

# **BID DOCUMENT**

## **APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO CONDUCT VARIOUS ACTIVITIES RELATED TO UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE IN FREE STATE MUNICIPALITIES ON BEHALF OF FREE STATE PROVINCIAL TREASURY FOR THE PERIOD OF 3 YEARS.**

**FSPT003/2025/26**

**UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE**

**Validity Period 120 Days**

**NB: All bidders must indicate their names and CSD Registration number:**

**NAME OF COMPANY / FIRM: .....**

**MAAA: .....**

## FSPT003/2025/26: BID SUBMISSION CHECKLIST

Bidders are required to complete the following checklist and to submit it with their bids:

		COMPLIANT? (TICK <input type="checkbox"/> IN APPROPRIATE BOX <input type="checkbox"/>	
NO	REQUIREMENT	YES	NO
<b>1</b>	<b>SECTION 1</b>		
1.1	Standard Bidding Documents:		
SBD 1	Invitation - (Fully completed and signed)		
SBD 4	Declaration Of Interest - (Fully completed and signed)		
SBD 6.1	Preference Points Claim Form in terms of the Preferential Procurement Regulations 2022 - (Fully completed and signed)		
<b>2</b>	<b>SECTION 2</b>		
2.1	Special Conditions of Contract ( <b>SCC</b> )		
<b>3</b>	<b>SECTION 3</b>		
3.1	General Conditions of Contract ( <b>GCC</b> )		
<b>4.</b>	<b>ANNEXURES</b>		
4.1	<b>Annexure A:</b> Joint Venture/Consortium Concern (only applicable in case of JV/Consortium companies)		



**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE FREE STATE PROVINCIAL TREASURY</b>					
BID NUMBER:	<b>FSPT003/2025/26</b>	CLOSING DATE:	<b>13 March 2026</b>	CLOSING TIME:	<b>11h00</b>
DESCRIPTION	<b>APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO CONDUCT VARIOUS ACTIVITIES RELATED IN UNAUTHORISED, IRREGULAR, FRUITLESS &amp; WASTEFUL EXPENDITURE TO FREE STATE MUNICIPALITIES ON BEHALF OF FREE STATE PROVINCIAL TREASURY FOR THE PERIOD OF 3 YEARS. (FSPT003/2025/26)</b>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT:</b>					
Fidel Castro Building					
Ground Floor – Free State Treasury Tender Box					
55 Meriam Makeba Street and CNR. Markgraaff Street					
Bloemfontein, 9300					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	<b>Nomasonto Maotoane/ Rouvia Tlhomelang</b>		CONTACT PERSON	<b>Thandi Mazibuko</b>	
TELEPHONE NUMBER	<b>051 403 3580</b>		TELEPHONE NUMBER	<b>051 403 3580</b>	
E-MAIL ADDRESS	<b>Fspt003@treasury.fs.gov.za</b>		E-MAIL ADDRESS	<b>Fspt003@treasury.fs.gov.za</b>	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
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**

**1. BID SUBMISSION:**

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

**2. TAX COMPLIANCE REQUIREMENTS**

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE [WWW.SARS.GOV.ZA](http://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: .....

**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?

**YES/NO**

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution? **YES/NO**

2.2.1 If so, furnish particulars:  
.....

2.3 Does the bidder or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest in the enterprise have any interest in any other related enterprise whether or not they are bidding for this contract?

**YES/NO**

2.3.1 If so, furnish particulars:  
.....

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<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.

### 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>2</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

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<sup>2</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.

## SBD 6.1

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

This preference form must form part of all the 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 To be completed by the organ of state

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) The **80/20 preference point system** will be applicable in this tender. The lowest/ highest acceptable tender will be used to determine the accurate system once tenders are received.

- 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 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
<b>Total points for Price and SPECIFIC GOALS</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) **“tender”** 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;
- b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- d) **“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
- e) **“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 points is allocated for price on the following basis:

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

Where

$P_s$  = Points scored for price of tender under consideration

$P_t$  = Price of tender under consideration

$P_{min}$  = 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 points is allocated for price on the following basis:

**80/20**

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

- Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = 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 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system.
- (b) Any other invitation for tender, that either the 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system, then the organ of state must indicate the points allocated for specific goals for the 80/20 preference point system.

**Table 1: Specific goals for the tender and points claimed are indicated per the table below.**

Specific Goals	Number of points allocated (80/20 system) (To be completed by the organ of state)	Proof to be provided to claims points
<b>Persons or category of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.</b>		
1. Black ownership	10	(i) Sworn Affidavit in the DTIC Format or SANAS accredited B-BBEE Certificate  (ii) Companies and intellectual property commission company registration (CIPC)
2. Black Women ownership	5	
<b>Reconstruction and Development Programme (RDP) Goals</b>		
3. The promotions of enterprises located in Free State Province.	5	Municipal Account in the name of the bidder/ lease agreement between the Landlord and bidder - Valid for six (6) months from the date of advertisement

**DECLARATION WITH REGARD TO COMPANY/FIRM**

4.3. Name of company/firm.....

4.4. Company registration number: .....

4.5. 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]

4.6. 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

<p>.....</p> <p><b>SIGNATURE(S) OF TENDERER(S)</b></p>	
<b>SURNAME AND NAME:</b>	.....
<b>DATE:</b>	.....
<b>ADDRESS:</b>	.....
	.....
	.....

# SECTION 2

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**SPECIAL CONDITIONS OF CONTRACT**

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## **SPECIAL CONDITION OF CONTRACTS (SCC)**

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**APPOINTMENT OF PANEL OF SERVICE PROVIDERS TO CONDUCT VARIOUS ACTIVITIES RELATED TO UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE IN FREE STATE MUNICIPALITIES ON BEHALF OF FREE STATE PROVINCIAL TREASURY FOR THE PERIOD OF 3 YEARS**

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**FSPT003/2025/26**

**UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE**

## **1. LEGISLATIVE AND REGULATORY FRAMEWORK**

- 1.1 This bid and all contracts emanating there from will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999). The Special Conditions of Contract are supplementary to that of the General Conditions of Contract. Where, however, the Special Conditions of Contract conflict with the General Conditions of Contract, the Special Conditions of Contract prevail.

## **2. PROJECT BACKGROUND**

- 2.1 The Free State Provincial Treasury has responsibility to assist municipalities in building their capacity of efficient and transparent financial management in line with Municipal Finance Management Act (MFMA) Act No. 56 of 2003.
- 2.2 The Municipal Finance Management (MFM) Chief Directorate is responsible for the promotion of improvement of the state of financial governance and management at local government level.
- 2.3 In addition, the MFM Chief Directorate has the primary responsibility to support municipalities by ensuring that all activities must comply with MFMA, Municipal Systems Act, Municipal Structures Act, and relevant regulations. The panel must support municipalities in implementing strategies and controls to reduce Unauthorized, Irregular, Fruitless and Wasteful expenditure, as defined in the MFMA.

