



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



## REQUEST FOR QUOTATIONS



TO:	SERVICE PROVIDER
FROM:	NATIONAL SKILLS FUND
RE:	REQUEST FOR QOUTATION FOR A STUDY ON UNDERSTANDING CATALYTIC FUNDING WITHIN THE CONTEXT OF THE NATIONAL SKILLS FUND MANDATE .

Dear service provider,

Kindly receive the attached request for quotation for a study on understanding catalytic funding within the context of the national skills fund mandate.

Please note that there will be an online Non-compulsory briefing session on the **26<sup>th</sup> of September 2025**.

Joining link: [Join the meeting now](#).

**Closing date for RFQ: 09 October 20025**

**Time: 11H00 AM**

**Quotations must be e-mailed to [rfq@nsf.org.za](mailto:rfq@nsf.org.za)**

**Late submissions will not be accepted.**

Regards



**higher education  
& training**

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**



**TERMS OF REFERENCE  
FOR  
A STUDY ON UNDERSTANDING CATALYTIC FUNDING WITHIN  
THE CONTEXT OF THE NATIONAL SKILLS FUND MANDATE**

*August 2025*

**Version4**



## Table of Contents

<b>1. BACKGROUND .....</b>	<b>2</b>
1.1 Introductory background .....	2
1.2 Overview and mandate of National Skills Fund .....	3
<b>2. RATIONALE FOR THE STUDY .....</b>	<b>4</b>
2.1 Catalytic Funding.....	4
2.2 Rural development .....	7
<b>3. OBJECTIVES OF THE STUDY .....</b>	<b>8</b>
<b>4. POLICY AND LEGISLATIVE CONSIDERATIONS .....</b>	<b>8</b>
<b>5. PURPOSE OF THE STUDY .....</b>	<b>9</b>
<b>8. PROJECT DELIVERABLES .....</b>	<b>10</b>
<b>9. KEY RESOURCES .....</b>	<b>10</b>
<b>10. TIME FRAME .....</b>	<b>11</b>
<b>11. PROJECT MANAGEMENT .....</b>	<b>11</b>
11.1 Project Steering Committee .....	11
11.2 Project Management Committee .....	11
11.3 Monitoring of the Project .....	12
11.4 Reporting Arrangements .....	12
<b>12. APPROPRIATE QUALIFICATIONS, EXPERIENCE, SKILLS AND KNOWLEDGE .....</b>	<b>12</b>
<b>13. DURATION OF THE PROJECT .....</b>	<b>13</b>
<b>14. EVALUATION PROCESS .....</b>	<b>15</b>
<b>15. GENERAL PROVISIONS .....</b>	<b>23</b>
<b>16. DISCLAIMER .....</b>	<b>23</b>
<b>17. CONDITIONS OF QUOTATIONS .....</b>	<b>23</b>
<b>18. ADDITIONAL PRESCRIPTS .....</b>	<b>24</b>
<b>19. TIMELINE OF THE RFQ PROCESS .....</b>	<b>25</b>
<b>20. SUBMISSION OF PROPOSAL .....</b>	<b>26</b>
<b>21. CONTENT OF THE TECHNICAL SUBMISSION .....</b>	<b>26</b>
<b>22. ENQUIRIES .....</b>	<b>27</b>



## 1. BACKGROUND

### 1.1 Introductory background

In June 2024, the President of South Africa reconfigured several ministries and departments as part of the seventh administration. The Ministry of Higher Education Science and Innovation was separated into two independent Ministerial portfolios, i.e. Department of Higher Education and Training (DHET) and Department of Science, Technology and Innovation (DSTI), with Dr N Nkabane appointed the Minister of Higher Education and Training and the Executive Authority of the DHET, respectively.

The DHET is responsible for overseeing and regulating Post-School Education and Training (PSET) in South Africa. Its key roles include policy development and regulation, funding allocation, skills development, quality assurance and coordination of post-school education. The National Skills Fund (NSF) is a key funding mechanism under the DHET that supports skills development initiatives. The NSF is a catalytic entity committed to developing skills for a capable workforce for an inclusive growth path with service delivery as a core function within the PSET system.

The NSF is funded through skills development levies in accordance with the Skills Development Levies Act (Act 9 of 1999, as amended). This legislation mandates all employers to contribute one percent (1%) of their total payroll cost to support learning and development initiatives. The Sector Education and Training Authorities (SETAs) receive 80% of the collected levies to fund sector-specific training programs and NSF is allocated 20% to support national priority skills development initiatives.

Section 27 (2)(a) and (b) of the Skills Development Act (SDA) (1998) directs that the NSF be credited with 20% of the skills development levies, interest and penalties collected in respect of every SETA as well as the skills development levies, interest, penalties collected by the South African Revenue Service from employers that do not fall within the jurisdiction of a SETA. In other words, it uses employer contributions to subsidise training programmes for school leavers and the unemployed. Furthermore, funds allocated to the NSF are a direct charge against the revenue fund and, therefore, not appropriated through the budgetary process.



## 1.2 Overview and mandate of National Skills Fund

The NSF was established as a Chief Directorate in the Department of Labour (DoL) in 1999 in terms of section 27(1) of the SDA, 1998 (Act No. 97 of 1998). Section 29(1) of the SDA (1998) states that the Director-General is the Accounting Officer of the Fund in terms of the Exchequer Act, 1975 (Act No. 66 of 1975). This section was subsequently changed in a 2008 amendment to read that the Director-General is the Accounting [Officer] Authority of the Fund in terms of the Exchequer Act, 1975 (Act No. 66 of 1975). This amendment gave the NSF a legal persona of a Public Entity. This amendment also introduced section 36(r) enabling the Minister to make Regulations (in consultation with the National Skills Authority (NSA)) regarding the administration, operation, functioning and obligations of the NSF.

With the establishment of the DHET in 2010, the NSF functions were transferred from the DOL to the DHET. In terms of section 29(1) of the SDA, as amended, the Director-General of the DHET is the Accounting Authority of the NSF as contemplated by section 49(2)(b) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999.) In terms of section 29(1)(d) of the SDA, the Director-General of the DHET must, subject to the laws governing the public service, appoint the executive officer of the NSF who will, upon such appointment, be in the employ of the public service.

