

PLEASE TAKE NOTE

TENDER NUMBER: COGTA 03/2025

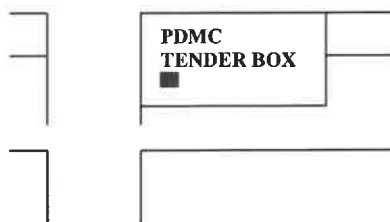
CLOSING TIME: 11:00

CLOSING DATE: 29 SEPTEMBER 2025

DOCUMENTS RECEIVED AFTER THE CLOSING TIME AND DATE ARE LATE AND WILL, AS A RULE THEY WILL NOT BE ACCEPTED FOR CONSIDERATION

DOCUMENTS MUST BE SIGNED IN THE ORIGINAL THAT IS IN INK. DOCUMENTS WITH PHOTOCOPIED SIGNATURES OR OTHER SUCH REPRODUCTION OF SIGNATURES WILL BE REJECTED

The Tender Document must be
Deposited in the Tender Box
Which is identified as the Tender
Box of the Gauteng Department of Co-operative
Governance and Traditional Affairs
11 Janadel Avenue, Provincial Disaster Management Centre,
Riverview Office Park
Midrand



TENDERERS SHOULD ENSURE THAT TENDERS ARE DELIVERED TIMEOUSLY AT THE CORRECT ADDRESS

SUBMIT ALL TENDERS ON THE OFFICIAL TENDER FORMS – DO NOT RETYPE

TENDERS BY TELEGRAM, FACSIMILE OR OTHER APPARATUS WILL NOT BE ACCEPTED FOR CONSIDERATION

SUBMIT EACH TENDER IN SEPARATE SEALED ENVELOP

[GPG 3]



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Tender Notice & Invitation to Tender

TENDER NO: COGTA 03/2025

Tender Number	Service	Evaluation Criteria	Compulsory Briefing Session	Tender Closing Date and Time
COGTA 03/2025	Provision of professional services to Gauteng municipalities to implement internal controls to resolve unauthorised, irregular, fruitless and wasteful (ui&w) expenditure for the period of thirty-six (36) months.	Price =80 Equity=20	Date: 16 September 2025 Time: 10H00 Venue: Zealandia Boardroom, Block B, Riverview Park, 11 Janadel Avenue, Midrand	Date: 29 September 2025 Time : 11H00

The tender will be evaluated in terms of the 80/20 Preference Point System prescribed by the Preferential Procurement Regulations 2022 and take effect on 16 January 2023 and the Departmental Supply Chain Management Policy.

Evaluation Criteria	Number of Points
100 % Black Owned Enterprise	5
100 % Women Owned Enterprise	10
100 % PwD Owned Enterprise	2.5
Enterprise located in Gauteng Province	2.5
Total Preference points based on Specific and RDP Goals	20

TECHNICAL EVALUATION (100 FUNCTIONALITY POINTS)

The technical evaluation will focus on the following aspects: Value Matrix: 0 = No document attached, 1 = Poor, 2= Average, 3 =Good, 4 =Very Good, 5 =Excellent

FUNCTIONALITY ITEM	WEIGHTING FACTOR
Expertise	35
Methodology	10
Personnel/Capacity	55
Total Points for Functionality	100
Minimum Threshold for Functionality	70

Bidders who fails to meet the minimum requirements/threshold in relation to Functionality Evaluation (70) will not be evaluated further.

Mandatory Requirements for Tenders. Bidders who intend to respond to the tender invitation must attend the compulsory briefing session and ensure that they sign the attendance register. The bidders must complete, sign and submit all Bid Documents and Pricing Schedules, SBD 1,3,3 and 4 (SBD documents must be completed; SBD 3.3 -total bid price is required; SBD 4- the director/s to declare truthfully and honestly). The use of correction fluid (tippex) when correcting errors on SBDs is prohibited; strike through the error, correct it and initial the corrections. Bid Documents should bear the original signature of an authorised person (Proof of Authority must be submitted e.g. Company Resolution); electronic submissions will not be accepted. In the case of Joint Venture/Consortium, a joint venture/consortium agreement bearing the signature of all the parties to the joint venture/consortium, should be attached and notarised by an attorney. If the bidder intends to sub-contract, a sub-contracting agreement should be attached and signed by all parties to the sub-contracting agreement. The % (percentage) to be sub-contracted must be clearly indicated in the contract. **NB!! Failure to comply with mandatory requirements stated above will result in the bidders submission being disqualified).** The Department will verify information provided in SBD 4 with CIPC biz portal in terms of active directorship in other companies and if the information is not the same the bidder will be disqualified.

