

# GREATER KOKSTAD MUNICIPALITY



GREATER  
**KOKSTAD**  
MUNICIPALITY  
PROVINCE OF KWAZULU-NATAL

## TENDER DOCUMENT

**SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER  
SECURITY SOLUTION FOR 36 MONTHS**

**BID No- GKM 14-24/25**

**CLOSING DATE: 31 OCTOBER 2024**

**VIRTUAL COMPULSORY BRIEFING: 11 OCTOBER 2024 AT 11H00**  
**Meeting ID: 318 750 585 900 Passcode: NQP2JB**

**CLOSING TIME: 12H00**

**NAME OF BIDDER: .....**

**POSTAL ADDRESS: .....**

.....

.....

**TELEPHONE NUMBER: .....**

**FAX NUMBER: .....**

**E- MAIL ADRESS: .....**

**TENDER SUM (ALL INCLUSIVE): .....**

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PART A - INVITATION TO BID

|  |  |               |  |   |       |
|--|--|---------------|--|---|-------|
| <b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE GREATER KOKSTAD MUNICIPALITY</b>  |  |               |  |   |       |
| BID NUMBER:  | GKM 14-24/25   | CLOSING DATE: | 31 OCTOBER 2024  | CLOSING TIME:   | 12H00 |
| DESCRIPTION  | <b>SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER SECURITY SOLUTION FOR 36 MONTHS</b> |               |  |   |       |
| THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).   |  |               |  |   |       |
| BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)  |  |               |  |   |       |
| 75 HOPE STREET<br>KOKSTAD<br>4700  |  |               |  |   |       |
| <b>SUPPLIER INFORMATION</b>  |  |               |  |   |       |
| NAME OF BIDDER   |  |               |  |   |       |
| POSTAL ADDRESS   |  |               |  |   |       |
| STREET ADDRESS   |  |               |  |   |       |
| TELEPHONE NUMBER   | CODE   |               | NUMBER   |   |       |
| CELLPHONE NUMBER   |  |               |  |   |       |
| FACSIMILE NUMBER   | CODE   |               | NUMBER   |   |       |
| E-MAIL ADDRESS   |  |               |  |   |       |
| VAT REGISTRATION NUMBER  |  |               |  |   |       |
| TAX COMPLIANCE STATUS  | TCS PIN:   |               | OR   | CSD No:   |       |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX]   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No                                      |               | B-BBEE STATUS LEVEL SWORN AFFIDAVIT                                      | <input type="checkbox"/> Yes<br><input type="checkbox"/> 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?  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES ENCLOSE PROOF]               |               | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | <input type="checkbox"/> Yes <input type="checkbox"/> No<br>[IF YES, ANSWER PART B:3] |       |
| TOTAL NUMBER OF ITEMS OFFERED  |  |               | TOTAL BID PRICE  | R   |       |
| SIGNATURE OF BIDDER  | .....<br>DATE  |               |  |   |       |
| CAPACITY UNDER WHICH THIS BID IS SIGNED  |  |               |  |   |       |
| <b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:</b>   |  |               | <b>TECHNICAL INFORMATION MAY BE DIRECTED TO:</b>                         |   |       |
| DEPARTMENT   | Budget and Treasury Office   |               | DEPARTMENT   | CORPORATE SERVICES  |       |
| CONTACT PERSON   | Andiswa Mahlaka  |               | CONTACT PERSON   | Yaw Owusu   |       |
| TELEPHONE NUMBER   | 039 797 6743   |               | TELEPHONE NUMBER   | 039 797 6711  |       |
| FACSIMILE NUMBER   | 039 727 3676   |               | FACSIMILE NUMBER   | 039 727 3676  |       |
| E-MAIL ADDRESS   | <a href="mailto:andiswa.mahlaka@Kokstad.gov.za">andiswa.mahlaka@Kokstad.gov.za</a>               |               | E-MAIL ADDRESS   | <a href="mailto:yaw.owusu@kokstad.gov.za">yaw.owusu@kokstad.gov.za</a>                |       |

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

|  |  |
|--|--|
| <b>1. BID SUBMISSION:</b>  |  |
| 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.   |  |
| 1.2. <b>ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED–(NOT TO BE RE-TYPED)</b>   |  |
| 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |  |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b>  |  |
| 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.   |  |
| 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.  |  |
| 2.3 APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.         |  |
| 2.4 FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.   |  |
| 2.5 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.   |  |
| 2.6 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.   |  |
| 2.7 WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.  |  |
| <b>3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>   |  |
| 3.1. IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.2. DOES THE ENTITY HAVE A BRANCH IN THE RSA?   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.3. DOES THE ENTITY HAVE PERMANENT ESTABLISHMENT IN THE RSA?  | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.4. DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| 3.5. IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?   | <input type="checkbox"/> YES <input type="checkbox"/> NO |
| IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.                      |  |

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS WILL RENDER THE BID INVALID.**  
**NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER

.....

CAPACITY UNDER WHICH THE BID IS SIGNED

.....

DATE:

.....

# **TENDER ADVERT**

**INVITATION TO BID**

**RE-ADVERTISEMENT**

**GKM 14-24/25**

**SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER SECURITY SOLUTION FOR 36 MONTHS**

The Greater Kokstad Municipality hereby invites proposals from reputable Supply, deliver and maintain a fully integrated ICT Cyber security solution for a period of 36 months.

The scope of work and bid requirements is stipulated in the bid document.

This advert is issued in compliance with the Preferential Procurement Regulation 2022 Evaluation will be done on the following two-stage process in terms of National Treasury Circular No: 53:

**Stage 1:**

Assessment of Functionality. Only service providers who achieve a minimum threshold of 60 points on functionality will qualify to proceed to stage two of the Evaluation process. Functionality criteria is as follows:

|   |             |
|---|-------------|
| Proof of ISO9001 and ISO27001 Certification | (20 points) |
| OEM Certificate or OEM Partnership Letter   | (20 points) |
| Key Personnel                               | (30 points) |
| Company Experience                          | (30 points) |

**Stage 2:**

Evaluation will be done based on the 80/20 preferential point system, where 80 points will be allocated for price and 20 points for specific goals. Bidders must submit the required documentation to claim preference points.