On 12 October 2012, the Minister of Finance listed the NSF as a Schedule 3A public entity in terms of the PFMA, retrospectively effective from 1 April 2012 (Notice No.821 in Government Gazette No. 35759). This was in response to a recurring Auditor-General audit findings that highlighted the NSF's adherence to the definition of a Schedule 3A public entity in terms of the PFMA, which in turn required it to be listed as such. The listing of the NSF as a public entity prescribes the compliance framework that the NSF must adhere to in terms of the PFMA. Notwithstanding, the Ministerial Task Team (MTT) was unable to attain the business case that informed the listing of the NSF as a Schedule 3A entity because it does not exist within the NSF/DHET according to the views from the officials engaged nor did the Auditor-General provide this information when requested.



NSF monies may be used for the primary objectives as defined by the prescripts of the SDA, namely:

- To fund projects identified in the National Skills Development Strategy (NSDS) as **national priorities** (section 28(1) of the SDA).
- To fund projects related to the achievement of the purposes of the SDA as the Director-General determines (section 28(1) of the SDA).
- To fund any activity undertaken by the Minister to achieve a national standard of good practice in skills development (section 30B of the SDA).
- To administer the NSF within the prescribed limit (section 28(2) of the SDA). Regulations to prescribe the limit for the administration of the NSF at 10% of revenue have been approved and published in Notice No. R.1030, Government Gazette No. 33740 dated 8 November 2010.

At a strategic level, the NSF needs to align and adapt to national priorities as they emerge and change from time to time in line with the spirit of the law section 28(1) of the SDA.

The NSF through the DHET responds to the Medium-Term Development Plan (MTDP) 2024-2029 priorities which include:

- Driving inclusive growth and job creation.
- Reducing poverty and tackle the high cost of living.
- Building a capable, ethical and developmental state.

## 2. RATIONALE FOR THE STUDY

### 2.1 Catalytic Funding

The MTT was appointed by the Executive Authority to conduct the NSF strategic review, and assess its efficiency, and relevance concerning the national skills development priorities of the country which concluded its work in 2022/2023. The strategic review included an assessment of the strategic mandate, strategic policy scope, and analysis of its capacity, systems, and organisational structure in relation to its mandate as a skills levy entity.

To implement the recommendations, the NSF Executive Committee (EXCO) developed an implementation plan for the MTT recommendations and its progress is reported to DHET Director-General and EXCO respectively.





Whilst the MTT study results came up with several recommendations, the envisaged study is focusing more on the gaps identified, specifically on the catalytic nature of the Fund. Added to this was the Auditor-Generals (AG's) concern regarding the term "rural development" as defined and is measured and or reported in the 2022/23 NSF Annual Performance Plan (APP).

Furthermore, from the views on **Catalytic Projects** as depicted in the MTT research results, the Catalytic Funding is patient, flexible, risk-tolerant funding of skills development projects where the outputs of the skills development are expected to be a catalyst for a significant and strategic national outcome that would not be achieved through normal skills development funding approaches and investment decisions (e.g., to overcome market failure, to drive innovation). Based on this, the catalytic funding requires more strategic funding criteria and decisions than traditional skills development projects.

One of the gaps identified from the MTT study is that there is not much focus on catalytic funding for skills development in South Africa.

Whilst the study identified some gaps, it made some recommendations which include (among others) the following:

- a. The NSF's strategic objectives should highlight the NSF's role to "**cause an important change**" or **be a catalyst and to support targeted and evidence-based capability and capacity building of PSET stakeholders**. This would satisfy the spirit of the law as prescribed in Section 28 of the SDA, which seeks to channel the use of the fund to "only for the projects identified in the NSDS as **national priorities**".
- b. NSF needs a Skills Development funding framework that is **demand-led**, and supportive of industrial strategies. These should include funding modalities such as **Catalytic Funding and Challenge Funding**.
- c. The vision for the NSF is inward looking. The positioning of the NSF separate from the DHET, should highlight its catalytic role within the PSET sector. The vision and mission would need to also reflect this catalytic role and extended focus on global economy skills.
- d. Catalytic funding requires more strategic funding criteria and decisions than traditional skills development projects.
- e. The NSF should adopt and implement the proposed Operating Model, which aims at





Skills Development planning approach led by demand-driven curves integrating critical infrastructure support for the PSET system and related Skills Development terrains.

It should increase its reach and impact by adopting a Business Model where it operates as a Wholesaler, with its partners operating as Retailers.

The MTT study results further reveal that for the NSF to radically shift its impact on the economy, it needs to be able to achieve the following:

- Have a catalytic impact on skills development in the country.
- Elevate the profile and standing of NSF in the Skills Sector.
- Research function would need to research and identify opportunities for Catalytic Funding and develop the “business case” motivation for a specific Catalytic Fund project.
- Catalytic Funding would probably require the NSF to establish strategic partnerships with key service providers.

It is envisaged that a clear definition of the term catalytic from this study will, among others:

- Provide guidance and direction to catalytic project leads.
- Guide the NSF on funding for national priority projects.
- Guide the NSF on funding for catalytic and entrepreneurship projects.

Therefore, by responding to the recommendations stated above, the NSF will be able to align its value chain, business model and operating model that will be fit in the delivery of its mandate.

While the MTT results noted some strategic focal areas that are pertinent to the NSF like rural areas (among others), the Auditor-General’s concern regarding the term “rural” as used in the entity’s strategic documents, needs some refinement/re-defining such that its definition reflects on the mandate of NSF.

In a nutshell, the recommendations are explicit with the positioning of the NSF being separate from the DHET and that the entity is encouraged to embrace its role as a catalyst or cause for change within the PSET sector and that its strategic objectives should reflect this role and be evaluated regularly. In this way, its vision and mission would need to also reflect this catalytic role and extended focus on global economy skills.



## 2.2 Rural development

The concept of rural is guided by various policies in South Africa, as such there is no single law or policy that defines what rural is. The National Development Plan (NDP) recognizes the need to ensure spatial transformation and economic inclusiveness in the provision of government services and interventions.

The DHET Strategic Plan for 2020-25, elucidate a number of the Ministerial priorities that the NSF must align to, which include (among others):

- SO1: Skills development interventions focused on the youth, small businesses, co-operatives, and rural development.
- SO2: Rural skills development.

In line with this thinking, the MTT results revealed that the other strategic focal areas that are worth noting and pertinent to the NSF are Innovation systems, strengthened monitoring and evaluation, strengthened labour market intelligence, Small Micro Medium Enterprise (SMME), and rural areas.

