium or micro enterprise as defined by the National Small Business Act, 1996 (Act 102 of 1996 and the Amendment Act, Act 29 of 2004).

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

- 4.1. If the response to paragraph 4 is yes, the following must be completed:

4.1.1 Sector or sub-sector in accordance with the Standard Industrial Classification .....

4.1.2 Size or class .....

4.1.3 Total full-time equivalent of paid employees .....

4.1.4 Total annual turnover .....

4.1.5 Total gross asset value (fixed property excluded) .....

- 4.1.6 The bidder is compelled to indicate for which category he/she is bidding, and the relevant preference points claimed.

The information supplied above must be substantiated by documentary proof that must be submitted with the bid. **Failure to submit proof shall invalidate the points claimed. In order to substantiate revenue for complying as an SMME, a SARS return indicating turnover / B-BBEE certificate/ Audited Financial Statement/ CIPC certificate/Sworn Affidavit for EMEs & QSEs must be submitted as proof.**

- 4.2 Total points claimed will not exceed the **maximum of 3.59 points allocated for this specific goal** - refer to SBD 6.1 Table 1.

## 5. BID DECLARATION

I/we, the undersigned, who warrants that he/she is duly authorised to do so on behalf of the firm declare that points claimed, based on promotion of small, medium or micro enterprises, qualifies the firm for the point(s) shown and I / we acknowledge that:

- (i) The information furnished is true and correct.
- (ii) In the event of a contract being awarded as a result of points claimed, the contractor may be required to furnish additional documentary proof to the satisfaction of the purchaser that the claims are correct.
- (iii) If the claims are found to be incorrect, the purchaser may, in addition to any other remedy it may have -
  - (a) recover all costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (b) 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.
  - (c) impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid; or
  - (d) 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.

### WITNESSES:

1. ....

.....  
SIGNATURE(S) OF BIDDER(S)

2. ....

DATE: .....



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA

**COMPULSORY DOCUMENT (PLEASE COMPLETE AND SIGN)**

**TO BE SUBMITTED WITH THE RFQ/BID RESPONSE.**

**PERMISSION BY BIDDER:**

**On behalf of:**

\_\_\_\_\_ (Company  
name)

I, Prof/Dr/Mr/Ms \_\_\_\_\_ (duly  
authorized),

hereby grant permission, in terms of the **Protection of Personal Information Act, 2013 (Act 4 of 2013)**, (POPI Act), to the Department of Higher Education and Training, to utilise all information contained in the Bid documents and Quotation submitted to the Department of Higher Education and Training , for purposes of procurement.

Designation: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**NB: Bidder may be disqualified if completed form is not submitted with Bid Documents**

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:**



**GENERAL CONDITIONS OF CONTRACT**

**July 2010**

**GOVERNMENT PROCUREMENT**

**GENERAL CONDITIONS OF CONTRACT**

**July 2010**

## NOTES

The purpose of this document is to:

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

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

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

## TABLE OF CLAUSES

- 1. Definitions
- 2. Application
- 3. General
- 4. Standards
- 5. Use of contract documents and information; inspection
- 6. Patent rights
- 7. Performance security

8. Inspections, tests and analysis
9. Packing
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11. Insurance
12. Transportation
13. Incidental services
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17. Prices
18. Contract amendments
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21. Delays in the supplier's performance
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### **General Conditions of Contract**

## **1. Definitions**

1. The following terms shall be interpreted as indicated:
  - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 “Day” means calendar day.
  - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
  - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
  - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.

- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

- 1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.
2. **Application** 2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.
3. **General** 3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za)
4. **Standards** 4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
5. **Use of** 5.1 The supplier shall not, without the purchaser’s prior written consent, **contract** disclose the contract, or any provision thereof, or any specification, **documents** plan, drawing, pattern, sample, or information furnished by or on **and** behalf of the purchaser in connection therewith, to any person other **information;** than a person employed by the supplier in the performance of the **inspection.** 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** 7.1 Within thirty (30) days of receipt of the notification of contract award, **security** 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** 10.1 Delivery of the goods shall be made by the supplier in accordance with **and documents** 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** 13.1 The supplier may be required to provide any or all of the following **services** 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** 18.1 No variation in or modification of the terms of the contract shall be **amendments** 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** 21.1 Delivery of the goods and performance of services shall be made by **supplier's** the supplier in accordance with the time schedule prescribed by the **performance** 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** 23.1 The purchaser, without prejudice to any other remedy for breach of **for default** 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 antidumping 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** 26.1 The purchaser may at any time terminate the contract by giving written **for insolvency** 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** 28.1 Except in cases of criminal negligence or willful misconduct, and in **liability** 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** 29.1 The contract shall be written in English. All correspondence and other **language** documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable** 30.1 The contract shall be interpreted in accordance with South African **law** 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** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp **duties** 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, fees, etc., incurred until delivery of the contract to the purchaser.

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

**33. National Industrial Participation Programme (NIP)**

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

- 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 Prohibition of**
- 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.