## **3. OBJECTIVES**

- 3.1 This specification outlines the requirements for appointing a Panel of Service Providers to support municipalities in the Free State Province in reducing Unauthorised, Irregular, Fruitless, and Wasteful (UIF&W) expenditure. The strategy is aligned with the MFMA, the 2019–2024 Medium-Term Strategic Framework (MTSF), and the Free State Provincial Treasury's 2024–2028 UIF&W Reduction Strategy.

## **4. STATUS OF REQUEST FOR BIDS**

- 4.1 The Free State Provincial Treasury hereby invites potential bidders for the appointment/listing of a panel of service providers to conduct various activities related to UIF&W expenditure in Free State Municipalities for a period of 3 (three) years.

- 4.2 This request is an invitation for potential Bidders to submit their proposals for the rendering of the services as set out in the Special Condition of Contract (SCC) contained herein.
- 4.3 No binding contract or other understanding for the supply of the Services will exist between the Free State Provincial Treasury and any Bidder unless and until the department has executed a formal written contract with the successful Bidder/s.

## **5. KEY ACTIVITIES AND SCOPE OF WORK**

- 5.1. The main transversal activities for the Panel of Service Providers are to:
  - 5.1.1 Support municipalities in developing, implementing and monitoring strategies to reduce UIF&W expenditure.
  - 5.1.2 Advice on compliance with MFMA, Municipal Systems Act, and related regulations.
  - 5.1.3 Facilitate training and capacity building for officials, Municipal Public Accounts Committees (MPACs) and disciplinary boards.
  - 5.1.4 Assist in developing Standard Operating Procedures (SOPs), UIF&W registers, web-based audit acting plans, and reporting templates (approved municipal templates and systems).
  - 5.1.5 Guide municipalities in consequence management and disciplinary processes.
  - 5.1.6 Ensure performance agreements for key officials include UIF&W reduction Key Performance Indicators (KPIs).
  - 5.1.7 Collaborate with National Treasury (NT), Free State Provincial Treasury (FSPT), Department of Cooperative Governance and Traditional Affairs (DCoG), South African Local Government Association (SALGA), Municipal Internal Audit, Risk Management units and their respective committees.
  - 5.1.8 Promote transparency and accountability through quarterly reporting.
  - 5.1.9 Support establishment and functioning of Audit and Risk Management committees and Disciplinary Boards.
  - 5.1.10 Ensure municipalities maintain up-to-date UIF&W registers and implement preventative measures.

5.2 **Table 2: The Specific activities of the Panel of Experts per category**

Category of Service	Description of Service
<p><b>1. Conduct various activities related to Unauthorised, Irregular, Fruitless and Wasteful (UIF&amp;W) expenditure</b></p>	<p><b>1.1 Unauthorized, Irregular and Fruitless &amp; wasteful expenditure Reduction Strategy Support:</b></p> <p>1.1.1 Drafting and developing credible UIF&amp;W expenditure Reduction Strategy with realistic and achievable targets.</p> <p>a) Monitor strategies to reduce UIF&amp;W expenditure.</p> <p>b) Develop remedial action plans for implementation.</p> <p>1.1.2 Implement the treatment and disclosure of unavoidable and unforeseen expenditure incurred in emergency cases and none cash items (Impairment).</p> <p>1.1.3 Develop and implement a compliance tool for municipalities to improve on compliance with MFMA and related regulations.</p> <p>1.1.4 Provide training and capacity building for officials and oversight committees (MPAC) on an annual basis.</p> <p>1.1.5 Develop SOPs, enhance and maintain the quality of the UIF&amp;W expenditure registers.</p> <p>1.1.6 Monitor the capturing, uploading of supporting evidence as well as the implementation progress of the audit action plans to address Auditor General South Africa (AGSA) findings on the web-based system.</p> <p>1.1.7 Guide municipalities in developing consequence management policy and disciplinary processes.</p> <p>1.1.8 Develop UIF&amp;W expenditure reduction KPIs to be included in the performance agreements that include UIF&amp;W expenditure.</p>

Category of Service	Description of Service
	<p>1.1.9 Monitor achievement of UIF&amp;W expenditure KPI targets as outlined in the UIF&amp;W expenditure reduction strategy.</p> <p>1.1.10 Develop the process/procedures for internal audit to verify information that must be submitted to MPAC.</p> <p>1.1.11 Support MPACs in UIF&amp;W expenditure investigations and report/refer where necessary to Disciplinary Boards and South African Police Services (SAPS)/ other Law enforcement agencies.</p> <p>1.1.12 Gather all the information required by the MPAC referred to in sub-regulations (1) of Regulations 74 of the Municipal Budget and Reporting Regulations for the purpose of conducting proper investigations.</p> <p>1.1.13 Provide technical support to the Audit and Risk Management committees and Disciplinary Boards.</p> <p>1.1.14 Identify the existing internal controls and provide recommendations for improvement within the municipality to encourage in-year detection and prevention of UIF&amp;W expenditure and previous non-compliance in not repeated.</p> <p>1.1.15 Identify risks and recommend mitigating measures.</p> <p>1.1.16 Support in preparation of disclosure notes in financial statements as per the requirements of National Treasury prescripts.</p> <p>1.1.17 Consider the effectiveness of the measures already taken to recover the UIF&amp;W expenditure.</p> <p>1.1.18 Consider the estimated cost of the measures already taken to recover such expenditure and likely benefits of further</p>

Category of Service	Description of Service
	<p>measures that can be taken to recover such expenditure.</p> <p>1.1.19 Identify whether such goods and services that incurred irregular expenditure were at market value.</p> <p>1.1.20 Verify whether the services received were aligned to the specification.</p> <p>1.1.21 Verify if goods and service have been received where payments have been made.</p> <p>1.1.22 Determine whether any action has been taken to recover the UIF&amp;W expenditure, where there was a resolution to recover the funds using the Municipality's debt recovery processes.</p> <p>1.1.23 Prepare a report which indicates whether value for money was realized or not (supporting documentation is availed).</p> <p>1.1.24 Compile and submit a detailed UIF&amp;W expenditure report with reasons to Council Committee as an agenda item to be discussed in each MPAC meeting convened.</p> <p>1.1.25 Identify whether the MPAC has concluded their investigations and has Council resolved on UIF&amp;W expenditure.</p> <p>1.1.26 Prepare a close-out report with findings and recommendations to MPAC.</p>
	<p><b>1.2 Investigation of Unauthorised, Irregular, Fruitless and Wasteful expenditure</b></p> <p>1.2.1 Make copies or scan all relevant documentation needed to perform the scope of work from the Municipality.</p> <p>1.2.2 Review and analyse the supporting documentation must be requested from the Municipality within timeframe as agreed.</p> <p>1.2.3 Outstanding/additional supporting documentation must be requested from the Municipality within timeframe as agreed.</p>

