ALEXKOR

RMC
Richtersveld Mining Company

SUMMARY OF TENDER

1. Assignment:	Alexkor RMC JV Richtersveld Mining Company (RMC) Pooling and Sharing Joint Venture (PSJV) seeks to establish a panel of suitably qualified and experienced contractors. Contractors to submit project proposals for Mid-water diamond mining operations from diamondiferous gravel resources for a period of 5 years.
2. Name of the responsible unit:	Supply Chain Management (SCM)
3. Address for submitting the proposal(s) and other correspondence:	Alexkor RMC JV Richtersveld Mining Company (RMC) Joint Venture (JV) 1 Orange Road Alexander Bay
4. Telephone number:	(027) 831 8386
5. Email:	tenders@alexkor.co.za
6. Attention:	Mr. Khwezi Finini
7. Closing Date & Time for submission:	**23 September 2026, 12:00 mid-day**
8. Proposal description:	**SEEKS TO ESTABLISH A PANEL OF SUITABLY QUALIFIED AND EXPERIENCED CONTRACTORS. CONTRACTORS TO SUBMIT PROJECT PROPOSALS FOR MID-WATER DIAMOND MINING OPERATIONS FROM DIAMONDIFEROUS GRAVEL RESOURCES FOR A PERIOD OF 5 YEARS.**
9. Bid number:	**ALEX RFP 09/2027**
10. Address	Alexkor RMC JV Mine 1 Orange Road Alexander Bay Northern Cape

1. BACKGROUND.

1.1 Alexkor RMC JV RMC JV.

Alexkor SOC Limited Company, with Registration Number 1992/006368/30, was established in terms of the Alexkor RMC JV Limited Act, No. 116 of 1992, as amended by the Alexkor RMC JV Amendment Act, No. 29 of 2001. The Company is listed as a Schedule 2 public entity, wholly owned by the Government through the Minister of Mineral Petroleum and Resources) as the Shareholder representative. The group comprises Alexkor SOC Limited, Rehabilitation trust and The Pooling Sharing Joint Venture, which is an unincorporated Joint Venture between Alexkor SOC Limited and Richtersveld Mining Community ("RMC") formed by the DoS (Deed of Settlement). The PSJV's operations are based in Alexander Bay and Port Nolloth, both in the Northern Cape Province and Alexkor SOC is based in Johannesburg.

The core business of the Company is the mining of alluvial diamonds on land, on beaches and in the sea along the north-west coast of South Africa. These activities are complemented by geology, exploration, ore reserve planning, and environmental management. The non-core business activities comprise of providing residential accommodations, township maintenance, guesthouses and a fuel station.

The selected panel of contractors will be responsible for conducting mining operations in compliance with all relevant laws, regulations and environmental standards.

1.2 Applicable Regulations.

Section 51 (1) (a) (ii) of the PFMA ("the Act") requires that the Accounting Officer of a Public Entity must ensure that the Public Entity has and maintains a system of Internal controls under the supervision and direction of the Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of Section 76 and 77 of the Act.

Alexkor RMC JV is committed to contributing to socio-economic transformation in South Africa and will therefore be applying a preference system for BBBEE compliant in line with the Preferential Procurement Policy Framework Act, (Act No. 5) of 2011 and the Broad-Based Black Economic Empowerment Act, (Act No. 53) of 2013, Preferential Procurement Regulations.

Mine Health and Safety Act of 1996, National Environmental Management Act of 1998, Mineral and Petroleum Resources Development Act of 2002

2. GENERAL GUIDELINES.

Completed tender submissions should be hand delivered in a single sealed envelope and deposited in the Tender Box at Alexkor RMC JV RMC JV in Alexander Bay, Northern Cape, at the reflected address on page 1 of this document. All envelopes should be sealed and clearly marked.

All enquiries should be in writing and must be directed to: tenders@alexkor.co.za for attention of Mr. Khwezi Finini at Tel; (027) 831 8300. Enquiries will be allowed from the date of invitation until 15 September 2026, time 12H00.

2.1 Terms of Reference (ToR).

The purpose of this proposal is to appoint suitable qualified and experienced panel of contractors to submit project proposals for the mining of diamondiferous gravels from mid-water areas for a period of five (5) years.

"For the purposes of this proposal, 'Mid-water' refers to the segment of our marine concessions situated at depths between 12 meters and 30 meters below sea level.