**POINTS AWARDED FOR SPECIFIC GOALS**

The 80/20 preferential point system will be applied, where 80 points will be allocated for price and 20 points for Municipality's specific goals that is on ownership and RDP goals.

| PREFERENCE                                 | 80/20     | Documents required for verification |
|--|-----------|-------------------------------------|
| <b>GOAL 1 – Ownership- Maximum Points</b>  | <b>10</b> |                                     |
| Business owned 50% or more by black person | 5         | ▪ Detailed CSD                      |
| Business owned 50% or more by black women  | 5         | ▪ Detailed CSD                      |
| <b>GOAL 2 – RDP- Maximum Points</b>        | <b>10</b> |                                     |
| Promotion of business located within KZN   | 10        | ▪ Refer to Section J                |

Tender documents must be downloaded on E-tender Portal or at the Greater Kokstad Municipality website at no cost. **The municipality will not be held responsible for any incomplete documents downloaded on the E-tender Portal or on the Greater Kokstad Municipality website.**

**A VIRTUAL COMPULSORY** briefing session will be held on **11 October 2024 at 11h00**, kindly contact Mr. T. Mathanda on the email: [thelumusa.matanda@kokstad.gov.za](mailto:thelumusa.matanda@kokstad.gov.za) for the link.

Sealed tenders marked **“Bid No.: “GKM 14-24/25 SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER SECURITY SOLUTION FOR 36 MONTHS”** must be deposited in the **BOX**

located at the Reception Area, 75 Hope Street, Kokstad, not later than **31 October 2024** at **12H00**, where after, bids will be opened in public.

Bidders retain the responsibility of ensuring that tender documents submitted are placed in the marked tender box. This is not the responsibility of the Municipality.

Late, telegraphic, e-mailed, or faxed bids will not be considered.

Technical Enquiries: Mr. Y. Owusu, Tel. 039 797 6711, Email: [Yaw.Owusu@kokstad.gov.za](mailto:Yaw.Owusu@kokstad.gov.za)

Supply Chain Management enquiries: Ms. A. Mahlaka Tel. 039 797 6700, or email: [andiswa.mahlaka@kokstad.gov.za](mailto:andiswa.mahlaka@kokstad.gov.za)

***Greater Kokstad Municipality does not bind itself to accept the lowest or any bid and reserves the right to accept the Bid in whole or part, at the rates quoted.***

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**MR S R ZWANE**  
**MUNICIPAL MANAGER**  
**NOTICE NO.: 40-2024/2025**

## **SECTION A**

### **SPECIAL INSTRUCTIONS AND NOTICES TO BIDDERS REGARDING THE COMPLETION OF BIDDING FORMS**

PLEASE NOTE THAT THIS BID IS SUBJECT TO THE NATIONAL TREASURY SUPPLY CHAIN MANAGEMENT REGULATIONS ISSUED IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56, 2003, THE GREATER KOKSTAD MUNICIPALITY SUPPLY CHAIN MANAGEMENT POLICY FRAMEWORK AND THE GENERAL CONDITIONS OF CONTRACT.

1. Unless inconsistent with or expressly indicated otherwise by the context, the singular shall include the plural and vice versa and with words importing the masculine gender shall include the feminine and the neuter.
2. Under no circumstances whatsoever may the bid forms be retyped or redrafted.
3. The bidder is advised to check the number of pages and to satisfy himself that none are missing or duplicated.
4. Bids submitted must be complete in all respects.
5. Bids shall be lodged at the address indicated not later than the closing time specified for their receipt, and in accordance with the directives in the bid documents.
6. Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope, with the name and the bid number and closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope. If this provision is not complied with, the Municipality will not be held responsible for late bids.
7. All bids received in sealed envelopes with the relevant bid numbers on the envelopes are kept unopened in safe custody until the closing time of the bids.
8. A specific box is provided for the receipt of bids, via courier services should be inserted by the courier company on the tender box a special instruction must be given to the courier company, the Municipality will not be responsible for documents received late, lost or misplaced tender documents.
9. No bid sent through the post will be considered if it is received after the closing date and time stipulated in the bid documentation, and proof of posting will not be accepted as proof of delivery.
10. No bid submitted by telefax, telegraphic or other electronic means will be considered.
11. Any alteration made by the bidder must be initialled.
12. Use of correcting fluid is prohibited
13. Bids will be opened in public as soon as practicable after the closing time of bid.
14. Where practical, prices are made public at the time of opening bids.
15. If it is desired to make more than one offer against any individual item, such offers should be given on a photocopy of the page in question. Clear indication thereof must be stated on the schedules attached.



**SECTION B**  
**TENDER REQUIREMENTS AND MANDATORY RETURNABLE DOCUMENTS**

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**SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER  
SECURITY SOLUTION FOR 36 MONTHS**

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**BID NUMBER: GKM 14-24/25**

Bidders must attach the following mandatory returnable documents to be considered for this bid and must note the applicable conditions:

- Price (s) or rates quoted must be firm and must be inclusive of VAT
- Copy of CSD (Central Supplier Database) report (not older than 3 months), if not attached the CSD Number on MBD 1 will be used for verification.
- Bidders must submit proof that the company and the director/s of the company do not owe rates and taxes or Municipal service charges for a period longer than 90 days. **Bidders must refer to section J for the required document.**
- Printed copy of SARS Tax Pin for further verification, **if not attached the CSD printout will be used to verify the tax compliance status. Bidders will not be eliminated for not attaching copy of the SARS tax compliance certificate.**
- Completed and signed Municipal Bidding Documents, if MBD 6.1 is not signed, bidders will lose the points and will not be disqualified.
- NB: failure to meet above criteria will lead to disqualification.
- Bidder to provide/attach proof of warranty for components.

**The following conditions will apply:**

- Price(s) or rates quoted must be valid for at least a hundred & twenty (120) days from the date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- The total bid price must be CARRIED OVER to MBD 1-

**NB: No quotations will be considered from persons in the service of the state or persons who owe rates, services, and taxes to any Municipality for a period longer than 90 days.**

## SECTION C - CHECKLIST

The Checklist below is attached hereto to assist Service Providers with the completion of the tender document. Service Providers are required to **TICK** the relevant boxes for verification purposes. Where information is not applicable to the tender, the symbols **N/A** must be inserted in the space provided.