Category of Service	Description of Service
	<p>1.2.4 Conduct an assessment to identify possible non-compliance/irregularities in transactions that have been processed and to confirm whether expenditure incurred meets the definition of UIF&amp;W expenditure.</p> <p>1.2.5 For cases that meet the definition of unauthorized expenditure, irregular expenditure or fruitless &amp; wasteful expenditure, conduct a determination test to examine and analyse the particulars of the confirmed UIF&amp;W expenditure and to establish the facts, assess any allegations of criminal conduct and losses as it relates to the transaction. The determination test outcomes must at least provide the following information:</p> <ul style="list-style-type: none"> <li>a) Root causes that lead to the unauthorized, irregular or fruitless &amp; wasteful expenditure.</li> <li>b) Official(s) responsible for the unauthorized, irregular or fruitless and wasteful expenditure and their roles in the process as well as suppliers involved in the process.</li> <li>c) Any losses incurred; and</li> <li>d) Any breakdown in the designed internal control systems.</li> </ul> <p>1.2.6 If the investigation outcome reveals possible fraudulent, corrupt or other criminal conduct, a report with recommendation must be submitted to MPAC of the relevant Municipality prior to further investigation.</p> <p>1.2.7 Investigations into suspected fraudulent, corrupt or criminal conduct cases must provide the following information:</p> <ul style="list-style-type: none"> <li>a) Root causes that led to the UIF&amp;W expenditure.</li> <li>b) Official(s) responsible for the UIF&amp;W expenditure.</li> </ul>

Category of Service	Description of Service
	<p>c) Whether the municipality/Municipal entity suffered a loss.</p> <p>d) The impact of the loss suffered by the municipality/Municipal entity.</p> <p>e) Whether the matter must be referred to the SAPS.</p> <p>1.2.8 Provide all additional information obtained to finalise the investigation to the relevant municipality to update their records.</p> <p>1.2.9 Transfer skills as well as improvement of existing control measures to improve compliance with legislative requirements, prevent and detect UIF&amp;W expenditure measures to enhance consequence management. The transfer of skills should be of such a nature that it would equip MPAC to conduct investigations from inception to finality and officials on internal controls.</p> <p>1.2.10 Provide draft investigation reports with clear recommendations to MPAC of the relevant Municipality for review and inputs prior to issuing the final signed investigation report.</p> <p>1.2.11 Provide the final signed investigation report in the required reporting format to MPAC.</p>
	<p><b>1.3 Strategic Targets and KPIs (Set clear medium-term goals to achieve the targets)</b></p> <p>1.3.1 Reduce Irregular Expenditure by 75% by 2028.</p> <p>1.3.2 Eliminate Fruitless &amp; Wasteful Expenditure by 100% by 2028.</p> <p>1.3.3 Reduce Unauthorised Expenditure by 75% by 2028.</p>

## 6. SERVICE PROVIDERS REQUIREMENTS

- 6.1 This specification outlines the requirements for appointing a Panel of Service Providers to support municipalities in the Free State Province in reducing Unauthorised, Irregular, Fruitless, and Wasteful (UIF&W) expenditure. The strategy is aligned with the MFMA, the 2019–2024 Medium-Term Strategic Framework (MTSF), and the Free State Provincial Treasury’s 2024–2028 UIF&W Reduction Strategy.
- 6.2 Reference letters from at least three (3) or more local government and/or municipal entities clients within the past five (5) years dealing with UIF&W expenditure reduction, MFMA compliance and consequence management.
- 6.2.1 The prospective service providers must be results-driven and should be able to handle the pressures of the assignment. Furthermore, the prospective service providers must provide the following resource requirements:

### PROJECT LEADER

- 6.2.1.1 The assigned Project Leader must have the following:
- 6.2.1.1.1 A minimum of a recognized NQF Level 8 qualification in: Accounting, Audit/Risk or equivalent and duly registered with the relevant professional body.
- 6.2.1.1.2 Seven (7) years relevant working experience related to Unauthorised, Irregular and Fruitless & Wasteful expenditure (UIF&W) with knowledge of the following:
- a) Municipal Financial Management Act 56 of 2003
  - b) Municipal Structures Act 117 of 1998
  - c) Municipal Systems Act 32 of 2000
  - d) Consequence Management Framework
  - e) Municipal Budget Reporting and Requirements(MBRR),circulars (MFMA 68,32,65,127)
  - g) Division of Revenue Act
  - h) Public sector reforms specifically in the field of Supply Chain Management within the Municipal space.

- i) Knowledge of the Municipal prescripts, particularly, the 2019–2024 Medium-Term Strategic Framework (MTSF) and the Free State Provincial Treasury’s 2024–2028 UIF&W Reduction Strategy.
- f) Municipal Budget and Reporting Regulations 74 of 2009.

6.2.1.1.3 Member and letter of good standing at any of the following professional bodies:

SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
CIMA	Chartered Institute of Management Accountants
CFA	Chartered Financial Analyst
ACCA	Association of Chartered Certified Accountants
CIBA	Chartered Institute of Business Accountants
ACFE	Association of Certified Fraud Examiners
IRMSA	Institute of Risk Management South Africa
IIASA	Institute of Internal Auditors South Africa

**NB: It is compulsory to attach a completed and signed comprehensive curriculum vitae containing the following information (educational background, professional work experience in the municipal work environment, certified copies of qualifications and any verifiable letter/certificates that confirms affiliation with relevant professional body of the Project Leader).**

## TECHNICAL STAFF

6.2.3.1 The assigned Technical Staff will be required to have the following (excluding the Project Leader):

- 6.2.3.1.1 A minimum of a recognized NQF Level 7 qualification in Accounting/ Audit/ Risk or equivalent qualification.
- 6.2.3.1.2 Five (5) relevant working experience in the Unauthorised, Irregular and Fruitless & Wasteful expenditure (UIF) with knowledge of the following:
- a) Municipal Financial Management Act 56 of 2003
  - b) Municipal Structures Act 117 of 1998
  - c) Municipal Systems Act 32 of 2000
  - d) Consequence Management Framework
  - e) Municipal Budget Reporting and Requirements(MBRR),circulars (MFMA 68,32,65,127)
  - g) Division of Revenue Act
  - h) Public sector reforms specifically in the field of Supply Chain Management within the Municipal space.
  - i) Knowledge of the Municipal prescripts, particularly, the 2019–2024 Medium-Term Strategic Framework (MTSF) and the Free State Provincial Treasury’s 2024–2028 UIF&W Reduction Strategy.
  - f) Municipal Budget and Reporting Regulations 74 of 2009.