To respond to areas of rural development, the NSF considered one of its outputs as:

- Number of learners from rural areas funded by the NSF for skills development in response to innovation and digital technology.
- Number of learners from rural areas funded by the NSF for education and training.

Although, the NSF does provide funding to the beneficiaries/learners in rural areas for skills development, however, it is not clear how the current structure assists the NSF to respond to the need to prioritise SMMEs, cooperatives, rural enterprises and the Expanded Public Works Programme (EPWP) and Community Work Programmes (CWP), this is noticed as one of the limitations the entity is currently experiencing.

It is against this background, therefore, that the entity conducts this study in an attempt to define the terms “rural” and “catalytic” that will highlight its catalytic role within the PSET sectors as per NSF mandate.



### 3. OBJECTIVES OF THE STUDY

- Define Catalytic Funding and Rural Development – Develop clear definitions of Catalytic Funding and Rural Development within the NSF's mandate.
- Develop a Conceptual Framework – Propose a structured framework to guide NSF in applying catalytic funding principles to both urban and rural development projects.
- Assess NSF's Role in Rural Development – Assess how NSF's funding contributes to skills development in rural areas and identify gaps in its current approach.
- Benchmark Best Practices – Compare NSF's funding approach with international and local models of catalytic funding and rural skills development.
- Provide Recommendations – Offer strategic recommendations to refine NSF's funding model, ensuring catalytic projects lead to sustainable economic and social impact, particularly in rural communities.

### 4. POLICY AND LEGISLATIVE CONSIDERATIONS

- 4.1 The following policy, legislation and documents emanating from the PSET sector should be considered, but not limited to:

#### 4.1.1 Legislations

- Skills Development Act, 1998 (Act No. 97 of 1998), as amended and Regulations thereto.
- Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended.
- Public Service Act, 1994 (Act No. 38 of 1994), as amended.
- Higher Education Act, 1997 (Act No. 101 of 1997), as amended.
- Continuing Education and Training Act, 2006 (Act No. 16 of 2006), as amended.
- National Qualifications Framework Act, 2008 (Act No. 67 of 2008), as amended.
- National Student Financial Aid Scheme, 1999 (Act No. 56 of 1999), as amended.

#### 4.1.2 Policies and Frameworks

- National Skills Development Strategy (NDS) III.
- National Plan for PSET.
- National Skills Authority & Human Resource Development Council of South Africa (HRDC) Policies.



- White Paper for Post-School Education and Training.
- National Skills Development Policy.
- National Skills Development Plan (NSDP).
- Human Resource Development Strategy of SA (HRDS).
- NSDS Implementation Guidelines.
- National Skills Development Plan (NSDP).
- National Skills Funding (NSF) Allocation Strategic Framework and Criteria.
- Medium Term Development Plan (MTDP)
- National Development Plan (NDP)
- Rural Development Framework, 2013
- Rural Development Strategy.

## **5. PURPOSE OF THE STUDY**

The purpose of the study is to define and conceptualise Catalytic Funding and Rural Development within the NSF's mandate to guide funding for skills development projects.

## **6. SCOPE OF WORK**

The study will include the desktop analysis as well as interviews with a select group of key stakeholders.

The study activities include:

- Develop the inception report with a detailed research plan, design, detailed methodology and content and structure of the final report.
- Develop literature review, including the benchmarking study.
- Provide a detailed Capacity Development Plan for NSF staff.
- Develop data collection instruments and other tools required.
- Develop a conceptual framework for catalytic funding and rural development.
- Develop the catalytic funding model of both catalytic and rural development projects.
- Participate in one workshop on the Draft report with stakeholders and the Project Steering Committee.
- Participate in one workshop with the NSF Staff.
- Develop the workshop reports.
- Develop a comprehensive research report, that would be submitted in both electronic



and X1 hard copy.

- Prepare and submit PowerPoint presentations of the study's approach, findings, recommendations, etc.

## **7. RESEARCH METHODOLOGY**

The prospective Service Provider is expected to propose an appropriate methodology and approaches to respond to the relevant objectives of the study.

## **8. PROJECT DELIVERABLES**

The project deliverables are:

- Inception report with a detailed research plan, detailed costed project plan, design, detailed methodology and content and structure of the final report.
- Literature review, including the benchmarking study.
- Conceptual framework for catalytic funding and rural development, including the catalytic funding model.
- Draft Research Report which incorporated input(s) from stakeholders.
- One workshop with stakeholders and the Project Steering Committee (organised internally).
- One workshop to the NSF Staff (organised internally).
- Workshop reports.
- Report on Capacity Development of NSF staff.
- A final comprehensive research report with explicit Recommendations with both conceptual framework and the proposed catalytic funding model (in both electronic and hard copy).
- PowerPoint presentations.

## **9. KEY RESOURCES**

- National Skills Fund Evaluation study report.
- National Skills Fund Annual reports.
- National Skills Fund Monitoring & Evaluation Framework



## 10. TIME FRAME

The project is expected to take place in the **2025/26** financial year over a period of six **(6) months** after the appointment of the Service Provider.

## 11. PROJECT MANAGEMENT

### 11.1 Project Steering Committee

A Project Steering Committee will be established comprising by the NSF, comprising officials from the NSF, DHET, NSA and other key stakeholders. They are responsible for overseeing the project including approving the inception report and other main deliverables.

### 11.2 Project Management Committee

The Service Provider will establish a Project Management Committee (PMC) to oversee the study's implementation and ensure its objectives are achieved timeously. The PMC will include representatives from both the NSF, DHET, NSA and the Service Provider, with monthly meetings to track progress. The Service Provider will serve as the Secretariat for the PMC.

The Service Provider is expected to attend to the following engagements as a minimum:

- Attend monthly PMC meetings.
- Attend four (4) PSC meetings focusing on:
  - Inception report.
  - Literature Review, including benchmarking findings and data collection tools.
  - Draft report (findings).
  - Workshop.

The Service Provider will utilise the feedback from the workshop to finalise the report and its recommendations.



### 11.3 Monitoring of the Project

The project will be monitored by the NSF Directorate: Strategy, Innovation and Planning (SIP). The Service Provider will be working directly with the Project Manager regarding the project's deliverables.