The tenderer must complete and return documents, all returnable document as listed below as part of his/her tender submission:

| <b>Returnable Schedules (Documents) for Tender Evaluation Purposes</b>   | <b>Yes</b> | <b>No</b> | <b>N/A</b> |
|--|------------|-----------|------------|
| Has the Tender Document been completed in <b>BLACK INK</b> and all corrections counter-signed? <b>(No correction fluid used)</b>   |            |           |            |
| Have all tendered amounts been arithmetically checked, and the correct total bid price been carried forward to MBD 1?<br><b>Bidders who do not put prices on MBD 1 will be eliminated.</b>   |            |           |            |
| Is a valid Tax Clearance Status Verification Certificate with pin attached to the Tender Document?   |            |           |            |
| In case of a joint venture, has the tenderer attached a joint venture agreement signed by both parties indicating the lead partner of the joint venture <b>(company documents to be attached for all JV Partners i.e CSD, Tax Verification certificate, etc)</b> |            |           |            |
| Has the compulsory "Site Inspection/Tender Briefing" meeting been attended and has the tenderer signed the register <b>(when applicable)</b>   |            |           |            |
| Has the tenderer fully completed the Declaration of Interest (MBD 4) form, <b>(Directors must be listed on the table on MBD 4 form)</b>  |            |           |            |
| Has the "Preference Points Claim Form (MBD 6.1) in terms of the Preferential Procurement Regulations 2022" been completed in its entirety and signed?  |            |           |            |
| Has the tenderer attached proof that the <b>DIRECTOR/S</b> of the company do not owe Municipal rates <b>(Refer section J for the required documentation)</b> .   |            |           |            |
| Has the tenderer attached proof that the <b>COMPANY</b> does not owe Municipal rates <b>(Refer section J for the required documentation)</b> .   |            |           |            |
| Central Supplier's Database registration certificate - <b>Detailed CSD</b>   |            |           |            |
| Has the "Declaration of Bidder's Past SCM practices (MBD 8)' been completed in its entirety and signed?  |            |           |            |
| Has the "Independent Bid Determination (MBD 9)" been completed in its entirety and signed.   |            |           |            |

Name of the Bidder: \_\_\_\_\_

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

## **SECTION D**

### **REGISTRATION ON THE CENTRAL SUPPLIERS DATABASE**

1. In terms of the Greater Kokstad Municipality Supply Chain Management Policy Framework, all suppliers of goods and services are required to register on the Central Suppliers Database.

2. If you wish to apply for Central Supplier Database (CSD) registration, suppliers may go to [www.csd.gov.za](http://www.csd.gov.za) to register or call KZN Provincial Treasury on 033 897 4223/4676/4509 for assistance.

3. If a business is registered on the Database and it is found subsequently that false or incorrect information has been supplied, then the Municipality may, without prejudice to any other legal rights or remedies it may;

3.1 Recommend to National/Provincial Treasury the de-registration of the supplier from the Central Supplier Database

3.2 Cancel a bid or a contract awarded to such supplier, and the supplier would become liable for any damages if a less favourable bid is accepted, or less favourable arrangements are made.

**4. The same principles as set out in paragraph 3 above are applicable should the supplier fail to update its information on the Central Suppliers Database, relating to changed particulars or circumstances.**

**SECTION E**  
**DECLARATION THAT INFORMATION ON CENTRAL SUPPLIER DATABASE (CSD) IS CORRECT AND UP TO DATE**

(To be completed by bidder)

THIS IS TO CERTIFY THAT I (name of the authorised representative)

.....

WHO REPRESENTS (state name of bidder)

.....

I AM AWARE OF THE CONTENTS OF THE CENTRAL SUPPLIER DATABASE WITH RESPECT TO THE BIDDER'S DETAILS AND REGISTRATION INFORMATION, AND THAT THE SAID INFORMATION IS CORRECT AND UP TO DATE AS ON THE DATE OF SUBMITTING THIS BID.

AND I AM AWARE THAT INCORRECT OR OUTDATED INFORMATION MAY BE A CAUSE FOR DISQUALIFICATION OF THIS BID FROM THE BIDDING PROCESS, AND/OR POSSIBLE CANCELLATION OF THE CONTRACT THAT MAY BE AWARDED ON THE BASIS OF THIS BID.

.....

**SIGNATURE OF THE AUTHORISED REPRESENTATIVE**

DATE.....

**SECTION F**  
**MBD 4 -DECLARATION OF INTEREST**

1. No bid will be accepted from persons in the service of the state<sup>1</sup>.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority.
3. **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

3.1. Full Name of bidder or his or her representative: .....

3.2. Identity Number: .....

3.3. Position occupied in the Company (director, trustee OR

Shareholder<sup>2</sup>):.....

3.4. Company Registration Number: .....

3.5. Tax Reference Number:.....

3.6. VAT Registration Number: .....

3.7. The names of all directors / trustees / shareholders members, their individual identity numbers and state employee numbers must be indicated in paragraph 4 below.

3.8. Are you presently in the service of the state? **YES / NO**

3.8.1 If yes, furnish particulars. ....

.....

MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
  - (i) any municipal council;
  - (ii) any provincial legislature; or
  - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;

- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or (f) an employee of Parliament or a provincial legislature.

Shareholder” means a person who owns shares in the company and is actively involved in the management of the company or business and exercises control over the company.

3.9 Have you been in the service of the state for the past twelve months? ..... **YES / NO**

3.9.1 If yes, furnish particulars.....

.....

3.10 Do you have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid? ..... **YES / NO**

3.10.1 If yes, furnish particulars.

.....

.....

3.11 Are you, aware of any relationship (family, friend, other) between any other bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?

..... **YES / NO**

3.11.1 If yes, furnish particulars

.....

.....

3.12 Are any of the company's directors, trustees, managers, principle shareholders or stakeholders in service of the state? ..... **YES / NO**

3.12.1 If yes, furnish particulars.

.....

3.13 Are any spouse, child or parent of the company's directors trustees, managers, principle shareholders or stakeholders in service of the state?..... **YES / NO**

3.13.1 If yes, furnish particulars. ....

3.14 Do you or any of the directors, trustees, managers, principle shareholders, or stakeholders of this company have any interest in any other related companies or business whether or not they are bidding for this contract. **YES / NO**

3.14.1 If yes, furnish particulars:

.....

.....

4. Full details of directors / trustees / members / shareholders.

| Full Name | Identity Number | State Employee Number |
|-----------|-----------------|-----------------------|
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |
|           |                 |                       |

.....  
.....

**Signature**

.....

**Date**

.....

**Capacity**

.....

**Name of Bidder**

## SECTION G

### TAX CLEARANCE CERTIFICATE REQUIREMENTS

It is a condition of a bid that the taxes of the successful bidder **must** be in order, or that satisfactory arrangements have been made with South African Revenue Service (SARS) to meet the bidder's tax obligations.