Documents required to be submitted in order to claim points:

- SBD 6.1 the bidder to claim preference points and if no points to be claimed, then write a zero (0)
- Copy of Central Supplier Database (CSD)
- Copies of the company registration documents (CIPC)
- Certified copies of Directors/ Shareholders' IDs / Share Certificate
- Proof of Disability (Medical Certificate by Medical Practitioner with practice number)
- Proof of address/Municipal Statement of Account/Copy of the Lease Agreement if you are not the owner

Other Required Documentations for tenders: In order to verify the tax status of bidders, bidders are required to submit their Tax Compliance Status (PIN) from SARS; (Joint ventures/ consortium must submit a valid Tax Compliance Status Pin for all parties to a Joint Venture/ Consortium) Only suppliers (including all parties to Joint Ventures/Consortiums and sub-contractors) who are registered on the Central Supplier Database (CSD), www.csd.gov.za will be considered for appointment. (Proof to be attached).

The Department adheres to all relevant **Acts, including PPPF Act No 5 of 2000** with its associated amended Preferential regulations 2022. Enquiries may be addressed to the Project Managers: Ms Thozama Busakwe at thozama.busakwe@gauteng.gov.za; and Supply Chain Management: Ms. Phumzile Malgas at phumzile.malgas@gauteng.gov.za or Ms Mahlatse Madiba at mahlatse.madiba@gauteng.gov.za

Tender documents are available on the Gauteng etender portal: <http://e-tenders.gauteng.gov.za>

Please Note: All information and documents will be treated in accordance with POPI Act.

Completed tender documents should be sealed in an envelope clearly marked with the relevant tender number (COGTA 03/2025) and description. Tender documents should be delivered in the tender box at reception, Provincial Disaster Management Centre, 11 Janadel Avenue, Block B, Riverview Park, Midrand not later than 11:00 am on or before 29 September 2025.

Faxed, electronic or late submissions will not be accepted.

Only companies who have submitted all of the above information will be considered for evaluation process. The Gauteng Department of Co-operative Governance and Traditional Affairs is under no obligation to give reasons for non-acceptance /rejection of any submission. All short listed bidders will be subjected to undergo a security screening in terms of Section 2 (1) (b) of the National Strategic Intelligence Act 67 of 2002 as amended. All bidders that appear on the Treasury list of restrictions will not be considered

PART A INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)					
BID NUMBER:	COGTA 03/2025	CLOSING DATE:	29 SEPTEMBER 2025	CLOSING TIME:	11:00
DESCRIPTION	PROVISION OF PROFESSIONAL SERVICES TO GAUTENG MUNICIPALITIES TO IMPLEMENT INTERNAL CONTROLS TO RESOLVE UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL (UI&W) EXPENDITURE FOR THE PERIOD OF THIRTY-SIX (36) MONTHS.				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
TENDER BOX AT RECEPTION					
PROVINCIAL DISASTER MANAGEMENT CENTRE					
NO. 11 JANADEL AVENUE, BLOCK B, RIVERVIEW OFFICE PARK, MIDRAND					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Phumzile Malgas		CONTACT PERSON	Thozama Busakwe	
TELEPHONE NUMBER	N/A		TELEPHONE NUMBER	N/A	
FACSIMILE NUMBER	N/A		FACSIMILE NUMBER	N/A	
E-MAIL ADDRESS	Phumzile.malgas@gauteng.gov.za		E-MAIL ADDRESS	Thozama.Busakwe@gauteng.gov.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES ☐ NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES ☐ NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES ☐ NO	
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

PART B TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:	
1.1.	BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
1.2.	ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).
2. TAX COMPLIANCE REQUIREMENTS	
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA .
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

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

DATE:

.....



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

COMPANY/FIRM RESOLUTION

I, _____, **director/member/partner** of
_____ (**Company/Firm**) hereby state that
the Company/Firm in its meeting held on the _____
resolved to bid for **Tender No:** _____ and
nominate _____ as an authorised
representative(s) and signatory(ies) to sign on all bid documents relating to this
bid.

THUS, DONE AND SIGNED AT _____

ON THIS _____ **DAY OF** _____

AUTHORISE SIGNATURE OF THE DIRECTOR/MEMBER/PARTNER

DATE:

SIGNATURE OF THE NOMINATED PERSON

DATE: _____

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER:	BID NO.:
CLOSING TIME 11:00	CLOSING DATE.....

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

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

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

Name of Bidder:

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

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

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

*[DELETE IF NOT APPLICABLE]

Any enquiries regarding bidding procedures may be directed to the –

GAUTENG DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Ms. Phumzile Malgas

Email: Phumzile.malgas@gauteng.gov.za/

Or for technical information –

Ms Thozama Busakwe

Email: thozama.busakwe@gauteng.gov.za/

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

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

2.2.1 If so, furnish particulars:

.....

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

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

YES/NO

- 2.3.1 If so, furnish particulars:

.....

3 DECLARATION

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998

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

SBD4

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 90/10 preference point system.
- b) The applicable preference point system for this tender is the 80/20 preference point system.
- c) Either the 90/10 or 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
Total points for Price and SPECIFIC GOALS	100

- 1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.
- 1.6 The organ of state reserves the right to require of a tenderer, either before a tender is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

2. DEFINITIONS

- (a) **“tender”** means a written offer in the form determined by an organ of state in response to an invitation to provide goods or services through price quotations, competitive tendering process or any other method envisaged in legislation;
- (b) **“price”** means an amount of money tendered for goods or services, and includes all applicable taxes less all unconditional discounts;
- (c) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;
- (d) **“tender for income-generating contracts”** means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions; and
- (e) **“the Act”** means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

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

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

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

Where

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

3.2. FORMULAE FOR DISPOSAL OR LEASING OF STATE ASSETS AND INCOME GENERATING PROCUREMENT

3.2.1. POINTS AWARDED FOR PRICE

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

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) & \text{or} & P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right) \end{array}$$

Where

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

4. POINTS AWARDED FOR SPECIFIC GOALS

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

Table 1: 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.)