**NB: It is compulsory to attach a completed and signed comprehensive curriculum vitae containing the following information (educational background, professional work experience in the municipal work environment, certified copies of qualifications and any verifiable letter/certificates that confirms affiliation (if applicable) with relevant professional body of the Technical Staff.**

## **EXPERTS**

- 6.2.3.1.4 Prospective service providers will be required to have access to the following experts, duly registered with the relevant professional body:
- a) Electrical Engineers
  - b) Civil Engineers
  - c) Mechanical Engineers

- d) Environmental Engineers
- e) Institutional Arrangements  
(Organisational Development/Human Resources)
- f) Governance (Finance/Risk/Audit or Related)
- g) Legal Services (Law/B Proc on any Law related Degree)

6.2.3.1.5 Member and letter of good standing at any of the following professional bodies:

SAICA	South African Institute of Chartered Accountants
SANC	South African Nursing Council
CIMA	Chartered Institute of Management Accountants
CFA	Chartered Financial Analyst
ACCA	Association of Chartered Certified Accountants
CIBA	Chartered Institute of Business Accountants
ACFE	Association of Certified Fraud Examiners
IRMSA	Institute of Risk Management South Africa
IIASA	Institute of Internal Auditors South Africa
ECSA	Engineering Council of South Africa
LPC	Lawyers Practice Council

## 7 PROJECT MANAGEMENT ISSUES

- 7.1 Project Management will be guided by the Municipal Finance Management Chief Directorate in the Free State Provincial Treasury, which must promote and improve the state of financial governance and management at local government level.
- 7.2 The service provider will prepare a detailed work plan for the duration of the contract in consultation with the project steering committee, this

shall be the basis for the monitoring of performance and achievements.

- 7.3 Draft closure reports will be submitted prior to the completion date of the contract to allow comprehensive inputs to support the finalisation and actual closure of the project.
- 7.4 A final closure report per relevant municipality/entity to be submitted on completion of the project.
- 7.5 All reports should be provided in soft and hard copy.
- 7.6 All electronic and hard copy information captured/utilized to provide the output of the project remains the property of the relevant municipality/entity and cannot be used or shared, whether for profit or otherwise with any other party, without written permission from the relevant municipality/entity except for Free State Provincial Treasury at the end of the project.
- 7.7 The relevant municipality/entity will be responsible to ensure that all the required documentation is readily available when requested by the service provider within the agreed period.

## **8 STEERING COMMITTEE**

- 8.1 A dedicated Project Steering Committee will provide strategic guidance, monitor and evaluate progress, outputs, target on key deliverables, compliance to reporting guidelines and provide oversight as specified.
- 8.2 This Project Steering Committee will consist of Service Providers, officials (Senior Management) from the Free State Provincial Treasury and relevant municipality/entity.
- 8.3 The project steering committee will require monthly progress reporting in a format suitable for extracting information as required. A monthly report to be submitted to the Accounting Officer of the Free State Provincial Treasury and ad-hoc reports will be required on a need basis.

## 9 DELIVERABLES

- 9.1 The output required will be specified for each category(ies) of service when the work is allocated according to Table 2 above (paragraph 5.2).
- 9.2 The approved list of Service Provider/s must have the capacity, skills and experience to provide the services required at a level acceptable to the Free State Provincial Treasury and upon signing the Service Level Agreement.

## 10 REPORTING REQUIREMENTS

- 10.1 The successful bidders when contracted, will report to the Accounting Officer of the Free State Provincial Treasury in accordance with the terms and conditions documented in the service level agreements, letters of engagement or contracts.
- 10.2 Projects will be initiated by means of service level agreements or letters of engagement and verbal briefing may be given where it is considered appropriate and necessary.
- 10.3 The service provider will be required to provide the following reports:

<b>Name of report</b>	<b>Content</b>
Preparation plan	Analysis of existing work and work plan for the project
Bi-Weekly report	Bi-weekly progress report on the Scope of work identified to the Steering Committee.
Monthly report	Monthly status report
Quarterly report	Work performed as well as expenditure tracking
Closeout/Handover report	To be submitted at the end of the assignment

## 11 THE CONTRACT (AGREEMENT)

- 11.1 A contract/Service Level Agreement (SLA) will be concluded with the successful bidder/s after the award.

## 12 ALLOCATION OF WORK AND PAYMENT DURING EXECUTION

- 12.1 Once the panel/list of service providers have been approved, only the successful applicants will be approached, depending on the circumstances, by obtaining quotations, according to the bid procedure when services are required, with the exception that the requirement is not advertised in the Tender Bulletin again. A contract/SLA/Service Charter will be concluded with the successful bidder/s after the award.
- 12.2 Free State Provincial Treasury reserves the rights to validate or verify all clients reference letters.
- 12.3 **Rates of remuneration** will be subject to negotiation, not exceeding the applicable **Hourly fee rates for Consultants issued by AGSA and DPSA, ICASA as well as Engineering Council of South Africa and any Council per category.**
- 12.4 Costs must include all applicable taxes and disbursements.
- 12.5 The rates agreed to between the parties will be included in the signed Service Level Agreement (SLA) prior to commencement of each assignment.
- 12.6 The appointed service provider will be expected to act as an expert witness in court of law, should the need arise.

## 13. DURATION OF THE PROJECT AND LOCATION

- 13.1 The contract will be for a duration of 3 (three) years. The service providers should be based within the relevant municipality where the service is required.

## 14. ROTATION

- 14.1 Upon approval by the Accounting Officer, **SERVICE PROVIDERS** will be rotated to ensure that listed service providers receive a fair share of the total contract value based on the amount of the work allocated.

## BID ADMINISTRATION PROCESS

### 15. INFORMATION SESSION

- 15.1 There will be a **non-compulsory information session** to provide clarity to the prospective service providers prior to the submission of the bids.

Details of the information session are as follows:

**Date: 06 March 2026**

**Time: 10h00 – 12h00**

**Venue: Virtual**

<https://teams.microsoft.com/meet/31751610661849?p=1ZWkf39jRNSQugXEh>

**Meeting ID: 317 516 106 618 49**

**Passcode: 8WE2yw3s**

## 16. SUBMISSION OF BID DOCUMENT/S

16.1 Completed bid documents should be sealed, clearly marked **FSPT003/2025/26** and deposited in the bid box on the address stated in the Invitation (**SBD1**) on or before **11:00** on **Friday the 13 March 2026** which is accessible during working hours at the Fidel Castro Building on the Ground Floor. (Bidders are to ensure that all pages of the document are attached).