### 11.4 Reporting Arrangements

The Service Provider will report to the NSF through the Project Manager, Ms Thenjiwe Ncube.

The study will be funded by the NSF and the appointed Service Provider will sign a Service Level Agreement (SLA) with the NSF.

The NSF will provide reporting templates to the contracted service provider(s).

The Project Manager shall be responsible for:

- The provision of all documents required for the project.
- Tracking the progress of tasks against planned timeframes.
- Facilitating engagement between NSF and the Service Provider.
- The assessment of the quality of the deliverables.

## 12. APPROPRIATE QUALIFICATIONS, EXPERIENCE, SKILLS AND KNOWLEDGE

12.1 The company has at least ten (10) years of experience in conducting research studies including the analysis and presentation of findings related to skills development.

12.2 Have proven capacity to undertake a project of this nature and to complete the project by the due date.

12.3 The company has provided similar services to government departments or entities, NPOs, etc.

12.4 The company should have a proven project execution capacity which provide evidence of **at least three** successfully completed projects of a similar nature within the **past five years**, including client references.

12.5 Has assigned team members with the relevant qualifications in the field with the maximum of five (5) research team members for the study.

12.6 The team leader must have at least **10 years of experience** including working with government at a senior level.





- 12.7 The team leader should be able to demonstrate knowledge of the NSF and should have undertaken **at least three research projects** involving skills development.
- 12.8 The team leader should be able to demonstrate knowledge of other components of the PSET system. Furthermore, the team leader should display the following expertise and experience:
- **Project Management Skills:** The team leader must have at least 10 years of experience managing research projects, supported by a detailed project portfolio and references.
  - **Research expertise:** Must demonstrate experience in conducting at least three research studies or policy analysis in the skills development sector, with samples of previous work submitted.
  - **Research Methodology Proficiency:** Must have a minimum of ten years of experience in qualitative and quantitative research, with at least three research reports or publications showcasing the application of these methodologies.
  - **Report writing and communication:** Write clear, concise and focused reports that are credible, useful and actionable, address the key questions, and show the evidence, analysis, synthesis, recommendations and interpretation and how these build from each other.
  - Must demonstrate an understanding of conducting research studies within the skills development environment/space, including analysing policies as well as insights into the skills development in South Africa.
  - A good knowledge of higher education sector, government systems, labour market, skills, labour, further education and implementation of the PSET system.
  - Strong understanding of research, research methodologies and experience in both qualitative and quantitative research.
- 12.9 The team members should have a five (5) years or more relevant experience in conducting research studies.
- 12.10 The team members should have relevant qualification(s), i.e. bachelor's degree in statistics, population studies, economics, business administration, development studies and finance.
- 12.11 The company should display gender inclusivity preference: Women-led research organisations or teams where at least 50% of the researchers are females, with a list of team members and their roles provided.

### 13. DURATION OF THE PROJECT

- 13.1 The project will be implemented over a period of six (6) months following the appointment of the Service Provider.



- 13.2 The exact project scheduling will be agreed to between the NSF and the appointed research team.
- 13.3 Proposals and responses received are accepted on the basis that service providers are able to comply and agree with these specified. If this is not the case, bidders MUST clearly state the contrary.

**1.1. Exhibit 1:**

A good knowledge of higher education sector, government systems, labour market, skills, labour, further education and other components of the PSET system.

Project management skills and experience managing projects of this kind and magnitude.

Please ensure that these documents that you require are linked to Section 6, APPROPRIATE QUALIFICATIONS, EXPERIENCE, SKILLS AND KNOWLEDGE as well as the EVALUATION CRITERIA in Section 14.

The proposal must include all of the following documents:

- A profile of the service provider detailing relevant experience/projects/services in this area. The company must demonstrate a thorough understanding of the NSF's mandate and the PSET legislative, regulatory and policy framework.
- The company has at least ten (10) years of experience in conducting research studies including the analysis and presentation of findings related to skills development.
- A comprehensive CV of the Project team leader should outline the following:
  - The team leader should have a master's or doctorate degree (NQF level 9/10) in statistics, population studies, economics, business administration, development studies and finance.
  - The team leader should have at least ten (10) years' experience in conducting research studies related to skills development.
  - The team leader must have demonstrable project management skills and experience in managing projects of this kind and magnitude.
- The company should display gender inclusivity preference: Women-led research organisations or teams where at least 50% of the researchers are females, with a list of team members and their roles provided.



- Comprehensive CVs of the proposed team members (all members) that will do the work of the project should clearly indicate relevant expertise and experience.
  - Team members should have a bachelor's degree (NQF level 7), at a minimum, in statistics, population studies, economics, business administration, development studies and finance.
  - Experience in conducting research studies with five (5) years or more relevant experience.
- CVs must include two contactable references and certified copies of qualification(s) of each team member must be included, not older than six months.

### 1.2. **Exhibit 2:**

Proposal outlining the detailed approach and methodology to be applied in conducting the research study.

In specific this part must include:

- The research methodology and approach to be employed including administration aspects of the project.
- Strong understanding of research, policy analysis, development of conceptual frameworks, research methodologies and experience in both qualitative and quantitative research methodologies.
- A clear quality assurance plan ensuring product of good quality.
- A project plan for a period of six (6) months indicating all stages of the project life cycle.

### 1.3. **Exhibit 3:**

The service provider should provide three (3) reference letters from previous must be included to validate the service(s) rendered/project executed by the bidding provider in line with the scope of these terms of reference. The letters must be on an official letterhead, signed and not older than five years.

A portfolio of evidence to show research studies conducted by the service provider. This must entail three (3) final reports with results and recommendations.

## 14. **EVALUATION PROCESS**

### 14.1 **Phase 1: Compliance evaluation**



### **MANDATORY REQUIREMENTS:**

Prospective bidders must ensure that the following documents are attached, fully completed and signed:

- (i) Signed quotation on the company letterhead, it must indicate quote date and expiry date.
- (ii) SBD 1 Invitation of the BID
- (iii) SBD 4 form: Declaration of Interest
- (iv) SBD 6.1 Preference Points claim form in terms of the Preferential Procurement Regulations 2022
- (v) POPIA form signed by the bidder
- (vi) The quotation will be valid for a period of 90 days from the date of this RFQ
- (vii) Technical submission outlined in paragraphs 6, 11 and 14.
- (viii) B-BBEE certificate
- (ix) CSD report with MAAA number
- (x) CIPC certificate

During this phase, bids will be evaluated on the completeness of bid documents, minimum additional documents presented, documents signed, documents authenticated through certification or verification, etc.