The specific goals allocated points in terms of this tender	Number of points allocated (90/10 system) (To be completed by the organ of state)	Number of points allocated (80/20 system) (To be completed by the organ of state)	Number of points claimed (90/10 system) (To be completed by the tenderer)	Number of points claimed (80/20 system) (To be completed by the tenderer)
100% Black Owned Enterprise		5		
100% Women Owned Enterprise		10		
100% PwD Owned Enterprise		2.5		
Enterprise located in Gauteng Province		2.5		
Total Preference points based on Specific and RDP Goals		20		

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

- 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:

.....

.....

.....



GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

CONSENT FORM IN TERMS OF SECTION 11 OF THE PROTECTION OF PERSONAL INFORMATION ACT NO 4 OF 2013 (POPIA)

In order for the department to consider the bidder's response to the tender to become a service provider of the department, it will be necessary for the department to process certain personal information which the service provider may share with department for the purpose of the tender, including personal information, which may include special personal information (all hereafter referred to as "Personal Information")

The department will process the Service Provider's Personal Information in accordance with the department Privacy Policy.

Access to your Personal Information and purpose specification

Personal Information will be processed by department for purposes of assessing the service provider's submission in relation to the tender i.e. the purposes of assessing current services required by the department. We may also share the service provider's Personal Information with third parties, both within the Republic of South Africa and in other jurisdictions, including to carry out verification, background checks and Know Your Customer obligations in terms of the Financial Intelligence Centre Act, No. 38 of 2001 ("FICA"). In this regard, the service provider acknowledges that department's authorised verification agent(s) and service providers will access Personal Information and conduct background screening.

Consent

By [ticking/clicking] "Yes" and signing below, you agree and voluntarily consent to the department processing of the service provider's Personal Information for the purposes of evaluating its tender submission, including to confirm and verify any information provided in the submission and service provider gives department permission to do so. The service provider understands that it is free to withdraw its consent on written notice to department and the service provider agrees that the Personal Information may be disclosed by the department to third parties, including department's affiliates, service providers and associates (some of which may be located outside of the Republic of South Africa). Please note that if you withdraw your consent at any stage, we may be unable to process your tender.

Yes ☐

No ☐

Supplier Name
Signature

Date

Authorised representative, who warrants that he/she is duly authorised.



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

TERMS OF REFERENCE

**PROVISION OF PROFESSIONAL SERVICES TO GAUTENG MUNICIPALITIES TO
IMPLEMENT INTERNAL CONTROLS TO RESOLVE UNAUTHORISED,
IRREGULAR, FRUITLESS AND WASTEFUL (UI&W) EXPENDITURE FOR THE
PERIOD OF THIRTY-SIX (36) MONTHS.**

AUGUST 2025

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1. PROJECT TITLE

- 1.1 Provision of Professional Services for the duration of three years (36 months) to Gauteng municipalities to implement internal controls to resolve Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) Expenditure.

2. INVITATION

- 2.1 Service Providers with relevant skills and experience are invited to submit bid proposals to the Gauteng Department of Co-operative Governance and Traditional Affairs (CoGTA), to provide professional services to six (6) Gauteng municipalities (Randwest City L.M, Mogale City L.M, Merafong City L.M, Lesedi L.M and Emfuleni L.M and City of Joburg Metro) implement internal controls to resolve unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure.

3. BACKGROUND AND DELIBERATIONS

- 3.1 The Gauteng Department of Co-operative Governance and Traditional Affairs (CoGTA) is responsible for fulfilling the Gauteng Province's obligations in relation to Local Government as contained in the Constitution of the Republic of South Africa, 1996 ("the Constitution") and various other pieces of Local Government legislation. In particular, in terms of section 154(1) of the Constitution, the Gauteng provincial Government, by legislative and other measures, must support and strengthen the capacity of Gauteng municipalities to manage their own affairs, to exercise their powers and to perform their functions.
- 3.2 Gauteng government remains concerned with the negative audit opinions and challenges faced by Gauteng Municipalities in achieving clean audits. While the deployment of experts by Gauteng CoGTA has previously been effective, integrating these efforts across different sections is crucial for a holistic approach. By enhancing coordination, planning, and stakeholder engagement, CoGTA can maximize the impact of expert deployments and achieve sustainable improvements in municipal governance and service delivery.

3.3 In addition to the poor quality of submitted financial statements, the prevention of unauthorised, irregular, fruitless, and wasteful expenditure as well as non-compliance with procurement processes remained as key areas of non-compliance. High levels of unauthorised, irregular as well fruitless and wasteful expenditure without adequate consequences.