## 17. EVALUATION PROCESS

17.1 The evaluation process comprises of a **two-stages** bidding process with the following phase as mentioned below:

**Phase (i):** Evaluation on mandatory and non-mandatory requirements

**Phase (ii):** Evaluation on Functionality criteria

Phase (i)	Phase (ii)
Compliance with <b>Mandatory</b> and <b>Administrative</b> requirements	<b>Functionality</b> requirements
<p><b>Mandatory</b></p> <ol style="list-style-type: none"> <li>1. CSD Registration</li> <li>2. Tax compliance status</li> <li>3. Bidders/Members/Individuals should not be restricted</li> <li>4. Bidders/Members/Individuals should not be in employment of the State</li> </ol> <p><b>Administrative requirements</b></p> <ol style="list-style-type: none"> <li>1. Completion of SBD forms</li> <li>2. Registration of professional bodies</li> <li>3. Completion of relevant Annexures</li> </ol>	<p>Bids will be assessed to verify bidders' capability and ability to execute the contract</p> <p>Bidders to score <b>84</b> points to be considered for listed on the panel</p>

### 17.2 Mandatory requirement

17.2.1 During this phase Bidders' response will be evaluated based on

the **mandatory** and **non-mandatory** requirements indicated hereunder. This phase is not scored and Bidders who do not submit acceptable tenders by failing to comply with all the mandatory criteria and conditions will be disqualified.

#### 17.2.2 Registration on Central Supplier Database (CSD)

- 17.2.2.1 The Bidders must be registered as a service provider on the Central Supplier Database (CSD). If you are not registered proceed to complete the registration of your company prior to submitting your bid. Refer to <https://secure.csd.gov.za/> to register your company. Ensure that all documentation on the database is updated and valid.

#### 17.2.3 Tax Compliance Status

- 17.2.3.1 Bidder(s) must be compliant when submitting a bid to the Free State Provincial Treasury and remain compliant for the entire contract terms with all applicable tax legislation, including but not limited to the Income Tax Act, 1962 (Act No.58 of 1962) and Value Added Tax Act 1991 (Act No.89 of 1991).
- 17.2.3.2 It is a condition of this bid that the tax matters of the successful bidder are in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations at the point of awarding.
- 17.2.3.3 The Tax Compliance status requirements are also applicable to foreign bidders/individuals who wish to submit bids.

#### 17.2.4 Functionality Evaluation

- 17.2.4.1 Functionality will be evaluated on the basis of the responses on the Functionality Questionnaire and supporting documentation supplied by the Bidders.
- 17.2.4.2 The Bids will be evaluated on functionality; whereby potential service providers are **expected to score minimum points of 84 for functionality**. Failure to score the required minimum requirements will lead to disqualification.
- 17.2.5 The **evaluation criteria on functionality** for listing of panel of

experts will be as follows:

**\*Table 3: Functionality Criteria**

NO.	Criteria for functionality	Criteria Description	Documents/ Proof to be attached	Weight												
1.	<b>Relevant experience in UIF&amp;W expenditure in MFMA compliance and consequence management</b>	<p>A signed client reference letter from at least three (3) or more local government and/or municipal entities clients within the past five years where the bidder has successfully provided the services.</p> <table border="1"> <thead> <tr> <th>Number of Reference letters</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> </tr> <tr> <td>1</td> <td>5</td> </tr> <tr> <td>2</td> <td>10</td> </tr> <tr> <td>3</td> <td>15</td> </tr> <tr> <td>Above 3</td> <td>20</td> </tr> </tbody> </table>	Number of Reference letters	Points	0	0	1	5	2	10	3	15	Above 3	20	<p>These reference letters should meet the following criteria:</p> <ol style="list-style-type: none"> <li>Must be on client's letterhead signed by Chief Financial Officer/Municipal Manager.</li> <li>Verifiable contact details of the client.</li> <li>Signed from 01 November 2020 to date.</li> </ol>	<b>20</b>
Number of Reference letters	Points															
0	0															
1	5															
2	10															
3	15															
Above 3	20															
2.	<b>Qualifications of the Project Leader</b>	<p>The bidder must have a qualified Project Leader with a qualification from an accredited institution.</p> <p>A recognized qualification on NQF Level 8 in Accounting, Audit/Risk or equivalent and duly registered with the relevant professional body.</p> <p><i>Foreign acquired qualifications should be endorsed by the South African Qualification Authority (SAQA) before they can be considered by the Free State Provincial Treasury</i></p> <table border="1"> <thead> <tr> <th>NQF Level</th> <th>Points</th> </tr> </thead> <tbody> <tr> <td>NQF Level 8 Degree</td> <td>10 points</td> </tr> <tr> <td>Below NQF Level 8</td> <td>0 points</td> </tr> </tbody> </table> <p><b>NB The same professional may not form part of the Technical Team or an Expert.</b></p>	NQF Level	Points	NQF Level 8 Degree	10 points	Below NQF Level 8	0 points	<p>Originally certified copies of qualifications (valid for 6 months from the date of advertisement)</p> <p><b>NB: A document which is originally signed by a Commissioner of Oaths.</b></p> <p>Valid affiliation certificate and/ confirmation letter of affiliation showing validity of membership.</p>	<b>10</b>						
NQF Level	Points															
NQF Level 8 Degree	10 points															
Below NQF Level 8	0 points															



NO.	Criteria for functionality	Criteria Description	Documents/ Proof to be attached	Weight						
3.	<b>Working Experience of the Project Leader</b>	<p>The bidder must have an experienced Project Leader available on site to supervise the team. The Project leader must have 7 years or more relevant working experience in local government and/or municipal entities;</p> <table border="1"><thead><tr><th>Number of working experience</th><th>Points</th></tr></thead><tbody><tr><td>7 years or more</td><td>10</td></tr><tr><td>Less than 7 years</td><td>0</td></tr></tbody></table> <p><b>NB! The same professional may not form part of the Technical Team or an Expert.</b></p>	Number of working experience	Points	7 years or more	10	Less than 7 years	0	A signed and dated comprehensive curriculum vitae of the Project leader concerned	<b>10</b>
Number of working experience	Points									
7 years or more	10									
Less than 7 years	0									