1. In order to meet this requirement, bidders are required to ensure compliance with their tax obligations.
2. Bidders are required to submit their unique personal identification number (pin) issued by SARS to enable the organ of state to view the taxpayer's profile and tax status.
3. Application for the tax compliance status (TCS) certificate or pin may also be made via e-filing. in order to use this provision, taxpayers will need to register with SARS as e-filers through the website [www.sars.gov.za](http://www.sars.gov.za).
4. Foreign suppliers must complete the pre-award questionnaire in part b:3.
5. Bidders may also submit a printed TCS certificate together with the bid.
6. In bids where consortia / joint ventures / sub-contractors are involved; each party must submit a separate TCS Certificate / Pin / CSD number.
7. Where no TCS is available but the bidder is registered on the central supplier database (CSD), a CSD registration printout must be provided.



## SECTION H

### AUTHORITY FOR SIGNATORY

Indicate the status of the tenderer by ticking the appropriate box hereunder. The tenderer **must attach the authority to sign letter or must complete** the certificate set out below for the relevant category **if the resolution letter is not attached.**

| A<br>Company | B<br>Partnership | C<br>Joint Venture | D<br>Sole<br>Proprietor | E<br>Close<br>Corporation |
|--------------|------------------|--------------------|-------------------------|---------------------------|
|              |                  |                    |                         |                           |

#### A. CERTIFICATE FOR COMPANY

I,....., chairperson of the board of.....

hereby confirm that by resolution of the board (copy attached) taken on.....

20...., Mr./Ms. ....acting in the capacity of.....,

was authorised to sign all documents in connection with this tender and any contract resulting from it on behalf of the company.

#### As witnesses:

- |         |                |
|---------|----------------|
| 1. .... | Chairman:..... |
| 2. .... | Date: .....    |

#### B. CERTIFICATE FOR PARTNERSHIP

We, the undersigned, being the key partners in the business trading as .....

....., hereby authorize Mr/Ms .....

acting in the capacity of ....., to sign all documents in connection with this tender and any contract resulting from it on our behalf.

| Name | Address | Signature | Date |
|------|---------|-----------|------|
|      |         |           |      |
|      |         |           |      |
|      |         |           |      |

**Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.**

### C. CERTIFICATE FOR JOINT VENTURE

We, the undersigned, are submitting this tender offer in Joint Venture and hereby authorise Mr/Ms.....of the lead partner, authorized signatory of the company, to sign all documents in connection with this tender for Contract and any contract resulting from it on our behalf. This authorisation is evidenced by the attached power of attorney signed by legally authorized signatories of all the partners to the Joint Venture (Joint Venture to submit power of attorney).

| Name of Firm  | Address | Authorizing Name and Capacity | Authorizing Signature |
|---------------|---------|-------------------------------|-----------------------|
| Lead Partner: |         |                               |                       |
|               |         |                               |                       |
|               |         |                               |                       |

### D. CERTIFICATE FOR SOLE PROPRIETOR

I, ....., hereby confirm that I am the sole owner of the business trading as .....

#### As witnesses:

1. .... Sole Owner: .....
2. .... Date: .....

### E. CERTIFICATE FOR CLOSE CORPORATION

We, the undersigned, being the key members in the business trading as .....

hereby authorise Mr./Ms. .... acting in the capacity of , to sign all documents in connection with this tender and any contract resulting from it on our behalf.

| Name | Address | Signature | Date |
|------|---------|-----------|------|
|      |         |           |      |
|      |         |           |      |
|      |         |           |      |

*Note: This certificate is to be completed and signed by all key partners upon whom rests the direction of the affairs of the Partnership as a whole.*

## SECTION I

### TENDER CONSENT FORM:

I \_\_\_\_\_ a natural person with  
Full Name

ID No.: \_\_\_\_\_ in my capacity as \_\_\_\_\_

of \_\_\_\_\_  
(Company Name and Reg. No.)

I hereby give my consent to the Greater Kokstad Municipality to collect, process and distribute my personal information where the Greater Kokstad Municipality is legally required to do so.

I understand my right to privacy and the right to have my personal information processed in accordance with the conditions for the lawful processing of personal information.

I understand the purposes for which my personal information is required and for which it will be used and consent to third parties accessing my personal information and to the Greater Kokstad Municipality sharing my personal information strictly for verification purposes.

I understand that, should I refuse to provide the Greater Kokstad Municipality with the required consent and/ or information, the Greater Kokstad Municipality will be unable to consider my application for the above-mentioned tender.

I declare that all my personal information supplied to the Greater Kokstad Municipality is accurate, up to date, not misleading and that it is complete in all respects and will be held and/ or stored securely for the purpose for which it was collected and that I will immediately advise the Greater Kokstad Municipality of any changes to my Personal Information should any of these details change.

**tick the appropriate box:**

|                          |   |
|--------------------------|---|
| <input type="checkbox"/> | I / We hereby consent to the above  |
| <input type="checkbox"/> | I/We hereby withhold consent and understand the implication of my/our decision and will not hold the Greater Kokstad Municipality responsible for not considering my/our bid. |

Signed at ..... this ..... day of .....20.....

..... Signature of data subject/ designated person

..... Signature.....

## SECTION J

### RATES AND MUNICIPAL SERVICES CLEARANCE CERTIFICATE (PROOF OF LOCALITY)

In terms of section 38(d) of the National Treasury Municipal Supply Chain Management Regulation the Greater Kokstad Municipality reserves the right to reject any tender if any municipal rates and taxes or municipal service charges owed by that tenderer or any of its directors to the municipality or to any other municipality or municipal entity are in arrears **for more than 3 (three) months/90 days**.

Tenderers are required to submit proof that the company and directors do not owe municipal rates and tariffs for the municipality.