3.4 The Department supported targeted municipalities with the development of internal controls to prevent the occurrence of UIF&W expenditures. Once these internal controls are continuously implemented, there should be a curbing of financial leakages caused by irregular contracts.

4. RESULTS OF THE IMPLEMENTED PROJECT

4.1 The following are highlights of the achievements in the seven (7) supported municipalities (Randwest City L.M, Mogale City L.M, Merafong City L.M, Lesedi L.M and Emfuleni L.M, City of Tshwane, and City of Joburg Metro):

- UIF&W Expenditure Reduction Strategy developed and approved by Council.
- Updated UIF&W Expenditure registers aligned with MFMA circular 68.
- Developed UIF&W Expenditure investigation case register (compiled the cases from 2018 to 2022).
- Contract registers updated with all payments.
- Updated the contract register.
- Updated the SCM Policy.
- Policies and procedure manuals.
- Tenders, quotations ,deviations and compliance checklist.
- Tender checklists updated with recent information.
- Tender files updated to ensure that the necessary information for each tender is readily available.
- Tenders to be reviewed to identify any instances of non-compliance and address the non-compliance.
- Compliance checklist developed to ensure new tenders entered into comply with legislation.
- Trained MPAC Members on how to deal with UIF&W Expenditure.

4.2 In addition, the department embarked on special focussed direct hands-on support with all Municipal MPACS in Gauteng, several full day's hearings were coordinated by the Department between MPAC members and Municipal Management held to address the cases that are in the UIF&W registers.

4.3 The key objective of the hands-on support was to ensure that MPAC investigates UIF&W expenditure in an objective and diligent manner to assist municipal councils to hold administration accountable for the prevention and resolution of UIF&W Expenditure.

The hands-on support achieved the following:

- Strengthened the capacity and capability of MPAC members and their support staff.
- Assisted MPAC members to differentiate UIF&W Expenditure cases between those cases that need to be forensically investigated and those that can be investigated internally by the municipality. This reduced the UIF&W case registers significantly.
- Assisted MPAC members to craft relevant and appropriate questions to ask management to clearly understand the UIF&W cases they are dealing with.
- Empowered MPAC members to make appropriate recommendations to Council for the type of investigation that must be implemented upon concluding the MPAC hearings.
- Empowered MPAC members to make appropriate recommendations to Council once investigations are concluded, such as consequence management to be implemented to deter wrongful or negligent behavior without fear or favor.
- Guided MPAC on process to implement consequence management based on the results of completed investigation.

5. TECHNICAL SPECIFICATIONS

5.1 OBJECTIVE

5.1.1 The objective of this project is to support the six (6) identified municipalities with additional capacity to review, develop and implement internal controls to:

- Identify incidences of unauthorised, irregular as well as fruitless and wasteful expenditure (UIF&W expenditure)
- Prevent the occurrence of UIF&W expenditure
- Improve the overall management of UIF&W expenditure
- Reduce UIF&W expenditure

5.2 PROJECT SCOPE

5.2.1 The appointed service provider's work will entail reviewing and developing internal controls to assist municipalities with the identification, prevention, reduction and reporting of unauthorised, irregular, fruitless and wasteful expenditure.

5.2.2 Furthermore, the service provider is required to assist in implementing the reviewed and or developed internal controls.

5.2.3 This includes and is not limited to the following key areas in the municipal finance environment:

- Assess and analyse the processes in place to identify, prevent, reduce and report identified unauthorised, irregular, fruitless and wasteful expenditure. Make recommendations for improving the environment;
- Assess and analyse the Municipal Audit Outcomes in order to address material findings in the area of unauthorised, irregular, fruitless and wasteful expenditure in order to improve the areas of qualification raised by the Auditor-General;
- Review and improve the process of recording (registers) and reporting (Council and MEC) on UIF&W to ensure completeness, accuracy and fair presentation (monthly, quarterly and annually);
- Review and improve the Standard Operating Procedure (SOP) document (manual) for detection, preventative controls and reporting unauthorised, irregular, fruitless and wasteful expenditure;
- Review and improve policies to contain controls for the prevention, identification and investigation of unauthorised, irregular, fruitless and

wasteful expenditure in line with the National Treasury Circular 68 and the MFMA;