NO.	Criteria for functionality	Criteria Description	Documents/ Proof to be attached	Weight										
4.	<b>Qualifications of Technical Staff</b>	<p>The bidder must have a team of experienced technical staff who will be available on site to perform the work.</p> <p>A recognized qualification on NQF Level 7 qualification in Accounting /Audit/Risk or equivalent.</p> <p><i>Foreign acquired qualifications should be endorsed by the South African Qualification Authority (SAQA) before they can be considered by the Free State Provincial Treasury.</i></p> <p>Allocation of points for team members that meet the above minimum years of experience:</p> <table border="1" data-bbox="564 965 1074 1308"> <thead> <tr> <th data-bbox="564 965 890 1099">Number of Technical Staff with NQF Level 7</th> <th data-bbox="890 965 1074 1099">Points</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1099 890 1151">0 - 2</td> <td data-bbox="890 1099 1074 1151">0</td> </tr> <tr> <td data-bbox="564 1151 890 1202">3 – 4</td> <td data-bbox="890 1151 1074 1202">5</td> </tr> <tr> <td data-bbox="564 1202 890 1254">5</td> <td data-bbox="890 1202 1074 1254">10</td> </tr> <tr> <td data-bbox="564 1254 890 1308">Above 5</td> <td data-bbox="890 1254 1074 1308">15</td> </tr> </tbody> </table> <p><b>NB The same professional may not be the Project leader or form part of the Experts.</b></p>	Number of Technical Staff with NQF Level 7	Points	0 - 2	0	3 – 4	5	5	10	Above 5	15	<p>Originally certified copies of qualifications (valid for 6 months from the date of advertisement)</p> <p><b>NB: A document which is originally signed by a Commissioner of Oaths.</b></p>	<b>15</b>
Number of Technical Staff with NQF Level 7	Points													
0 - 2	0													
3 – 4	5													
5	10													
Above 5	15													
5.	<b>Working Experience of Technical Staff</b>	<p>The bidder must have experience of Technical Staff available on site to perform required functions. The Technical Staff must have 5 years or more experience in local government and/or more municipal entities.</p> <table border="1" data-bbox="564 1771 1058 2002"> <thead> <tr> <th data-bbox="564 1771 810 1966">Number of Technical Staff with Relevant working experience</th> <th data-bbox="810 1771 1058 1966">Points</th> </tr> </thead> <tbody> <tr> <td data-bbox="564 1966 810 2002">0-2</td> <td data-bbox="810 1966 1058 2002">0</td> </tr> </tbody> </table>	Number of Technical Staff with Relevant working experience	Points	0-2	0	<p>Comprehensive Curriculum Vitae signed and dated by the team member concerned.</p>	<b>15</b>						
Number of Technical Staff with Relevant working experience	Points													
0-2	0													



NO.	Criteria for functionality	Criteria Description		Documents/ Proof to be attached	Weight																
		3-4	5																		
		5	10																		
		Above 5	15																		
		Technical Staff without Five (5) years working experience	0																		
6.	<b>Access to Experts</b>	The bidder must have access to the following experts, duly registered with the relevant professional body:		<p>Originally certified copies of qualifications (valid for 6 months).</p> <p>Confirmation letter of affiliation showing validity of membership.</p> <p><b>NB: a document with an original stamp and which is originally signed by a person designated to do so</b></p>	<b>15</b>																
<table border="1"> <thead> <tr> <th data-bbox="549 757 823 846">Experts</th> <th data-bbox="823 757 1078 846">Points</th> </tr> </thead> <tbody> <tr> <td data-bbox="549 846 823 936">Electrical Engineers</td> <td data-bbox="823 846 1078 936">2</td> </tr> <tr> <td data-bbox="549 936 823 1003">Civil Engineers</td> <td data-bbox="823 936 1078 1003">2</td> </tr> <tr> <td data-bbox="549 1003 823 1093">Mechanical Engineers</td> <td data-bbox="823 1003 1078 1093">2</td> </tr> <tr> <td data-bbox="549 1093 823 1182">Environmental Engineers</td> <td data-bbox="823 1093 1078 1182">2</td> </tr> <tr> <td data-bbox="549 1182 823 1429">Institutional Arrangements (Organisational Development/Human Resources)</td> <td data-bbox="823 1182 1078 1429">2</td> </tr> <tr> <td data-bbox="549 1429 823 1597">Governance (Finance/Risk/Audit or Related)</td> <td data-bbox="823 1429 1078 1597">2</td> </tr> <tr> <td data-bbox="549 1597 823 1765">Legal Services (Law/B Proc on any Law related Degree)</td> <td data-bbox="823 1597 1078 1765">3</td> </tr> </tbody> </table>		Experts	Points			Electrical Engineers	2	Civil Engineers	2	Mechanical Engineers	2	Environmental Engineers	2	Institutional Arrangements (Organisational Development/Human Resources)	2	Governance (Finance/Risk/Audit or Related)	2	Legal Services (Law/B Proc on any Law related Degree)	3		
Experts	Points																				
Electrical Engineers	2																				
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Governance (Finance/Risk/Audit or Related)	2																				
Legal Services (Law/B Proc on any Law related Degree)	3																				
<b>NB The same professional may not be the Project leader or form part of the Technical Team.</b>																					

NO.	Criteria for functionality	Criteria Description	Documents/ Proof to be attached	Weight
7.	<b>Technical Approach &amp; Methodology</b>	<p>A clear and concise methodology approach covering aspects listed in the categories of services on <b>Table 2. Paragraph 5.2</b> of the bid document (With specific reference to conducting various activities related to Unauthorised, Irregular, Fruitless, and Wasteful (UIF&amp;W) expenditure.</p> <p><b>Methodology Approach = 10 points</b></p> <p>A Process Plan on how skills will be transferred to relevant officials and how various activities in relation to UIF&amp;W expenditure will be conducted at the municipalities and/or municipal entities.</p> <p><b>Process Plan = 10 points</b></p> <p>Incomplete and/or Non submission of methodology approach and Process Plan = <b>0 points</b></p>	1. Proposed Methodology and Process Plan.	<b>20</b>
<b>Total</b>				<b>105</b>

17.2.4 Bidders must, as part of their bid documents, submit supportive documentation for all functional requirements as indicated in the Special Conditions of Contract. The panel responsible for scoring the respective bids will evaluate and score all bids based on their submissions and the information provided.

17.2.5 Bids will firstly be evaluated on functionality (**105 points**) of which bidders must obtain the minimum score of **84** points on functionality, failing which, bidders will be disqualified and will not be considered for further evaluation on 80/20 preference point system.

## 18. 2<sup>nd</sup> STAGE: EVALUATION CRITERIA ON PRICE AND SPECIFIC GOALS

18.1 **Phase (iii):** Bidders will be evaluated through a quotation management system in terms of Price and Specific Goals

Phase (iii)	Phase (iv)
Bids evaluated in terms of the 80/20 preference system a) Price and b) Specific Goals	Negotiations

- 18.2 The second stage of evaluation on the approved list of service providers will be on price and specific goals, subject to the **80/20** preference points system. The 80/20 preference point system for acquisition of goods or services with Rand value equal to or below **R50 000 000.00**.
- 18.3 Bids will be evaluated in terms of the Preferential Procurement Regulation, 2022, Regulation 4 and in terms of the formula to calculate the point out of 80 for price and 20 in terms of specific goals. (Refer to SBD 6.1) in respect of a tender.
- 18.4 Bidders are required to complete the preference claim form (SBD 6.1) and submit the required documents to claim points for specific goals. A valid B-BBEE verification certificate issued by a verification agency accredited by the South African Accreditation System (SANAS) or a certified copy of a valid sworn affidavit (DTIC format) signed by the representative and attested by a commissioner of oath.  
**NB: Certificates issued by IRBA and Accounting Officers have been discontinued and will not be considered.**
- 18.5 Failure on the part of the Bidder to comply with paragraphs 18.4 above will be deemed that points for specific goals are not claimed and will therefore be allocated a zero (0).