**Bids failing this stage will not advance to phase 2 of functionality evaluation.**

#### **14.2 Phase 2: Technical/functional evaluation**

The criteria detailed below will be the basis for the technical/functional evaluation. This information will inform the NSF's final recommendation on the preferred proposal. A cut-off of **70** points is required to advance to the next phase of evaluation.

### **TECHNICAL/FUNCTIONALITY EVALUATION CRITERIA (Phase 2 of the evaluation process)**

The following criteria will be considered in evaluating the technical/functional information:

**Table 4: Evaluation Criteria**

No.	CRITERIA	MAX. POINTS
1	<b>Knowledge, competencies and skill</b> <i>Source: Exhibits 1</i>	45



No.	CRITERIA	MAX. POINTS
	<p>A good knowledge of higher education sector, government systems, labour market, skills, labour, further education and other components of the PSET system.</p> <p>Project management skills and experience managing projects of this kind and magnitude.</p> <p><b>a. Company profile detailing track record in the required services. (15)</b></p> <ul style="list-style-type: none"><li>○ 10 years or more relevant company experience (15 points)</li><li>○ 5 years or more relevant company experience (10 points)</li><li>○ 3 to 4 years relevant company experience (8 points)</li><li>○ 2 to 3 years relevant company experience (7 points)</li><li>○ 1 to 2 years relevant company experience (5 points)</li><li>○ No company profile submitted or submitted profile does not cover the required scope (0 points)</li></ul> <p><b>b. Qualification(s) of team leader (<i>up to 5 points</i>)</b></p> <ul style="list-style-type: none"><li>○ Relevant qualification of team lead: master's or doctorate degree (NQF level 9/10) in statistics, population studies, economics, business administration, development studies and finance (5 points).</li></ul> <p>Less than master's degree (0 point).</p> <p><b>c. Team leader experience (5)</b></p> <p>The team leader must have at least <b>10 years of experience</b> including working with government at a senior level.</p> <ul style="list-style-type: none"><li>• 10 years or more relevant experience (5 points)</li><li>• 8-9 years relevant experience (4 points)</li><li>• 5-7 years relevant experience (3 points)</li><li>• Less than 4 years relevant experience (2 points)</li></ul> <p><b>d. Project management skills and experience managing projects of this kind and magnitude. (5)</b></p> <ul style="list-style-type: none"><li>• 10 years or more relevant experience – <b>5 points</b></li><li>• 8-9 years relevant experience – <b>4 points</b></li><li>• 5-7 years relevant experience – <b>3 points</b></li></ul>	



No.	CRITERIA	MAX. POINTS
	<ul style="list-style-type: none"><li>• Less than 4 years relevant experience – 2 points)</li></ul> <p><b>e. Team members qualifications (5)</b></p> <p>Relevant qualification(s) of team members: bachelor's degree in statistics, population studies, economics, business administration, development studies and finance.</p> <ul style="list-style-type: none"><li>• 100% of team members have relevant qualifications (5 points)</li><li>• 75% of team members have relevant qualifications (4 points)</li><li>• 50% of team members have relevant qualifications (3 points)</li><li>• 25% of team members have relevant qualifications (2 points)</li><li>• Less than 25% team members have relevant qualifications (0 point).</li></ul> <p><b>f. Team members experience (5)</b></p> <p>Experience in conducting research studies with five (5) years or more relevant experience.</p> <ul style="list-style-type: none"><li>• 100% of team members have 5 years or more relevant experience (5 points)</li><li>• 75% of team members have 4 years relevant experience (4 points)</li><li>• 50% of team members have 3 years relevant experience (3 points)</li><li>• 25% of team members have 2 years relevant experience (2 points)</li><li>• Team members has less than 2 years relevant experience (0 point)</li></ul> <p><b>g. Gender inclusivity preference (5)</b></p> <p>The company should display gender inclusivity preference: Women-led research organisations or teams where at least 50% of the researchers are females, with a list of team members and their roles provided.</p> <ul style="list-style-type: none"><li>• 50% of team members are females (5 points)</li><li>• 40% of team members are females (4 points)</li></ul>	



No.	CRITERIA	MAX. POINTS
	<ul style="list-style-type: none"><li>• 30% of team members are females (3 points)</li><li>• Less than 30% female members (0 point)</li></ul> <p><b>NB:</b> Comprehensive CVs must be submitted with certified proof of qualifications.</p>	
2	<p><b>Methodology</b> <i>Exhibit 2</i></p> <p><b>Quality Assurance Plan</b></p> <p>Methodology and design - The research methodology and approach to be employed including administration aspects of the project. Strong understanding of research, policy analysis, development of conceptual frameworks, research methodologies and experience in both qualitative and quantitative research methodologies. A clear quality assurance plan ensuring products of good quality, a project plan indicating all stages of the project life cycle.</p> <p><b>Methodology and approaches (10)</b></p> <ul style="list-style-type: none"><li>○ <b>Excellent:</b> The methodology is well-structured, clearly articulated, and aligned with the objectives of the project. The rationale is strong, and the methods are appropriate. <b>(10 points)</b></li><li>○ <b>Satisfactory:</b> The methodology is generally appropriate and relevant, but may lack detail or clear alignment with some aspects of the project. <b>(5 points)</b></li><li>○ <b>Inadequate or Not Provided:</b> The methodology is vague, poorly aligned, or missing. It does not demonstrate an understanding of the assignment or how the objectives will be achieved. <b>(0 points).</b></li></ul> <p><b>Project plan (5)</b></p>	25