- Strengthen the municipal capability to implement effective and innovative controls in dealing with irregular Supply Chain Management contracts in order to address irregular expenditure;
- Strengthen the municipal capability to implement internal controls for the utilisation of the approved budget in order to eliminate unauthorised expenditure;
- Improve the municipal capability to develop effective and innovative controls in dealing with fruitless and wasteful expenditure;
- Make recommendations to improve structures, systems, policies, procedures, legislation and control measures in place to facilitate a positive change in UIF&W expenditure;
- Make recommendations to the municipal leadership on processes (in line with legislation) to make officials accountable through the development of sound and robust internal controls to ensure that there is an improvement in the unauthorised, irregular, fruitless and wasteful expenditure to improve audit outcomes and ultimately in the delivery of services to communities;
- Support and strengthen the municipal capability to implement consequence management and recoveries;
- Monitor and report to different stakeholders on the municipal performance with regard to the recommendations on internal controls on UIF&W expenditure (Senior management meetings and EXCO meeting);
- Provide on-the-job training and workshops to identified municipal officials as well as MPAC (Municipal Public Accounts Committee) Members;
- Monitor the implementation of the project and the internal controls in the identified municipalities;
- Measuring and monitoring progress to ensure that the project is delivered on time and within budget and that it meets or exceeds expectations;
- Attendance of project inception meetings and monthly Municipal Project Steering Committee meetings to monitor the implementation and discuss operational issues relating to the projects;
- Appropriately supporting activities and maintaining high level co-ordination of Municipal Project Steering Committees;

- Compiling monthly and quarterly Project Progress Reports, Close-out Reports and Post Implementation Plan; and
- A detailed skills transfer plan customised per municipality.

5.3 PROJECT DELIVERABLES

5.3.1 The following are the required deliverables:

Deliverable 1: “As Is Report” A detailed report on the current state of the systems, processes and procedures within the municipal environment outlining the:

- Status quo and effectiveness of the current system;
- Areas that require attention (weaknesses identified);
- Broad recommendations in terms of improving the environment.

Deliverable 2: Project Implementation plan with clear timelines and covering all work to be performed for the duration of the project.

Deliverable 3: Documented internal controls developed and implemented

Deliverable 4: The implementation, monitoring and reporting of the project through monthly Steering Committee Meetings with the municipalities and Gauteng CoGTA.

Deliverable 5: Signed Monthly and Quarterly Progress Reports highlighting the achievements of the project as well as progress report on skill's transfer initiatives.

Deliverable 6: Closeout Report and a Post Implementation Plan and a detailed Skills Transfer Plan.

6. GAUTENG COGTA ACTIVITIES

6.1 COGTA will oversee the project and provide support as follows:

- Appointment of a service provider.
- Draft a Service Level Agreement (SLA) and Appointment letter for appointed Service Provider.
- Inform the targeted municipalities of the appointed service provider.

- Formally appoint the steering committee members within the Municipalities to assist in the implementation of the Project.
- Work with the service provider to enhance skills and knowledge transfer to the targeted municipalities.
- Process payments in accordance with the SLA and project implementation plan.
- Monitor the implementation of the project and report progress; and
- Monitor the performance of the Service Provider.

7. DURATION

The project is to be implemented for the duration of three (3) years. the project timeline is 36 months from the signing on the service level agreement.

8. KEY QUALIFICATION INDICATORS

8.1 Expertise of Preferred Service Providers

The Preferred Service Providers should have proven expertise and experience in the fields mentioned under the Key Performance Indicators listed under Project Scope.

8.2 Professional Status

Project Manager and Team members should have appropriate Finance or Audit related qualifications and experience.

8.3 Experience

The Preferred Service Providers submitting their proposals should demonstrate their experience and track record in the municipal financial support and development spectrum and the understanding of the municipal finance and governance environment.

A summary of projects implemented in municipalities and outcomes should be provided. Details of experience that demonstrates professional ability of the consulting or project team should be included. Specific attention should be given to the experience of the different team members as proposed.

9. RESPONSE FORMAT

Service Providers should submit Proposals in a format that facilitates evaluation as per the TOR. The following format is recommended:

- Executive summary;
- An overview of the bid;
- Approach and methodology to include Project Plan with key activities, timelines(duration) and deliverables;
- Articulation and description of proof of previous experience of work undertaken;
- Reference letters where work was previously undertaken;
- CV of the individuals

10. TENDER VALIDITY PERIOD

Please note that the price offer to be valid for 120 days from the date of closing.

11. MANDATORY REQUIREMENTS

Administrative Compliance (Mandatory Returnable Documents)

Bid documents should comply with the mandatory requirements listed below to be considered responsive. Non-responsive bids will be disqualified from the tender process.

- Bidders who intend to respond to the tender invitation must attend the compulsory briefing session and ensure that they sign the attendance register.
- The bidders must complete, sign and submit all Standard Bid Documents, SBD 1,3.3 and 4 .

- ✓ SBD 3.3 bidders must indicate total bid price inclusive of all disbursement;
- ✓ SBD 4- the director to declare interest truthfully and honestly and ;
- The use of correction fluid (tippex) when correcting errors on SBDs is prohibited; strike through the error, correct it and initial the corrections.
- Bid Documents should bear the original signature of an authorised person (Proof of Authority must be submitted e.g., Company Resolution); electronic submissions will not be accepted.
- In the case of Joint Venture/Consortium, a joint venture/consortium agreement bearing the signature of all the parties to the joint venture/consortium, should be attached and notarised by an attorney.
- If the bidder intends to sub-contract, a sub-contracting agreement should be attached and signed by all parties to the sub-contracting agreement. The % (percentage) to be sub-contracted must be clearly indicated in the contract.
- Proposals submitted after the stipulated closing time and date will not be accepted.