## 19. RECOMMENDATION AND AWARDING

- 19.1 Free State Provincial Treasury reserves its right at its sole discretion to appoint one or more bidder to implement this project. The number/allocation of service providers to be appointed is the prerogative of the Accounting Officer.

## 20. NEGOTIATIONS

- 20.1 Each respective Accounting Officer/Authority reserves the right to negotiate prices with listed bidders to arrive at an acceptable market-related price.

## 21. FRONTING

- 21.1 The Free State Provincial Treasury supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background the Free State Provincial Treasury condemns any form of fronting.
- 21.2 The Free State Provincial Treasury, in ensuring that Bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents.

Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade, Industry and Competition be established during such enquiry / investigation, the onus will be on the Bidder / contractor to prove that fronting does not exist. Failure to do so within a period of 14 days from date of notification may invalidate the bid / contract and may also result in the restriction of the Bidder /contractor to conduct business with the public sector for a period not exceeding ten years, in addition to any other remedies the Free State Provincial Treasury may have against the Bidder / contractor concerned.

## **22. SUPPLIER DUE DILIGENCE**

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

## **23. VERIFICATION OF BIDDERS**

23.1 At any time after the award and during the execution of the contract, the status of the supplier/bidder will be verified against list of restricted supplier and SARS vendor list and should a default be detected, the procedure for the restriction of the supplier as stated in SCM instruction note number 3 2021/22 will be followed.

## **24. PRESENTATION**

24.1 The Free State Provincial Treasury may require presentations/interviews from the listed Bidders as part of the bid process.

## **25. COMMUNICATION AND CONFIDENTIALITY**

25.1 The Free State Provincial Treasury may communicate with Bidders where clarity is sought after the closing date of the bid and prior to the award of the contract, or to extend the validity period of the bid, if necessary.

25.2 All communication between the Bidder and the Free State Provincial Treasury must be done in writing.

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

25.4 If a Bidder finds or reasonably believes it has found any discrepancy, ambiguity, error or inconsistency in this bid or any other information

provided by the Free State Provincial Treasury (other than minor clerical matters), the Bidder must promptly notify the Free State Provincial Treasury in writing of such discrepancy, ambiguity, error or inconsistency in order to afford the Free State Provincial Treasury an opportunity to consider what corrective action is necessary (if any).

- 25.5 Any actual discrepancy, ambiguity, error or inconsistency in this bid or any other information provided by the Free State Provincial Treasury will, if possible, be corrected and provided to all Bidders without attribution to the Bidder who provided the written notice.
- 25.6 All persons (including Bidders) obtaining or receiving this bid and any other information in connection with this Bid or the Tendering process must keep the contents of the Bid and other such information confidential and not disclose or use the information except as required for the purpose of developing a proposal in response to this Bid.

## 26. AGREEMENTS

- 26.1 A Service Level Agreement shall be entered into with the Provincial Free State Treasury to clarify specific operational provisions. The Service Level Agreement will be subject to the General Conditions of Contract (GCC), the Special Conditions of Contract (SCC) and the bid documents.
- 26.2 Should funds no longer be available to pay for the execution of the responsibilities of **FSPT003/2025/26**, the Free State Provincial Treasury may terminate the Agreement in its own discretion or temporarily suspend all or part of the services by notice to the successful bidder who shall immediately make arrangements to stop the performance of the services and minimize further expenditure, provided that the successful bidder shall thereupon be entitled to payment in full for the services delivered, up to the date of cancellation or suspension.

## 27. SETTLEMENT OF DISPUTES

- 27.1 Notwithstanding clauses 27 of the GCC, mediation proceedings will not be applicable to this contract.

## 28. JOINT VENTURE AGREEMENTS

- 28.1 Where an entity forms a **Joint Venture** or a **Consortium** with another entity and/or other entities, such parties must express in the bid proposal, and a JV agreement should be submitted together with the bid. Kindly complete attached **Annexure A**.
- 28.2 Individual Entity/ies must be registered on the CSD and after closing, register a Joint Venture or a Consortium on the CSD. It will also be

expected that a joint venture/consortium should open a joint bank account (proof of the bank account should be submitted after awarding) within 30 days after the awarding of the contract.

**29 ACCEPTANCE OF THE TERMS OF REFERENCE, SPECIAL CONDITIONS OF THE CONTRACT AND GENERAL CONDITIONS OF CONTRACT**

Failure to accept the Special Conditions of the Contract and the General Conditions of Contract or any part thereof, may result in the submitted proposal not to be considered. Further, failure to comply with any of the conditions, including timelines stipulated in the Request for Proposal after the award may lead to cancellation of the contract.

**The Bidder Must Complete the Following:**

I \_\_\_\_\_ in my capacity as \_\_\_\_\_ of the company, hereby certify that I take note and accept the above-mentioned Special Conditions of the Contract and Conditions of the Contract.

.....  
.....

<b>SIGNATURE</b>	<b>NAME OF BIDDING INSTITUTION</b>	<b>CAPACITY</b>
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Contact person of company:  
\_\_\_\_\_

Tel. of company: (\_\_\_\_) \_\_\_\_\_

Fax of company: (\_\_\_\_) \_\_\_\_\_

**\*END OF DOCUMENT\***

# SECTION 3

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**GENERAL CONDITIONS OF CONTRACT**

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## GENERAL CONDITIONS OF CONTRACT (GCC)

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# GOVERNMENT PROCUREMENT

## GENERAL CONDITIONS OF CONTRACT

### 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.



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## General Conditions of Contract

<b>1. Definitions</b>	<p>1. The following terms shall be interpreted as indicated:</p> <p>1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.</p> <p>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.</p> <p>1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.</p> <p>1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.</p> <p>1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.</p> <p>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.</p> <p>1.7 “Day” means calendar day.</p> <p>1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.</p> <p>1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.</p> <p>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.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>1.14 "GCC" means the General Conditions of Contract.</p> <p>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.</p> <p>1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his sub bidders) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.</p> <p>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.</p> <p>1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.</p> <p>1.19 "Order" means an official written order issued for the</p>
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	<p>supply of goods or works or the rendering of a service.</p> <p>1.20 “Project site,” where applicable, means the place indicated in bidding documents.</p> <p>1.21 “Purchaser” means the organization purchasing the goods.</p> <p>1.22 “Republic” means the Republic of South Africa.</p> <p>1.23 “SCC” means the Special Conditions of Contract.</p> <p>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.</p> <p>1.25 “Written” or “in writing” means handwritten in ink or any form of electronic or mechanical writing.</p>
<p><b>2. Application</b></p>	<p>2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p>
<p><b>3. General</b></p>	<p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Bid Bulletin. The Government Bid Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>

<b>4. Standards</b>	4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.
<b>5. Use of contract documents and information; inspection.</b>	<p>5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p>
<b>6. Patent rights</b>	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.
<b>7. Performance security</b>	<p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.</p> <p>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.</p> <p>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</p>