This serves to confirm that \_\_\_\_\_ **(Company Name) municipal rates and taxes are paid up to date and the following is attached:** Your tender will be rejected if you have not attach proof that your company does not owe rates for a period longer than 90 days

| <b>Proof that the Bidder (Company) does not owe rates</b>   | <b>Tick whichever is attached.</b> |
|---|------------------------------------|
| Municipal Statement not older than 90 days and not owing more than 90 days  |                                    |
| Valid Lease agreement (Must be active and must be signed by both parties)   |                                    |
| Municipal Rates clearance certificate / Affidavit if the company is operating in rural areas (non-ratable area). Affidavit to state the reason why they are not responsible for paying rates  |                                    |
| Letter or rates statement from the landlord or body corporate if the company is renting and does not have a lease agreement.  |                                    |
| An original copy of an affidavit if the company has not attached any of the document above mentioned documents - <b>the affidavit must clearly state the reasons why the company is not owing rates and taxes or any Municipal charges.</b> |                                    |

**(Company Director/s) municipal rates and taxes are paid up to date and the following is attached:**

Please note that you are required to attach proof that each director does not owe rates and taxes or Municipal service charges for a period longer than 90 days. Your tender will be rejected if you have not attach proof that each director does not owe rates for a period longer than 90 days.

| <b>Proof that the director/s do not owe rates for more than 90 days</b>  | <b>Tick whichever is attached.</b> |
|--|------------------------------------|
| Municipal Statement not older than 90 days and not owing more than 90 days   |                                    |
| Valid Lease agreement (Must be active and must be signed by both parties)  |                                    |
| Municipal Rates clearance certificate / Affidavit if the director/s is operating in rural areas (non-ratable area). Affidavit to state the reason why they are not responsible for paying rates  |                                    |
| Letter or rates statement from the landlord or body corporate if the company is renting and does not have a lease agreement.   |                                    |
| An original copy of an affidavit if the director/s has not attached any of the document above mentioned document - <b>the affidavit must clearly state the reasons why the director/s do not owe rates and taxes or any Municipal charges.</b> |                                    |

**NB: TENDERERS TO NOTE THAT THEY NEED TO SUBMIT PROOF THAT BOTH THE COMPANY AND THE DIRECTOR/S DO NOT OWE RATES/ TAXES.**

Signed at ..... this ..... day of .....20.....

..... Signature of data subject/ designated person

..... Signature.....

# **GREATER KOKSTAD MUNICIPALITY**



## **TERMS OF REFERENCE**

**SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT  
CYBER SECURITY SOLUTION FOR 36 MONTHS**

**GKM 14-24/25**

Issued and prepared by:  
Greater Kokstad Municipality  
75 Hope Street  
P.O. Box 8  
KOKSTAD  
4700

Municipal Manager: Mr. S R Zwane  
Contact Person: Mr. Yaw Owusu  
Tel: 039 797 6658  
E-mail: [Yaw.Owusu@kokstad.gov.za](mailto:Yaw.Owusu@kokstad.gov.za)

# **NAME OF THE PROJECT: SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER SECURITY SOLUTION FOR 36 MONTHS**

## **1. INTRODUCTION OF THE PROJECT:**

The Greater Kokstad Municipality (GKM) requires a Holistic Cyber Security Solution for a period of 36 months. GKM's infrastructure comprises of 3 VLANS (Virtual Local Area Networks) across 10 sites, 300 devices (Routers, etc.) and 20 critical devices (Servers & Firewalls) connected to the Network, and 300 users. The activities of all devices connected to the network requires constant monitoring. GKM requires autonomous and real time security monitoring capabilities of analysing, detecting, and stopping threats as they arise.

## **2. AIM OF THE PROJECT:**

The aim of this project is to appoint a suitably qualified, ICT Cyber Security Service Provider to supply and install an Enterprise grade ICT Cyber Security Solution which must include:

- A fully Managed SIEM/SOC
- A fully Managed Detection and Response (MDR)
- A fully Managed Data Leakage Prevention (DLP)
- Vulnerability Assessment (VA) and Penetration Testing (PEN)
- A 24x7x365 Service Desk
- Security Training and Knowledge transfer

## **3. INSTRUCTION TO BIDDERS:**

The buyer reserves the right to reject bids based on the buyer's interpretation of bidder conformity to specifications. Bidders shall conform as closely as possible to the listed specifications. Exceptions or omissions to the listed specifications shall be itemized on a separate sheet and attached to the bid. Failure to meet these conditions or the listed minimum specifications may result in a rejection of the bid.

## **4. SCOPE AND EXTENT OF WORK/ SPECIFICATIONS**

### **4.1. Managed SIEM/SOC Solution**

Provide a SIEM/SOC Solution which offers but is not limited to the following:

- a) A Managed 24X7 SOC service
- b) Log aggregation and ability to normalize logs across different platforms including the securing of logs

- c) Analyzing of log data
- d) Correlation of log data
- e) Archiving of log data
- f) Threat Alerts
- g) Contextualization and Autonomous Response to threats
- h) Automated compliance and customization of reports
- i) Alerts for abnormal events occurring on the network
- j) Use of artificial intelligence to eliminate network threats
- k) a dashboard view for a simplified overview of real-time threats that is simple and intuitive.
- l) Machine learning (ML) capabilities.
- m) Artificial Intelligence (AI) capabilities.
- n) The system must support a complete and scalable architecture through the licensing of additional components required to integrate with the various digital environments, including on-premises, cloud and hybrids.
- o) Extensive Reporting

#### **4.2. Managed Detection and Response (MDR) Solution (EPP+EDR)**

The end point Monitoring, Detection and Response capability must meet the following minimum criteria:

- a) Ability to provide real-time monitoring, detection, alerting and historic statistics
- b) Support for agent monitoring
- c) Low footprint and impact on services monitored
- d) Ability to provide log storage for audit and forensic purposes for the duration of the contract
- e) Log retention mechanism/technique to automatically move and purge the logs in line with the GKM information retention policy
- f) Ability to archive data and export archived data in a usable format
- g) Monitor Microsoft Windows endpoints (workstations) for performance, activity, system health and configuration changes
- h) Monitor Microsoft Active Directory for performance, activity, system health and configuration changes
- i) Monitor Microsoft Exchange for performance, activity, system health and configuration changes
- j) Monitor Anti-Virus system for activity, system health and configuration changes
- k) Ability to send alerts via email and SMS with the ability to customize the message format and text
- l) Ability to send detailed warnings for potential or imminent issues / threats
- m) Ability to send alerts for all detected critical events
- n) Ability to integrate into the call logging system for tracking of all alerts or incidents
- o) Ability to escalate incidents / warnings / issues

- p) Ability to provide conditional alerting. e.g., when a predetermined threshold or time period is reached, an alert is sent to the next recipient on the escalation list
- q) Patching and upgrades to be performed whenever they become available.
- r) Extensive Reporting

#### **4.3. Data Leakage Prevention (DLP)**

The DLP capability must meet the following minimum criteria:

- a. A data Loss and Discovery solution covering:
  - Endpoint
  - HTTP's and FTP
  - Email
  - Integration with SIEM
  - Analytics
  - Perform Data Recovery
- b. Responsible for building, managing, and operating the solution, i.e., Implementation, data classification, building policies, and handling other operational activities – policy fine-tuning to mitigate new and emerging threats.
- c. Assign support personnel for this project with solid experience in building and implementing DLP solutions
- d. Perform Configuration of Policies: Provide assistance to configure the tool with required rules.
- e. Support for application version/software infrastructure.
- f. Evaluate the incidents, escalations, and responses exclusion of the authorized list in data protection policies based on the responses, feedback and management directives.
- g. Evaluate false positives and false negatives; fine-tune the data protection policies to correct the errors.
- h. Configure relevant reports as required by GKM.
- i. Support the solution, including future upgrades of all components of the solution, without any exception for the project duration, which is 1 year.
- j. Provide the details of the architecture of the proposed solution containing complete details of specifications of components of the proposed solution.
- k. The proposed solution shall have extensive Reporting, dashboards, and auditing capabilities.
- l. The Solution must safeguard GKM employees and stakeholders' privacy – balancing the needs of corporate data protection and employee privacy.
- m. Visibility and control over data including a) Encrypted data; b) Image files etc.
- n. Manage all DLP security products (e.g., software, appliances) from one administration console, even encryption of files and folders
- o. The Solution should provide the capability to apply protection policy rules on endpoint devices even if the user is not connected to the GKM network.



- p. The Solution must be able to detect sensitive data leakage going through cloud- based solutions (OneDrive etc.).
- q. The Solution must be able to enforce policies to detect data leaks even in image files through Optical Character Recognition technology. In addition, it must standard support file formats such as but not limited to jpeg, png, scanned pdf.
- r. The Solution must enforce policies to detect low and slow data leaks over a period of time (hours).
- s. The Solution must be implemented on premise and provide data protection for both Cloud and on-premises environment.
- t. The Solution must be able to integrate with the GKM Security Information and Event Management system.
- u. Capture logs of Data Exchange activity on GKM's Information Asset done through any medium like email, internet upload, USB transfer etc. At the same time, intelligently co-relate and analyses these logs with the previous user-based attempts/ incidents and trigger alerts.
- v. Role-based administration for internal administrative tasks and monitoring and enforcement.
- w. As far as it is technically feasible, ensure no unwarranted, illegal or fraudulent misuse of data shared by GKM.
- x. The DLP solution must have the ability to identify and protect:
  - data-in-motion (travelling across the network)
  - data-in-use (being used at the endpoint); and
  - data-at-rest (sitting idle in storage).
- y. The solution should provide built-in/predefined policies/templates for GKM and its environment, and can be accessed, used, and applied simultaneously.
- z. Provide intuitive and easy installation, setup, deployment, the population of policies, and ongoing support.
- aa. The Solution should provide content, context, and destination awareness, allowing administrators to manage who can send what information where and how.
- bb. The proposed DLP solution should have central management console and incident repository. GKM administrators shall use the console to define, deploy and enforce data loss policies, respond to the incidents, analyse, and report violations, and perform system administration. (Proper training to GKM ICT Staff on how to conduct this).
- cc. The proposed DLP solution should block, quarantine, or relocate the channel containing sensitive data.
- dd. The proposed solution should be able to remediate violations of data at rest policies by encrypting or erasing restricted data once it has been identified.

#### **4.4. Vulnerability Assessment (VA) and Penetration Testing (PEN)**

- a) The proposed solution should have automated asset discovery capabilities for the following assets.
  - Servers
  - PC's and Laptops
  - Network devices

- b) The solution should provide an ability to scan the network for vulnerabilities using:
  - **Authenticated Scan:** authenticated scan is a vulnerability scan that is performed by an authenticated user - a user with login credentials with capabilities to run deep scanning
  - **Non-authenticated Scan:** non- authenticated scan performs a vulnerability scan by not using usernames or passwords during the scanning which has capabilities to detect expired certificates, unpatched software, weak passwords, and poor encryption protocols.
- c) Vulnerability scanning on all Network Devices including Cloud implementation.
- d) Uncover all application vulnerabilities but not limited to, cross-site scripting, command injections, code injections, misconfigurations, insecure cookies and flaws.
- e) The solution must have the functionality to search for vulnerabilities and assign a risk score continuously.
- f) Deliver alerting capabilities for when a scan reveals new security risks and vulnerabilities on the GKM's ICT infrastructure.
- g) Provide capabilities to identify false positives vs real vulnerabilities.
- h) Provide a solution that has capabilities to monitor vulnerabilities introduced by applications installed on GKM's infrastructure components such as laptop computers.
- i) Provide allowance for flexible vulnerability assessment schedules.
- j) The solution must be able to provide a holistic view of the environment where the GKM ICT team is able to drill down at any stage to explore:
  - Assets
  - Vulnerabilities
  - Exploits
  - Policies
- k) The vulnerability management solution should also be setup to allow NHFC Personnel to run ad- hoc vulnerability scans on the environment, to scan new devices, web applications and systems.
- l) Provide penetration testing services for NHFC infrastructure that include:
  - Internal Network (LAN)
  - Externally facing Public IP addresses and systems
  - GKM Websites, both Cloud hosted and internally hosted.
- m) The services must support standard and customized reporting functionality for penetration testing related reports.
- n) Provision of reporting capabilities with a dashboard that highlights the risk scores (high, medium-high, medium-low, and low) for all vulnerabilities but also provide GKM with an overall risk score based on the volume and severity of vulnerabilities found within the network, applications, and ICT assets and devices.
- o) Reporting function of the solution must have the following reports but not limited to:
  - Automated and comprehensive devices discovery report;
  - Scheduled comprehensive vulnerability scanning reports; and
  - Dashboards reports.
- p) The Bidder must be proficient in information security with an excellent knowledge and practice of ICT Vulnerability Assessment and Penetration testing.
- q) The Bidder must provide advisory services on the remediation of vulnerabilities strategies.

- r) The bidder must supply, install, customize, integrate, test and troubleshoot the tools in scope for vulnerability and penetration testing services.
- s) The Bidder should supply, install, customize, integrate, test and troubleshoot the tools in scope for vulnerability assessment and penetration testing services.
- t) The Vulnerability Assessment solution must be able to integrate with SIEM and ticketing system.
- u) Keep an audit trail of all vulnerabilities and applied remediation steps.

#### **4.5. ICT Security Support and Maintenance**

GKM does not have capacity to operate and manage the ICT Security Services and expects the service provider to provide all these services from its Security Operation Center to provide assurance for the reliability of the services rendered.