Note:

- ***Failure to comply with mandatory compliance requirements stated above will result in the bidder's submission being disqualified from further evaluation.***
- ***The department will verify information provided in SBD 4 with CIPC Biz portal in terms of active directorship in other companies and if the information is not the same as declared by the bidder will be disqualified.***
- ***The Department reserves the right to verify the accuracy of the information provided, and or authenticity of the supporting documents provided by the bidder.***

12. ADDITIONAL DOCUMENTS

The below listed documents are necessary for vetting and appointment purposes and should be included in bids.

- In order to verify the tax status of bidders, bidders are required to submit their "Tax Compliance Status Pin." (Joint ventures/consortium must submit

a valid Tax Compliance Status Pin” for all parties to a Joint Venture/Consortium).

- Only suppliers (including all parties to Joint Ventures/Consortiums and sub-contractors) who are registered on the Central Supplier Database (CSD), www.csd.gov.za will be considered for appointment. (Proof to be attached).

13. FOR BIDDERS TO CLAIM PREFERENCE POINTS IN TERMS OF PPR,2022, THE FOLLOWING DOCUMENTS MUST BE SUBMITTED

- SBD 6.1- the bidder to claim preference points, and if no points are to be claimed, then write a zero (0)
- Copy of Central Supplier Database (CSD)
- Copies of the company registration documents (CIPC)
- Certified copies of Directors/ Shareholders' IDs / Share Certificate
- Proof of Disability (Medical Certificate by Medical Practitioner with practice number)
- Proof of address/Municipal Statement of Account/Copy of the Lease Agreement if you are not the owner.

Note Failure to submit the above documents will result in bidders not claiming preference points.

Evaluation Criteria	Number of Points
100 % Black Owned Enterprise	5
100 % Women Owned Enterprise	10
100 % PwD Owned Enterprise	2.5
Enterprise located in Gauteng Province	2.5
Total Preference points based on Specific and RDP Goals	20

14. TECHNICAL EVALUATION (100 FUNCTIONALITY POINTS)

Service providers should comply with the following to be considered for the tender:

FUNCTIONALITY ITEM	FUNCTIONALITY BREAKDOWN	WEIGHTS	MAXIMUM POSSIBLE POINTS
Expertise (35)	In the executive summary the Service provider must demonstrate experience in conducting in-depth assessments, analysis and providing advisory and hands on support through facilitation and implementation of sound preventative internal controls in resolving and reducing <i>unauthorized, irregular, fruitless and wasteful</i> (UIF&W) Expenditure. (The bidder should provide a list of projects previously conducted, clearly indicating the project description, project start date and end date and the name of the client where services were rendered to clearly articulate the experience of work undertaken as referred to under the heading, 'Response Format' section, on the bullet point titled 'Articulation of Proof of Previous Experience of Work Undertaken'). ✓ <i>Five projects where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 5</i> ✓ <i>Four projects where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 4</i> ✓ <i>Three projects where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 3</i> ✓ <i>Two projects where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 2</i>	10	50

	✓ <i>One project where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 1</i> ✓ <i>Below one project where the specific service was provided focusing on identification, prevention and reduction of UIF&W Expenditure = 0</i>		
	Provide 5 Reference letters from clients where the specific service/project was successfully completed focusing implementation of sound preventative internal controls in resolving and reducing <i>unauthorised, irregular, fruitless and wasteful</i> (UIF&W) Expenditure. The reference letters must be for the projects listed on the first criteria. These reference letters should meet all of the following criteria: • Signed by the clients provided with the service; • On the letter head of the clients) provided with the service including contactable referees. • In the name of the bidder, and • State the level of satisfaction by the client provided with the service; ✓ <i>5 references letters meeting all 4 criteria points above = 5</i> ✓ <i>4 references letters meeting all 4 criteria points above = 4</i> ✓ <i>3 references letters meeting all 4 criteria points above = 3</i> ✓ <i>2 references letters meeting all 4 criteria points above = 2</i> ✓ <i>1 references letter meeting all 4 criteria points above = 1</i> ✓ <i>No References letters and/or reference letters not meeting the criteria = 0</i> <u>Note: Only the first 5 reference letters will be assessed</u>	20	100

	Company profile Provide a detailed company profile, indicating: • Organogram • Roles and responsibilities of project team members and project manager/s. • Mission, Vision, and Values. • Company offerings relevant to addressing audit findings in financial governance weaknesses. • Physical address. ✓ All 5 criteria above are met = 5 ✓ If any 4 criteria above are met = 4 ✓ If any 3 criteria above are met = 3 ✓ If any 2 criteria above are met = 2 ✓ If any 1 criterion above are met = 1 ✓ If company profile does not meet the criteria above and/or No company profile provided = 0	5	25
Methodology (10)	Provide detailed assessment framework that articulates the approach and methodology to be utilized to undertake the assessment on identification, prevention, and reduction of unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure. The assessment framework should: 1. Articulate step by step the methodology to be utilized to undertake the assessment. 2. Provide a detailed project plan with clear timelines within which the assessment will be undertaken in line with project deliverables. 3. Demonstrate an in-depth knowledge of the relevant structures, processes, and protocols applicable to undertaking assessments. ✓ If any of the above 3 requirements have been met and are clearly outlined in the assessment framework = 5	5	25