No.	CRITERIA	MAX. POINTS
	<ul style="list-style-type: none"><li>○ <b>Excellent:</b> Project plan with an activity sheet and milestone plan commencing the project for a period of six (6) months (5 points)</li><li>○ <b>Satisfactory:</b> Project plan is relevant, but lack details of activities to be executed (4).</li><li>○ <b>Inadequate or Not Provided:</b> Project plan is vague, not in detail and is not covering a period of six (6) months (0 point).</li></ul> <p><b>Conceptual framework (5)</b></p> <ul style="list-style-type: none"><li>○ <b>Excellent:</b> A conceptual framework is well-articulated, comprehensive, systematic and aligned with the research projects objectives. The framework guides the research design and methodology. A clear plan to build capacity of the NSF Staff on the developed framework <b>(5 points)</b>.</li><li>○ <b>Satisfactory:</b> The framework is generally aligned to the research objectives. It shows basic understanding but may not fully support research process (4).</li><li>○ <b>Inadequate or Not Provided:</b> The framework is missing or is poorly constructed. It is not relevant to the research objectives (0 point).</li></ul> <p><b>Quality Assurance Plan (5)</b></p> <ul style="list-style-type: none"><li>○ <b>Excellent:</b> A clear plan is comprehensive, systematic and aligned with the research projects objectives. It has procedures for quality control at all stages <b>(5 points)</b></li><li>○ <b>Satisfactory:</b> The quality assurance plan includes basic quality control measures and general oversight of deliverables. It lacks consistency for ensuring quality deliverables (5).</li><li>○ <b>Inadequate or Not Provided:</b> There is no clear quality assurance plan, the plan is vague, poorly constructed and irrelevant (0 point).</li></ul>	
	<b>Portfolio of evidence</b>	15



No.	CRITERIA	MAX. POINTS
3	<p><i>Exhibit 3</i></p> <p>A portfolio of evidence to show research studies conducted by the service provider. This must entail three (3) final research reports with results and recommendations.</p> <p>a. Sample of research reports developed by the service provider (15)</p> <ul style="list-style-type: none"> <li>• 3 or more research reports submitted (15 points)</li> <li>• 2 research reports submitted (10 points)</li> <li>• 1 research report submitted (5 points)</li> <li>• No research reports submitted (0 point)</li> </ul>	
4	<p><b>References</b> <i>Exhibit 3</i></p> <p>a. <b>Reference letters submitted to validate previous track record in the required services (15)</b></p> <ul style="list-style-type: none"> <li>• 3 or more reference letters not older than five years submitted (15 points)</li> <li>• 2 reference letters not older than five years submitted (10 points)</li> <li>• 1 reference letter not older than five years submitted (5 points)</li> <li>• No reference letter submitted, or reference does not cover the scope of these terms of reference (0 point)</li> </ul>	15
<b>TOTAL POINTS</b>		<b>100</b>

NB: Bidders are required to obtain a **minimum of 70 points** to be considered in the next phase of evaluation.

#### 14.3 Phase 3: Price evaluation (80 Points)

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

The above following formula will be applied to calculate the points awarded in relation to pricing and this determination is informed as follows:

- P<sub>s</sub>** - Points scored for comparative pricing of the bid submitted for consideration  
**P<sub>t</sub>** - Comparative pricing of the bid under consideration  
**P<sub>min</sub>** - Comparative pricing of the lowest acceptable bid



#### 14.4 Phase 4: Specific Goals (20 Points)

14.4.1 **Specific goals points allocation:** A maximum of **20 points** may be allocated to a bidder based on the evaluation of the company's specific goals that are determined as follows:

Specific goals	Number of points (20)
Persons historically disadvantaged on the basis of race	10
Persons of historically disadvantaged on the basis of gender	5
Person historically disadvantaged on the basis of disabilities	5

14.4.2 Specific goals are allocated to bidder on receipt of the following documentation or evidence:  
A duly completed Preference Point Claim Form: Standard Bidding Document (SBD 6.1);  
and the relevant specific goals.

14.4.3 Prospective bidders are required to submit the following documents in order to substantiate the specific goals claimed as per paragraph above:

- A CIPC certificate of the bidder and a CSD report to claim for persons historically disadvantaged on the basis of race.
- A CIPC certificate, ID copies of the directors of the company and a CSD report to claim for persons of historically disadvantaged on the basis of gender.
- A certificate of disability issued by the physician, South African Social Security Agency and the Department of Women, Youth and People with Disability to claim for persons historically disadvantaged on the basis of disabilities.

14.4.4 Non-submission of documents listed on the paragraph 3.3.1 above for specific goals will result in a zero (0) score allocated for specific goals.

14.4.5 The points scored by a bidder in respect of specific goals will be added to the points scored for price:

AREAS OF EVALUATION	POINTS
• Price	80
• Specific goals	20
<b>Total</b>	<b>100</b>



## 15. GENERAL PROVISIONS

- The NSF reserves the right to conduct due diligence and qualitative analysis exercises as part of the functionality evaluation process. This may include requests for presentations to the NSF on the parts of work proposed.
- The NSF will not be liable to reimburse any costs incurred by Service Providers during this Request for Quotation (RFQ) process.
- Service Providers must identify and disclose any conflict or perceived conflict of interest caused by current assignments, relationships or other dealings, and indicate how such conflicts would be addressed.
- Should the project leader or key senior researchers exit the project, alternative persons with equal competencies, qualifications and experience must be contracted.
- Awarding of the final contract will be subject to the conclusion of a SLA between the NSF and the successful Service Provider.

## 16. DISCLAIMER

- The NSF reserves the right not to appoint a Service Provider and is also not obliged to provide reasons for the rejection of any proposal.
- The NSF reserves the right to:
  - Reject all proposals;
  - Request further information from Service Providers after the closing date of the proposal, for clarification purposes; and
  - Cancel the RFQ request at any time during the process.
- The NSF reserves the right to invoke penalty clauses and / or cancel the contract due to late, non-performance or sub-standard performance by the Service Provider for any part of the work related to this RFQ.

## 17. CONDITIONS OF QUOTATIONS

17.1 Quotations will be subjected to Supply Chain Management conditions stipulated hereunder:

17.2 The Preferential Procurement Policy Framework Act no.05 of 2000 will apply to this RFQ:



- 17.3 The NSF reserves the right to award or not to award this contract;
- 17.4 The NSF reserves the right not to accept the lowest cost proposal;
- 17.5 The NSF will enter into a formal contract with the successful service provider;
- 17.6 The NSF reserves the right to terminate the contract should the performance of the service provider be unsatisfactory;
- 17.7 The NSF has the right to visit the business premises of the service provider to verify the information provided in the tender documents but will inform the service provider in advance of such a verification visit;
- 17.8 It is the responsibility of prospective bidders to ensure that their bid documents are submitted physically to NSF offices located at 178 Francis Baard Street in Pretoria before the closing time and date of the RFQ, the date for the closure of the RFQ is 17 April 2023 at 11:00.
- 17.9 Proposals received after closing time and date are late and will NOT be considered;
- 17.10 Any change of information provided in the RFQ document that may affect delivery of services should be brought to the NSF's attention as soon as possible. Failure to comply may result in the contract being terminated;
- 17.11 All copyrights and intellectual property rights in respect of products developed by the service provider during the project will vest in the NSF which has the right to allow any other individual, company, agency or organisation to use or modify the product for any purpose;
- 17.12 The service provider must make provision on its own premises for:
- all IT equipment and software required,
  - office space and facilities
  - printing, binding and related services if any
  - communications infrastructure and costs;
- 17.13 The service provider must allocate dedicated staff to the project.