- a) The Service Provider will be expected to provide monitoring and management of all the systems' reliability for the protection of GKM's data and Information.
- b) The Service provider is expected to manage the accesses to all these systems and tools to be deployed on the GKM environment (Cloud or Local) in order to take overall accountability and responsibility of security service to the GKM.
- c) The service provider must be prepared to integrate their systems to the GKM future IT Service Management system for security incidents or breaches to be logged for response and monitoring.
- d) The service provider is expected to report on the security posture of the GKM' ICT environment and make recommendations for improvement of the security.
- e) The service provider will be expected to promptly alert the GKM ICT team and the relevant management about any security incident and provide guidance on the steps to be followed to limit the exposure.
- f) The service provider will be responsible and accountable to drive the security incidents steps and provide reports to the GKM ICT team.
- g) The service provider will be expected to immediately isolate any device that seems to be having uncommon or untrusted behaviors until it has been cleared, deemed safe and reliable by the ICT Management and the business.
- h) The service provider will be responsible to provide regular reports to the ICT Manager and discuss all the service, issues experienced and recommended actions on monthly basis. The Service Provider's report must
- i) The Service Provider must operate a 24x7x365 fully manned Service Desk. This will be required for monitoring, call logging and call assignments.
- k) A Standard Operating Procedure (SOP) must be included in your approach and methodology.

#### 4.6. SECURITY TRAINING AND KNOWLEDGE TRANSFER

- a) The Service Provider is expected to provide Product Training which does not have to be certified.
- b) Provide technical knowledge transfer to ICT staff.

#### **PRICING**

The price should include supply and delivery costs and be inclusive of vat if vat vendor.

| Service Requirement                 | Description  | Cost Inc VAT |
|-------------------------------------|--|--------------|
| Software and Licensing              | Security Information and Event Management  |              |
|                                     | Managed Detection & Response   |              |
|                                     | Data Leakage Prevention  |              |
|                                     | Vulnerability Testing  |              |
| Penetration Testing                 | Penetration Testing  |              |
| Installation and configuration      | All Solutions  |              |
| Managed SOC                         | All Solutions  |              |
| Project Management                  | A comprehensive project plan includes milestone reporting and a RAIL.                            |              |
| Support and Maintenance (36 Months) | Proactive maintenance and reporting for a period, including monthly SLA meetings – All Solutions |              |
|                                     | <b>SUB-TOTAL</b>   |              |
|                                     | <b>VAT (15%)</b>   |              |
|                                     | <b>TOTAL</b>   |              |

#### 4. EVALUATION CRITERIA

##### 4.1 Functionality (100)

| SUPPLY, DELIVER AND MAINTAIN A FULLY INTEGRATED ICT CYBER SECURITY SOLUTION FOR 36 MONTHS |   |  |        |       |
|---|---|--|--------|-------|
| Technical Evaluation:   |   |  | Weight | Total |
| 1.  | <b>Provide proof of ISO9001 and ISO27001 Certification</b>                            | Proof of both ISO9001 and ISO27001   | 20     | 20    |
|   |   | No Proof provided  | 0      |       |
| 2.  | Provide proof of OEM Certificate or OEM partnership Letters                           | Provided OEM Certificate or Partnership Letter   | 20     | 20    |
|   |   | No OEM / Partnership   | 0      |       |
| 3.  | <b>KEY PERSONNEL</b><br><br>Relevant experience and qualifications of project Manager | Project Manager with certified copies of certificate in Project Management and 3 or more years of experience reflecting on CV. | 15     | 15    |
|   |   | No relevant experience and qualifications of project personnel   | 0      |       |
|   |   | Senior Security Analyst with certified copies of   |        |       |

|    |   |   |    |            |
|----|---|---|----|------------|
|    | Relevant experience and qualifications of senior security Analyst | certificate in network security and 3 or more years of experience reflecting on CV.   | 15 | 15         |
|    |   | No relevant experience and qualifications of Senior Security Analyst  | 0  |            |
| 4. | <b>COMPANY EXPERIENCE</b>   | 3 Similar projects Similar project in Cyber Security with 3 written references corresponding with orders or appointment letters signed. | 30 | 30         |
|    |   | 2 Similar projects in Cyber Security with 2 written references corresponding with orders or appointment letters signed.                 | 20 |            |
|    |   | 1 Similar project in Cyber Security with 1 written reference corresponding with orders or appointment letters signed.                   | 10 |            |
|    |   | No projects Similar project in Cyber Security with no written reference corresponding with orders or appointment letters signed.        | 0  |            |
|    | <b>Total</b>  |   |    | <b>100</b> |
|    |   |   |    |            |

**A bidder that scores less than 60 points out of 100 in respect of “functionality” will be regarded as submitting a non-responsive quote and will be disqualified and will be not evaluated for price.**

## 6. FEATURES REQUIRING SPECIAL ATTENTION

All Annexure to these Terms of Reference that require completion by the bidder must be completed in full and returned with the bid. Failure to do so may disqualify the bid.

## 7.COMPLETION

Projects will not be paid for unless the required services have been correctly delivered.

## 8. COURTESY

In dealings with the municipal internal structures, the bidder is required to deal with discussions and disputes with deliberate courtesy and understanding, in close liaison with the Municipality. Prior to the commencement of works, the successful bidder shall arrange through the office of the Greater Kokstad Municipality and/or the appointed Project/Program Manager to be introduced to the appropriate Municipal structures and to be briefed upon any sensitivities that need to be observed.

## 9. POINTS AWARDED FOR PRICE AND SPECIFIC GOALS POINTS

The following preference point systems are applicable to this bid:

The 80/20 system for requirements with a Rand value below R50 000 000.00

The value of this bid is estimated to be below R50 000 000.00 and therefore the 80/20 system shall be applicable.

Points for this bid shall be awarded for:

Price and Preferential Procurement Framework Act

The points allocated for price will be calculated as follows:

*80/20 Preference point system [for acquisition of services, works or goods with a Rand value below R1million) (all applicable taxes included).*

Were

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

$P_s$  = Points scored for comparative price of bid or offer under consideration

$P_t$  = Comparative price of bid or offer under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid or offer.

Points scored will be rounded off to the nearest 2 decimal places.

## POINTS AWARDED FOR PRICE AND SPECIFIC GOAL POINTS

The following preference point systems are applicable to this bid:

The 80/20 system for requirements with a Rand value below R50 000 000.00

The value of this bid is estimated to be below R50 000 000.00 and therefore the 80/20 system shall be applicable.