	✓ <i>If any of the above 2 requirements have been met and are clearly outlined in the assessment framework = 4</i> ✓ <i>If any of the above 1 requirement has been met and are clearly outlined in the assessment framework = 3</i> ✓ <i>If assessment framework does not meet the requirements above and/or No assessment framework is provided = 0</i>		
	Provide a detailed implementation framework that articulates the approach and methodology to be utilized to undertake the implementation of the project (Identification, prevention, and reduction of unauthorised, irregular, fruitless and wasteful expenditure). The implementation framework should achieve the following: 1. Articulate step by step the methodology to be utilized to reduce the audit findings related to the targeted financial governance weaknesses. 2. Provide a detailed project plan with clear timelines within which the project will be undertaken in line with project deliverables. 3. Demonstrate an in-depth knowledge of the relevant structures, processes and protocols applicable resolving audit findings related to targeted financial governance weaknesses. 4. Demonstrate an in-depth knowledge of the relevant Local Governance legislation 5. Skill's transfer plan indicating how the service provider will undertake on-the-job training; workshops/classroom training ✓ <i>All the above 5 requirements have been met and are clearly outlined in the implementation framework = 5</i> ✓ <i>If any of the above 4 requirements have been met and are clearly outlined in the implementation framework = 4</i>	5	25

	✓ <i>If any of the above 3 requirements have been met and are clearly outlined in the implementation framework = 3</i> ✓ ✓ <i>If any of the above 2 requirements have been met and are clearly outlined in the implementation framework = 2</i> ✓ <i>If any of the above 1 requirement has been met and are clearly outlined in the implementation framework = 1</i> ✓ <i>If implementation framework does not meet the requirements above and/or No implementation framework is provided = 0</i>		
Personnel/ Capacity (55)	Project Manager qualifications The dedicated Project manager must be in possession of the following relevant qualifications in Finance or Audit related field: ✓ Honours Degree or equivalent NQF level 8 = 5 ✓ Degree or B-Tech or equivalent NQF level 7 = 4 ✓ National Higher Diploma or equivalent NQF level 6 = 3 ✓ Below NQF level 6 = 0 NOTE: please provide certified copies of qualifications which are not more than six months.	10	50
	<u>Project Manager</u> Provide a detailed CV (Curriculum Vitae) of the dedicated Project Manager that will manage this project. The CV to clearly outline experience in specific projects focusing on identification, prevention and reduction of unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure. ✓ <i>Detailed CV with 10 years relevant experience where the specific service was provided focusing on identification, prevention and reduction of UIF&W expenditure = 5</i>	10	50

	✓ Detailed CV with 9 years relevant experience where the specific service was provided focusing on identification, prevention and reduction of UIF&W expenditure = 4 ✓ Detailed CV with 8 years relevant experience where the specific service was provided focusing on identification, prevention and reduction of UIF&W expenditure = 3 ✓ Detailed CV with 7 years relevant experience where the specific service was provided focusing on identification, prevention and reduction of UIF&W expenditure = 2 ✓ Detailed CV with 6 years relevant experience where the specific service was provided focusing on identification, prevention and reduction of UIF&W expenditure = 1 ✓ Detailed CV with 5 or less years relevant experience and/or no detailed CV attached = 0		
	Project Team qualifications The dedicated Project team members must be in possession of the following relevant qualifications relevant qualifications in Finance or Audit related field: ✓ Honours degree or equivalent NQF level 8 =5 ✓ Degree or equivalent NQF level 7 = 4 ✓ National higher diploma or equivalent NQF level 6 = 3 ✓ Below NQF level 6 = 0 NOTE: please provide certified copies of qualifications which are not more than six months.	15	75
	Project Team/Support staff Provide a minimum of 10 detailed CVs of project team members clearly outlining their experience in specific projects focusing on identification, prevention and reduction of unauthorised, irregular, fruitless and wasteful (UIF&W) expenditure.	20	100

	The dedicated Project team members must be in possession of the following: ✓ <i>CVs with 6 years or more relevant experience where the specific service was provided. = 5</i> ✓ <i>CVs with 5 years' relevant experience where the specific service was provided = 4</i> ✓ <i>CVs with 4 years' relevant experience where the specific service was provided = 3</i> ✓ <i>CVs with 3 years' relevant experience where the specific service was provided = 2</i> ✓ <i>CVs 2 years' relevant experience where the specific service was provided = 1</i> ✓ <i>No CV's and CV's with less than 2 years relevant experience attached = 0</i> NOTE: Only the proposals with 10 CVs will be assessed in terms of capacity. NB: All CV's should be updated with recent information. Each Project Team/Support staff CV will be assessed individually, and the scores will be averaged.		
TOTAL FUNCTIONALITY POINTS		100	500
MINIMUM THRESHOLD FOR FUNCTIONALITY		70	350

Matter for Noting: Bidders who fail to meet the minimum requirements/threshold in relation to Functionality Evaluation (70) will not be evaluated further.