## **18. ADDITIONAL PRESCRIPTS**

- 18.1 In terms of section 76(4)(c) of the Public Finance Management Act, 1999 (Act No 1 of 1999) (PFMA), the National Treasury may make regulations or issue instructions applicable to all institutions to which the PFMA applies concerning the determination of a framework for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. The National Treasury subsequently issued National Treasury Instruction Note 3 of 2021/2022 in terms of section 76(4)(c) of the PFMA.



- 18.2 In terms of paragraph 5.1 of National Treasury Instruction Note 3 of 2021/22, only the Director-General of Higher Education and Training, as accounting authority of the NSF, may
- a) expand a contract by increasing the scope of work ; or
  - b) vary a contract by changing the scope of work.
- 18.3 Paragraph 5.4 states that the accounting authority (AA) must in a format determined by National Treasury, submit a monthly report, including the reasons for the expansion or variation, to the relevant treasury and the AGSA, if a contract for
- 18.4 construction related goods, works and services or both is expanded or varied by more than 20% or R20 million (including all applicable taxes), whichever is the lesser; and
- 18.5 for all other goods and services or both is expanded or varied by more than 15% or R15 million (including applicable taxes), whichever is lesser.
- 18.6 In terms of paragraph 5.5 of the above-mentioned National Treasury Instruction Note, the AA must record expansions or variations referred to in paragraph 5.4 in the annual report of the institution in a format determined by the National Treasury.
- 18.7 Once appointed, service providers shall adhere to the above-mentioned prescripts as follows:
- a) Service providers shall not provide any goods and services that exceed the order amount;
  - b) Service providers shall refrain from providing any additional goods and services that exceed the order amount, unless prior written approval for the variation has been granted by the Director-General of Higher Education and Training, as the accounting authority of the NSF, or his / her delegated official.
- 18.8 NSF shall not be liable to reimburse the appointed service provider for any goods or services that exceed the order amount, incl. approved variations thereon.
- 18.9 NSF shall not be liable to reimburse the appointed service provider for any goods or services where such goods and services have been rendered prior to obtaining the order (incl. variation orders) therefore.

## 19. TIMELINE OF THE RFQ PROCESS

- 19.1 The relevant project timeframes in terms of this RFQ are indicated as follows:

**Table 2: Timeline of the RFQ Process**

Activity	Date
Advertisement of the RFQ	09/09/2025





Activity	Date
Non-compulsory briefing session	26/09/2025
Joining link	<a href="#">Join the meeting now</a>
Questions related to the bids received from bidder(s)	02/10/2025
The RFQ closing date	09/10/2025

## 20. SUBMISSION OF PROPOSAL

20.1 The following procedure must be followed for RFQ submissions.

20.1.1 The first part of the proposal must clearly state TECHNICAL SUBMISSION, wherein the bidder should address all aspects of the technical submission.

20.1.2 The second part of the proposal must clearly state FINANCIAL SUBMISSION, wherein the bidder should include the proposed fee for the project.

20.2 The following must be submitted:

20.2.1 Please submit a soft copy of your response to [rfq@nsf.org.za](mailto:rfq@nsf.org.za) , Kindly note that the timestamp of this email submission will be used to verify the submission time for this RFQ. Failure to submit, or to submit on time, may result in disqualification.

20.2.2 Three (3) hard copies of the bid (one document must be the original and contain the signed mandatory SCM documents and two copies of the original)

20.3 The deadline to submit the quotes and relevant documentation is **09 October 2025** at **11:00 am**

20.4 The bid must be submitted to Ms Fundisiwe Gajana during office hours (08:00 to 16:00) from Monday to Friday. Note: The NSF address is Ndinaye House at No. 178 Francis Baard Street and not No. 123.

## 21. CONTENT OF THE TECHNICAL SUBMISSION

The technical submission should include the following:

21.1 Cover Page

21.2 Company and contact information of the bidder, including all parties/team members of the company/consortium where applicable.

21.3 Mandatory SCM documents





#### 21.4 Introduction and Executive Summary

## 22. ENQUIRIES

All enquiries regarding these Terms of Reference should be addressed to:

**Technical enquiries:** Ms Thenjiwe Ncube

Email address: [thenjiweN@nsf.org.za](mailto:thenjiweN@nsf.org.za)

**SCM enquiries:** Ms Fundisiwe Gajana

Telephone number: (012) 943 3768

Email address: [rfq@nsf.org.za](mailto:rfq@nsf.org.za)



**Switchboard:** +27 (0)12 943 3101

**Pretoria:** Ndinaye House, 178 Francis Baard Str, Pretoria CBD, Pretoria, 0002

**Durban:** Thekwini TVET College, 262 D'Aintree Ave, Asherville, Berea, 4091

**Western Cape:** Golden Acre, 6th Floor, 09 Adderley Str, Cape Town, 8001

**Eastern Cape:** FNB Building, 4th Floor, Cnr Oxford & Union Street, East London, 5201

**Postal Address:** Private Bag X174, Pretoria, 0001

[www.nsf.gov.za](http://www.nsf.gov.za)



## COMPULSORY DOCUMENT (COMPLETED AND SIGNED)

**TO BE SUBMITTED WITH THE REQUEST FOR QUOTATION: FOR A STUDY ON UNDERSTANDING CATALYTIC FUNDING WITHIN THE CONTEXT OF THE NATIONAL SKILLS FUND MANDATE**

### PERMISSION BY BIDDER

On behalf of the Companies/ Close Corporation/Trust/Joint venture/ Consortium/Juristic person or Partnership

Name of company described above.