	<p>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</p> <p>(b) a cashier's or certified cheque</p> <p>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.</p>
<p><b>8. Inspections, tests and analyses</b></p>	<p>8.1 All pre-bidding testing will be for the account of the bidder.</p> <p>8.2 If it is a bid condition that supplies to be produced or services to be rendered should at any stage during production or execution or on completion be subject to inspection, the premises of the bidder or bidder shall be open, at all reasonable hours, for inspection by a representative of the Department or an organization acting on behalf of the Department.</p> <p>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 make the necessary arrangements, including payment arrangements with the testing authority concerned.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>8.7 Any contract supplies may on or after delivery be</p>

	<p>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.</p> <p>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.</p>
<p><b>9. Packing</b></p>	<p>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.</p> <p>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.</p>
<p><b>10. Delivery and documents</b></p>	<p>10.1 Delivery of the goods shall be made by the supplier in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the supplier are specified in SCC.</p> <p>10.2 Documents to be submitted by the supplier are specified in SCC.</p>
<p><b>11. Insurance</b></p>	<p>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</p>

	specified in the SCC.
<b>12. Transportation</b>	12.1 Should a price other than an all-inclusive delivered price be required, this shall be specified in the SCC.
<b>13. Incidental services</b>	<p>13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ul style="list-style-type: none"> <li>(a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;</li> <li>(b) furnishing of tools required for assembly and/or maintenance of the supplied goods;</li> <li>(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;</li> <li>(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</li> <li>(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.</li> </ul> <p>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.</p>
<b>14. Spare parts</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) in the event of termination of production of the spare parts: <ul style="list-style-type: none"> <li>(i) Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and</li> <li>(ii) Following such termination, furnishing at no cost to the purchaser, the blueprints, drawings, and specifications of the spare parts, if requested.</li> </ul> </li> </ul>

<p><b>15. Warranty</b></p>	<p>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.</p> <p>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.</p> <p>15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> <p>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.</p> <p>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.</p>
<p><b>16. Payment</b></p>	<p>16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> <p>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.</p> <p>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.</p> <p>16.4 Payment will be made in Rand unless otherwise stipulated in SCC.</p>

<b>17. Prices</b>	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.
<b>18. Contract amendments</b>	18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
<b>19. Assignment</b>	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.
<b>20. Subcontracts</b>	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.
<b>21. Delays in the supplier's performance</b>	21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
	21.2 If at any time during performance of the contract, the supplier or its sub bidder(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
	21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
	21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
	21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
	21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without

	canceling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.
<b>22. Penalties</b>	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.
<b>23. Termination for default</b>	23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part: <ul style="list-style-type: none"> <li>(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;</li> <li>(b) if the Supplier fails to perform any other obligation(s) under the contract; or</li> <li>(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.</li> </ul> 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 the performance of the contract to the extent not terminated.
<b>24. Anti-dumping and countervailing duties and rights</b>	24.1 When, after the date of bid, provisional payments are required, or anti-dumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any

	<p>such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable difference shall on demand be paid forthwith by the bidder to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the bidder in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him</p>
<b>25. Force Majeure</b>	<p>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.</p> <p>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.</p>
<b>26. Termination for insolvency</b>	<p>26.1 The purchaser may at any time terminate the contract by giving written notice to the supplier if the supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the purchaser.</p>
<b>27. Settlement of Disputes</b>	<p>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.</p> <p>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.</p> <p>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</p>

	<p>law.</p> <p>27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>27.5 Notwithstanding any reference to mediation and/or court proceedings herein,</p> <p>(a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and</p> <p>(b) the purchaser shall pay the supplier any monies due the supplier.</p>
<b>28. Limitation of liability</b>	<p>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;(a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.</p>
<b>29. Governing language</b>	<p>29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.</p>
<b>30. Applicable law</b>	<p>30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.</p>
<b>31. Notices</b>	<p>31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be the proper service of such notice</p> <p>31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.</p>

<p><b>32. Taxes and duties</b></p>	<p>32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.</p> <p>32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.</p> <p>32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.</p>
<p><b>33. National Industrial Participation (NIP) Programme</b></p>	<p>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.</p>
<p><b>34. Prohibition of Restrictive practices</b></p>	<p>34.1 In terms of Section 4 (1) (b) (iii) of the Competition Act No.89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is /are or a contractor (s) was/were involved in collusive bidding (or bid rigging).</p> <p>34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has/have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No.89 of 1998.</p> <p>34.3 If a bidder(s) or contractor(s), has/have been found guilty by the Competition Commission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and/or terminate the contract in whole or part, and/or restrict the bidder(s) or contractor (s) from conducting business with the public-sector for a period not exceeding ten (10) years and/or claim damages from the bidder(s) or contractor(s) concerned.</p>

# ANNEXURES

## ANNEXURE A

### APPOINTMENT OF A PANEL OF SERVICE PROVIDERS TO CONDUCT VARIOUS ACTIVITIES RELATED TO UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE TO FREE STATE MUNICIPALITIES ON BEHALF OF FREE STATE PROVINCIAL TREASURY FOR THE PERIOD OF 3 YEARS. (FSPT003/2025/26)

I/we certify that this is a bona fide bid.

I/we also certify that I/we have not done, and I/we undertake that I/we shall not do any of the following acts at any time before the hour and date specified for the closure of submission of Bid for this Contract.

1. Fixed or adjusted the amount of this bid by, or under, or in accordance with any agreement or arrangement with any other person outside this consortium/joint venture/sub-contracting;
2. Communicate to a person outside this consortium/joint venture/sub-contracting other than the person calling for these bids, the amount or approximate amount of the proposed bid, except where the disclosure, in confidence, of the approximate amount of the bid was necessary to obtain insurance premium quotations required for the preparation of the bid;
3. Caused or induced any other person outside this consortium/joint venture/sub-contracting to communicate to me/us the amount or approximate amount of any rival bid for this contract;
4. Entered into any agreement or arrangement with any other person outside this consortium/joint venture/sub-contracting to induce him/her to refrain from bidding for the contract, or as to the amount of any bid to be submitted or the conditions on which a bid is made, nor caused or induced any other person to enter to any sub agreement or arrangement; and
5. Officer or paid or given or agreed to pay or given any sum of money or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any bid or proposed bid for this contract, any act or thing of the sort described above.

In this certificate, the term "person" includes any persons, body of persons or association, whether corporate or not; and the term "agreement or arrangement" includes any agreement or arrangement, whether formal or informal and whether legally binding or not and the term "person outside this consortium/joint venture/sub-contracting means, when the consortium/joint venture/sub-contracting is a partnership, a person other than a partner or an employee of such partnership, or when the consortium/joint venture/sub-contracting is a company, a person other than a person or company holding shares in the consortium/joint venture/sub-contractor, or any employee of such a person, consortium/joint venture/sub-contracting.

### SIGNED ON BEHALF OF BIDDER

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