2.2 Submission of Proposals.

2.2.1. The bid should be hand delivered or couriered to the address specified on page 1 of this document and it should be clearly marked as:

"MID- WATER MINING CONTRACTOR, BID NUMBER: ALEX RFP 09/2027"

2.2.2. The closing date for Submission of proposal is **23 September 2026, 12H00.**

2.2.3. The tender box is only available for deposit of the proposal during working hours (08h00 to 16h00).

2.2.4. The proposal closing date, bidder name and the return address must be indicated on the envelope.

2.2.5. If a courier service company is used for delivery of the proposal response, the proposal description must be indicated on the delivery note/courier packaging and the courier must ensure that documents are placed/deposited into the tender box. Alexkor RMC JV will not be held responsible for any delays, where bid documents are handed to Alexkor RMC JV's receptionist.

2.2.6. Where a proposal response is not in the box at the time of the proposal closing, such a proposal document will be regarded as a late proposal. **It is Alexkor RMC JV's policy not to consider late proposal(s) for evaluation.**

Bidders are requested to submit one original of the proposal and 1(one) copy of the proposal. No email responses will be considered.

2.3.7 Bidders should adhere to the following;

2.3.7.1 No costs have been prescribed for the Proposal Document.

2.3.7.2 If the proposal does not include all the required information, the proposal will be considered invalid.

2.3.7.2 The proposal will be valid for a period of hundred and twenty (120) days from the date of submission.

2.4 Infrastructure.

It is expected that bidders will be able to provide basic facilities, systems and capital equipment needed for effective and efficient delivery of the services/projects without any upfront payment by Alexkor RMC JV.

2.5 Costs to be borne by the Contractor.

All expenses incurred by the bidders in any way associated with the development, preparation and submission of responses and providing any additional information required by Alexkor RMC JV, will be borne entirely and exclusively by the contractor.

2.6 No Legal Relationship.

No binding legal relationship will exist between any of the bidders and Alexkor RMC JV until the execution of a signed Service Level Agreement (SLA). The Terms of Reference (ToR) document will form part of any such contract or arrangement.

2.7 Evaluation of the proposals.

Each bidder acknowledges and accepts that Alexkor RMC JV may, at its absolute discretion, apply selection criteria specified in this document for the evaluation of proposals for short listing/selecting the eligible bidder(s).

3. INSTRUCTIONS FOR PROPOSALS

3.1 Format of your Proposal

The proposal should be presented in two sections i.e. Administrative compliance documents and Technical Proposal. Each section should be contained in two (2) separate envelopes both of which should be contained the single sealed outer envelope. All the envelopes should be clearly marked as indicated in 2.2.1.

3.1.1 Technical Proposal format.

Bidders are at liberty to structure their proposal according to any format, as long as it covers all areas specified in this RFP.

3.1.2 Technical Approach

The bidders should adhere to the Terms of Reference. Bidders must at a minimum cover the following requirements as part of their submission.

3.2 Experience

3.2.1 Contractor Experience

3.2.1.1 Bidders are required to provide proof that they have performed similar services before.

4. SCOPE OF SERVICE/WORK: MID-WATER MINING

The project involves the extraction of diamondiferous gravels from mid water mining areas in Alexander Bay. The selected contractor will be responsible for conducting mining operations in compliance with all relevant laws, regulations, and environmental standards. Interested parties must meet the following technical requirements to be eligible for this tender:

- Demonstrated experience in mid-water mining operations.
- Adequate resources, including equipment, personnel, and expertise, to carry out the proposed mining activities.
- Compliance with all applicable mining regulations, SAMSA regulations, environmental standards, and health and safety protocols.
- Strong track record of successful mining projects, preferably in similar coastal environments.
- Comply with PSJV policies and procedures.

The scope of work for this tender includes, but is not limited to, the following activities.

4.1 Mid-Water Mining:

- Indicate detailed specifications of the mining equipment
- Designing and implementing appropriate mining techniques and equipment for mid-water mining.
- Assessing the feasibility of mining diamondiferous gravels (using exploration techniques) from mid-water areas.
- Developing and implementing mining plans and techniques for Mid water mining.

- Extracting diamondiferous gravels from identified deposits while adhering to environmental, SAMSA and OHSA regulations.
- Monitoring and reporting on mining activities, including diving log books, underwater log books and daily production records.
- Indicate security standards and measures for mining activities.