---

I Prof/Dr/Ms/Mr \_\_\_\_\_ duly authorised hereby grant permission, in terms of the Protection of Personal Information Act, 2013(Act 4 of 2013), (POPI Act), to the National Skills Fund, to utilise all the information contained in the Bid documents and Quotation submitted to the National Skills Fund for the purpose of procurement.

Capacity: \_\_\_\_\_

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

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

**NB: Bidder may be disqualified if completed and signed form is not submitted with the RFQ**

**Switchboard:** +27 (0)12 943 3101

**Pretoria:** Ndinaye House, 178 Francis Baard Str, Pretoria CBD, Pretoria, 0002

**Durban:** Thekwini TVET College, Central Office, 262 D'Aintree Ave, Asherville, Berea, 4091

**Western Cape:** Golden Acre, 6th Floor, 09 Adderley Str, Cape Town, 8001

**Eastern Cape:** FNB Building, 4th Floor, Cnr Oxford & Union Str, East London, 5201

**Postal Address:** Private Bag X174, Pretoria, 0001

**[www.nsf.gov.za](http://www.nsf.gov.za)**

## PART A INVITATION TO BID

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE NATIONAL SKILLS FUND</b>					
BID NUMBER:	NSF2526-51	CLOSING DATE:	09 October 2025	CLOSING TIME:	11:00 AM
<b>REQUEST FOR QUOTATION FOR A STUDY ON UNDERSTANDING CATALYTIC FUNDING WITHIN THE CONTEXT OF THE NATIONAL SKILLS FUND MANDATE.</b>					
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
<b>DEPARTMENT OF HIGHER EDUCATION AND TRAINING</b>					
<b>NATIONAL SKILLS FUND</b>					
<b>178 FRANCIS BAARD</b>					
<b>PRETORIA</b>					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	Mr K Maduna		CONTACT PERSON	Ms M Maleka	
TELEPHONE NUMBER	(012) 943 2939		TELEPHONE NUMBER	0834182604	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	rfq@nsf.org.za		E-MAIL ADDRESS	nomfundom@nsf.org.za	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		<b>OR</b>	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]  <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES &amp; QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]</b>					
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?		<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]
<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	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

## PART B TERMS AND CONDITIONS FOR BIDDING

<b>1. BID SUBMISSION:</b>
1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.</b>
1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4. <b>THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).</b>
<b>2. TAX COMPLIANCE REQUIREMENTS</b>
2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .
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

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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.

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

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### **3 DECLARATION**

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or 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

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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.



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

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

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

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

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

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

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

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

### 1. GENERAL CONDITIONS

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

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

1.2 **To be completed by the organ of state**

*(Delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) **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 PREFERENCE POINT SYSTEMS

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

**80/20**

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

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

## 4. POINTS AWARDED FOR SPECIFIC GOALS

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

- (a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system: or
- (b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both

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

***(Note to organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.***

***Note to tenderers: The tenderer must indicate how they claim points for each preference point system.)***

NO	SPECIFIC GOALS	REFERENCE	CRITERIA	POINTS	TOT POINTS	POINTS CLAIMED	PROOF/EVIDENCE
1	Person historically disadvantaged on the basis of race.	RDP 1.4.4. 3.1.4	100% black owned	10	10		A CIPC certificate of the tenderer and CSD report.
			75%-99% black owned	8			
			60%-74% black owned	6			
			51%-59% black owned	3			
			0-59% black owned	0			
2	Person historically disadvantaged on the basis of gender.	RDP 1.4.4. 3.1.4;3.2.7. 7.7	100% women owned	5	5		A CIPC certificate of the tenderer, copy of IDs & CSD report.
			75%-99% women owned	3			
			60%-74% women owned	2			
			51%-59% women owned	1			
			0-50% women owned	0			
3	Persons historically disadvantaged on the basis of disability	RDP 7.7	100% owned by people with disabilities	5	5		Certificate of disability issued by a medical physician, SASSA & Department of WYPD.
			75%-99% owned by people with disabilities	3			
			60%-74% owned by people with disabilities	2			
			51%-59% owned by people with disabilities	1			
			0-59% owned by people with disabilities	0			

#### 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 necessary.

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

**SURNAME AND NAME:** .....

**DATE:** .....

**ADDRESS:** .....

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

**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.

## **TABLE OF CLAUSES**

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
12. Transportation
13. Incidental services
14. Spare parts
15. Warranty
16. Payment
17. Prices
18. Contract amendments
19. Assignment
20. Subcontracts
21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)



## **General Conditions of Contract**

### **1. Definitions**

1. The following terms shall be interpreted as indicated:
  - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 “Day” means calendar day.
  - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
  - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
  - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
  - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

- |  |  |
|--|--|
| <b>2. Application</b>  | <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>   |
| <b>3. General</b>  | <p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from <a href="http://www.treasury.gov.za">www.treasury.gov.za</a></p>  |
| <b>4. Standards</b>  | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p>  |
| <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>  | <p>6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.</p>   |
| <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>   |

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

**8. Inspections,  
tests and  
analyses**

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

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

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

## **9. Packing**

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

## **10. Delivery and documents**

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

## **11. Insurance**

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

## **12. Transportation**

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

## **13. Incidental services**

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

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

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

#### **14. Spare parts**

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

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

#### **15. Warranty**

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

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

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

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

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

<b>16. Payment</b>	<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>	<p>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.</p>
<b>18. Contract amendments</b>	<p>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.</p>
<b>19. Assignment</b>	<p>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.</p>
<b>20. Subcontracts</b>	<p>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.</p>
<b>21. Delays in the supplier's performance</b>	<p>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.</p> <p>21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.</p> <p>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.</p> <p>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.</p>



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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

the intended penalty as not objected against and may impose it on the supplier.

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

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

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

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

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

#### **24. Anti-dumping and countervailing duties and rights**

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

#### **25. Force Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security,

damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

**26. Termination  
for insolvency**

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

**27. Settlement of  
Disputes**

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

**28. Limitation of  
liability**

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

		(b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
<b>29. Governing language</b>	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.
<b>30. Applicable law</b>	30.1	The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
<b>31. Notices</b>	31.1	Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
	31.2	The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
<b>32. Taxes and duties</b>	32.1	A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
	32.2	A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
	32.3	No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
<b>33. National Industrial Participation Programme (NIP)</b>	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.