15. FUNCTIONALITY FORMULA

Scores are allocated according to a value matrix ranging from 0 to 5 of which 0 is the lowest score that can be obtained and 5 the highest. The Maximum Possible

points are calculated by multiplying the weight of each criterion with the highest score (as per the value matrix) that can be obtained.

The minimum qualifying score for functionality is indicated as a percentage and is calculated as follows:

- a) The score for each criterion is added to obtain the total score; and
- b) The following formula is applied to convert the total score to a percentage for functionality:

So

$$Ps = Ms \times 100$$

Were:

Ps = Percentage scored for functionality by bid under consideration

So = Total score of bids under consideration

Ms = Maximum possible score

The percentage of each panel member is added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

16. PREFERENTIAL PROCUREMENT SYSTEM

In terms of regulation 4 (1) and (2) of the Preferential Procurement Regulation 2022 responsive bids will be evaluated and adjudicated by the state in terms of the 80/20-point system. Shortlisted bid(s) will be allocated 80 points (maximum possible score) if the competitive price of the acceptable bid(s) is/ are the lowest and 20 points (maximum possible score) to a tenderer for the specific goals specified for the tender and the points will be added to the points scored for price and the total will be rounded off to the nearest two decimal place, subject to section 2(1)(f) of the Act.

The following formula is applied to calculate preference points.

$$Ps = 80 \left(1 - \frac{Pt - P_{min}}{P_{min}} \right)$$

Where

Ps = Points scored for competitive price of bid or offer under consideration

Pt = Competitive price of bid or offer under consideration; and

Pmin = Competitive price of lowest acceptable bid or offer

A maximum of 20 points may be allocated to a bidder for attaining highest specific goals and RDP Goals in accordance with below identified goals by the department:

- Persons or categories of historically disadvantaged persons based on gender, race, disability, and;
- RDP Goals as (published in Government Gazette No: 16085 dated 23 November 1994).

- (i) The promotion of South African owned enterprise.
- (ii) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province.
- (iii) The promotion of enterprise located in a specific region for work to be done or service to be rendered in that region.
- (iv) The promotion of enterprises located in a specific municipality for work to be done or services to be rendered in that province.
- (v) The empowerment of the work force by standardizing the level of skills and knowledge of workers.
- (vi) The department may elect to use other RDP goals identified in the Government Gazette No: 16085 dated 23 November 1994.

16.1 THE PRICES WILL BE EVALUATED IN TERMS OF 80/20 PRINCIPLE, SPECIFIC GOALS AND RDP GOALS.

Evaluation Criteria	Number of Points
100 % Black Owned Enterprise	5
100 % Women Owned Enterprise	10
100 % PwD Owned Enterprise	2.5
Enterprise located in Gauteng Province	2.5
Total Preference points based on Specific and RDP Goals	20

Note: The total points (out of 100) for the various bidders will be calculated by adding the points for price (out of 80) and the points for Specific Goals and RDP Goals (out of 20).

17. CONTACT DETAILS

All enquiries should be directed via electronic mail. The project manager should be contacted for related to the terms of reference/specifications. Tender administrative enquiries should be directed to tender administrators.

Project Manager: Nelisiwe Ntlhola Director: Municipal Finance Support Email: nelisiwe.ntlholo@gauteng.gov.za Ms. Thozama Busakwe DD: Municipal Finance Support Email thozama.busakwe@gauteng.gov.za	Tender Administrators: Ms. Mahlatse Madiba mahlatse.madiba@gauteng.gov.za Ms. Phumzile Malgas phumzile.malgas@gauteng.gov.za Mr. Thabang Mphela thabang.mphela@gauteng.gov.za
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18. TENDER DOCUMENT DELIVERY ADDRESS

Bids should be delivered in the tender box at the address provided below. All Bids should be bonded and sealed in an envelope. The envelope should be clearly marked with the tender number and description.

All proposals must be submitted in the tender box at the reception, Provincial Disaster Management Centre Building, 11 Janadel Road, Midrand. Failure to submit at the correct venue will be deemed as non-compliance and the proposals submitted anywhere else other than the address mentioned here will not be regarded as submitted and will therefore not be considered.

Annexure A

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.

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| 2. Application | <p>2.1 These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.</p> <p>2.2 Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.</p> <p>2.3 Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.</p> |
| 3. General | <p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za</p> |
| 4. Standards | <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. Use of contract documents and information; inspection. | <p>5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p> |
| 6. Patent rights | <p>6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.</p> |
| 7. Performance security | <p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the 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.

- 16. Payment**
- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.
- 17. Prices**
- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.
- 18. Contract amendments**
- 18.1 No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.
- 19. Assignment**
- 19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.
- 20. Subcontracts**
- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.
- 21. Delays in the supplier's performance**
- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

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

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

**25. Force
Majeure**

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

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

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

**26. Termination
for insolvency**

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

**27. Settlement of
Disputes**

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

**28. Limitation of
liability**

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

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation Programme (NIP)** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.