ANNEXURE A-CONCESSION MAP

5. STANDARD REQUIREMENTS OF THE PROPOSAL.

5.1 Disclosures.

5.1.1 The bidder must disclose:

- If they are or have been the subject of any proceedings relating to bankruptcy/insolvency.
- If they have been convicted of, or are the subject of any proceedings, relating to:
  - A criminal offence or other offence, involving the activities of a criminal nature in its organisation or found by any regulator or professional body to have committed professional misconduct.
  - Corruption, including the offer or receipt of any incentive of any kind in relation to obtaining any contract with any contracting authority.
  - Failure to fulfill any obligation in any jurisdiction relating to the payment of taxes and other legal obligations.
- Any other information that is relevant.

5.1.2. A bidder or related company or any individual must disclose details of any previous misconduct or complaint, after which Alexkor RMC JV will seek an explanation and background details. At the sole discretion of Alexkor RMC JV, an assessment as to whether the bidder will be allowed to continue to the next phase of the evaluation phase will be made.

5.1.3 Disclosure extends to any company in the same group of the bidder, including but not limited to parent, subsidiary and related parties, companies with common shareholders (whether director or indirect) and parties with whom the bidder is associated in respect of this tender.

5.2 Disclaimer

Alexkor RMC JV reserves the right to not appoint a service provider and to:

- Award the contract or any part thereof to one or more service providers;
- Reject all the proposals;
- Decline to consider any proposal, that do not conform to any aspect of the bidding requirements;
- Request further information from any bidder after the closing date for clarity purposes;
- Cancel this proposal or any part thereof at any time; and
- Should any of the above occur, it will be communicated in writing to all the bidders.

5.3 Confidentiality.

- Proposals submitted will not be disclosed to any other bidders
- All information pertaining to Alexkor RMC JV obtained by the bidder as a result of participation in this RFP is confidential.

5.4 Disqualification.

Any form of canvassing/lobbying/influence regarding the short listing will result in disqualification.

6. EVALUATION CRITERIA.

Bids will be evaluated in two (2) stages

Stage 1-Administrative Compliance.

This entails initial screening of proposals received at close of the bid. During this phase, bid responses are registered to ascertain the number of bid responses received before the closing date and time and to verify if the bidders submitted all the mandatory requirements.

This tender scope document provides an overview of the requirements and expectations for marine mining in Alexander Bay, Northern Cape. Interested contractors are encouraged to carefully review the tender documentation and submit their proposals accordingly.

The following **mandatory/compulsory** documents must be submitted for the first phase of evaluation, failure to submit the mandatory documents as listed below will result in ***disqualification***:

- Valid Tax Clearance/Tax clearance pin (TCP)
- Valid BBBEE Certificate/Sworn Affidavit. (Submit regardless of the level)
- All the SBD (Standard Bid Document) forms must be fully completed and signed.
- Copy of the Company registration certificate.
- Copy of Company profile.
- Central Supplier Database (CSD) registration documents **not older than 1 months (CSD must tax compliant)**
- Joint Venture/Consortium agreement signed (each company must submit compliance documents as indicated above). The SBD must be signed by the leading contractor. **IF APPLICABLE.**

Stage 2-Technical/Functionality Assessment.

This evaluation will be based on the responses using the functional assessment that is previous experience, expertise and technical approach.

The bidder must score at least 50 points or more out of 100 points on technical/functionality assessment to qualify for appointment in panel of contractors.

Mining type;		Mark (X)
	Mid-water	

Bid Evaluation Criteria	Mark	Breakdown	Score	Description
Working Capital ZAR	**20**			Proof of capital in a form of either a bank guarantee, bank loan, own reserves or latest **audited** Annual Financial Statements (2024/25 financial year) for a minimum of 6 months running costs
Production Capacity	**30**			
		10		Equipment List to efficiently extract diamonds from Mid-water Mining operations
		10		Proof of ownership/lease agreement/letter of intent to lease the equipment
		10		Staff List with intended organogram
Proven Track Record	**30**			
		10		Demonstrate company relevant experience in beach mining in the form of a company profile with a minimum of 2 years.
		10		Demonstrate personnel experience relevant to beach mining with a minimum of 2 years, CVs and qualification(s) competency must be submitted
		10		Production Plan -indicate exploration, mining, environmental, security, health and safety plans.
Police clearance certificate	**5**	**5**		Valid Police Clearance Certificate of the directors from Alexkor/third party service providers/SAPS
		3		Proof of application for Police Clearance of the directors
Supplier Development/Corporate Social Investment(CSI) allocation and **Skills transfer with an emphasis on previously disadvantaged demographics.**	*15*	*10*		***Supplier Development/Corporate Social Investment(CSI) allocation***
				Commit to using local suppliers within reason (on a company/bidder Letter Head)
		5		**Skills transfer with an emphasis on previously disadvantaged demographics.**
				Commit to contribute a % of annual turnover to Richtersveld business incubation program for the period of the contract (On a Company/Bidder Letter Head)
Total	**100 points**			**Minimum score 50 points**

7. REQUIREMENTS PRIOR TO CONTRACT AWARD.

The following requirements must be met prior to a contract award being made to the successful contractors. Should a successful contractor not respond positively to Alexkor RMC JV's written notification of award within 7 working days of delivery of such request.

8. VALIDITY.

A proposal shall remain valid for hundred and twenty (120) days after the closing date of the submission of the proposal(s).

9. SIGNATORIES.

All responses to this RFP should be signed off by the signatories of the bidder.

10. SPECIAL TERMS AND CONDITIONS.

- Alexkor RMC JV reserves the right to accept or reject any submission in full or in part, and to suspend this process and reject all proposals or part thereof, at any time prior to the awarding of the bidder.
- This proposal(s) will be subject to the General Conditions of Contract issued in accordance with Treasury Regulation 16A published in terms of the PFMA.
- Alexkor RMC JV is the sole adjudicator of the proposal and the decisions in this regard will be final.
- The Annexures are part of the proposal documentation and must be signed by the bidder and attach to the proposal(s) document.

END OF THE SPECIFICATON

APPROVED BY:

MR. M.G. MOTHAPO
ACTING-CEO/GENERAL MINE MANAGER
DATE: 09 SEPTEMBER 2026

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (*ALEXKOR RMC PSJV*)					
BID NUMBER:		CLOSING DATE:		CLOSING TIME:	
DESCRIPTION					
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT ***(STREET ADDRESS)***					

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO		**TECHNICAL ENQUIRIES MAY BE DIRECTED TO:**	
CONTACT PERSON		CONTACT PERSON	
TELEPHONE NUMBER		TELEPHONE NUMBER	
FACSIMILE NUMBER		FACSIMILE NUMBER	
E-MAIL ADDRESS		E-MAIL ADDRESS	

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

QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

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, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
1.4.	**THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2.	**TAX COMPLIANCE REQUIREMENTS**
2.1	BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
2.2	BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
2.4	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.5	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.6	WHERE NO TCS PIN IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
2.7	NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."

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

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

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

DATE: ……………………………………………

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

1.1 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, 1996 (Constitution), and further expressed in the various applicable legislation, it is required for the bidder to make this declaration in respect of the details required hereunder.

1.2 If a person is 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. DECLARATION ON EMPLOYMENT BY ORGAN OF STATE

2.1 Is the bidder, or any of the directors / trustees / shareholders / members / partners of the bidder employed by an organ of state, as defined in section 239 of the Constitution? **YES/NO**

2.2 If YES, furnish particulars of the names, individual identity numbers, in the table below:

Full Name	Identity Number	Name of organ of state

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

2.3.1 If so, furnish particulars:

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

2.4 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**

2.4.1 If so, indicate all companies registered in the CSD in the table below:

Supplier registration number (MAAA)	Status (active/inactive/deleted)

Failure to disclose all CSD-registered active companies linked to all Directors will lead to disqualification.

3 GENERAL DECLARATION

I, ..., the undersigned, 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 to be false.

3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor.

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.

3.5 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.

3.6 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.

3.7 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, 1998 (Act No. 89 of 1998) and or may be referred to law enforcement agencies for criminal investigation and or may be restricted from conducting business with the state for a period not exceeding 10 years in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004) or any other applicable legislation.

I CERTIFY THAT THE ABOVE IS CORRECT.

I ACCEPT THAT THE PROCURING INSTITUTION MAY REJECT THE BID OR TAKE APPROPRIATE ACTION AGAINST ME IF THIS DECLARATION IS FALSE.

…………………………………	………………………………………………
Signature	Date
…………………………………	………………………………………………
Designation	Name of bidder

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
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12. Transportation
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17. Prices
18. Contract amendments
19. Assignment
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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)
34. Prohibition of restrictive practices

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:

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

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

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

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

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

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

1.7 "Day" means calendar day.

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

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

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

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

RSA.

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

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

1.14 "GCC" means the General Conditions of Contract.

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

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

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

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

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

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

1.21 "Purchaser" means the organization purchasing the goods.

1.22 "Republic" means the Republic of South Africa.

1.23 "SCC" means the Special Conditions of Contract.

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

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

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

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

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

(b) a cashier's or certified cheque

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

8. Inspections, tests and analyses

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

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

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

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

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

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

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

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

9. Packing

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

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

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

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

14. Spare parts

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

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

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

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take