Points for this bid shall be awarded for:

Price and Preferential Procurement Framework Act

The points allocated for price will be calculated as follows:

*80/20 Preference point system [for acquisition of services, works or goods with a Rand value below R1million) (all applicable taxes included).*

Were

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

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

Pt = Comparative price of bid or offer under consideration

Pmin = Comparative price of lowest acceptable bid or offer.

Points scored will be rounded off to the nearest 2 decimal places.

Step 2: Calculation of points for specific goals

The following preference point systems are applicable to this bid:

The 80/20 system for requirements with a Rand value below R50 000 000.

The value of this bid is estimated to be below R50 000 000.00 and therefore the 80/20 system shall be applicable.

Points for this bid shall be awarded for:

Price and Preferential Procurement Framework Act

The points allocated for price will be calculated as follows:

*80/20 Preference point system [(for acquisition of services, works or goods with a Rand value below R1million) (all applicable taxes included).*

Were

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

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

Pt = Comparative price of bid or offer under consideration



**Pmin = Comparative price of lowest acceptable bid or offer.**

**Points scored will be rounded off to the nearest 2 decimal places.**

**Step 2: Calculation of points for specific goal points**

**Points will be awarded to a bidder for attaining the required goals and submitting the required documentation as requested below:**

The 80/20 preferential point system will be applied, where 80 points will be allocated for price and 20 points for Municipality's specific goals that is on ownership and RDP goals.

| <b>PREFERENCE</b>                          | <b>80/20</b> | <b>Documents required for verification</b> |
|--|--------------|--|
| <b>GOAL 1 – Ownership- Maximum Points</b>  | <b>10</b>    |  |
| Business owned 50% or more by black person | 5            | ▪ Detailed CSD                             |
| Business owned 50% or more by black women  | 5            | ▪ Detailed CSD                             |
| <b>GOAL 2 – RDP- Maximum Points</b>        | <b>10</b>    |  |
| Promotion of business located within KZN   | 10           | ▪ Refer to Section J                       |

**A bidders will not be disqualified from the bidding process if they did not submit the required documentation for specific goals; no point will be allocated to the bidder.**

**The points scored for price will be added to the points scored for specific goals to obtain the bidder's total points scored out of 100.**

**A bid will not be disqualified from the bidding process if the bidder has not submitted the required documentation for specific goals, but no specific goal points will be allocated to such bidder.**

**The points scored for price will be added to the points scored for specific goals to obtain the bidder's total points scored out of 100.**

**Total points for the price and specific goal points must not exceed 100**

**VERY IMPORTANT:**

**IF ANY OF THE ABOVEMENTIONED DOCUMENTS ARE NOT SUBMITTED OR COMPLETED IN THEIR ENTIRETY, THE BIDDER WILL BE DEEMED TO BE NON-RESPONSIVE AND DISQUALIFIED**

In evaluating and adjudicating the bid the following criteria will be considered:

- a. Compliance with bid requirement
- b. evaluation of functionality
- c. Value for money
- d. PPPFA and associated regulations

**PRICING SCHEDULE – FIRM PRICES  
(PURCHASES)**

**MBD 3.1**

**NOTE: ONLY FIRM PRICES WILL BE ACCEPTED. NON-FIRM PRICES  
(INCLUDING PRICES SUBJECT TO RATES OF EXCHANGE VARIATIONS) WILL NOT BE CONSIDERED**

**MBD 3.1**

| <b>Service Requirement</b>  | <b>Description</b>   | <b>Cost Inc VAT</b> |
|---|--|---------------------|
| Software and Licensing  | Security Information and Event Management  |                     |
|   | Managed Detection & Response   |                     |
|   | Data Leakage Prevention  |                     |
|   | Vulnerability Testing  |                     |
| Penetration Testing   | Penetration Testing  |                     |
| Installation and configuration  | All Solutions  |                     |
| Managed SOC   | All Solutions  |                     |
| Project Management  | A comprehensive project plan includes milestone reporting and a RAIL.                            |                     |
| Support and Maintenance (36 Months)   | Proactive maintenance and reporting for a period, including monthly SLA meetings – All Solutions |                     |
| <div style="border: 1px solid black; border-radius: 15px; padding: 10px; text-align: center;"> COMPANY STAMP </div> <div style="text-align: center; margin-top: 10px;"> <b>COMPANY STAMP</b> </div> |  |                     |
|   | <b>SUB-TOTAL</b>   |                     |
|   | <b>VAT (15%)</b>   |                     |
|   | <b>TOTAL</b>   |                     |

**Note:** All delivery costs must be included in the bid price, for delivery at the prescribed destination.

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

## CONDITIONS OF TENDER

- Price(s) quoted must be valid for at least thirty (120) days from the date of offer for evaluation purposes.
- Price(s) or rates quoted must be firm and include VAT (**Non-compliance** with the Value Added Tax Act,1991; i.e. In terms of this Act, **it is mandatory** for any business **to register for VAT** if the income earned in any consecutive twelve (12) month period exceeds or is likely to exceed R 1 million.  
NB: Bidder/s failing to comply with this provision of the Value Added Tax Act,1991 **WILL NOT BE CONSIDERED**, therefore rejected)
- Tenderers SARS Tax PIN/CSD must be attached.
- Tender documents signed by a person who does not have authority to sign will be disqualified.
- Tenderers who did not complete the compulsory questionnaires, who abuse the employer’s supply chain management system will not be conceded
- Non-collusion affidavit to be executed by bidder and submitted with the bid (MBD 9).

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

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

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

### 1. GENERAL CONDITIONS

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

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

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

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

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

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

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

### 1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

|  | POINTS     |
|--|------------|
| PRICE  | 80         |
| SPECIFIC GOALS                                   | 20         |
| <b>Total points for Price and SPECIFIC GOALS</b> | <b>100</b> |

1.5 Failure on the part of a tenderer to submit proof or documentation required in terms of this tender

to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

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

## 2. DEFINITIONS

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

## 3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

### 3.1. POINTS AWARDED FOR PRICE

#### 3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

**80/20**

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

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 points is allocated for price on the following basis:

**80/20**

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

Where

- Ps = Points scored for price of tender under consideration  
Pt = Price of tender under consideration  
Pmax = Price of highest acceptable tender

#### **4. POINTS AWARDED FOR SPECIFIC GOALS**

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 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 (80/20 system)<br>(To be completed by the organ of state) | Number of points claimed (80/20 system)<br>(To be completed by the tenderer) |
|---|--|--|
| <b>GOAL 1 – Ownership- Maximum Points</b>                   | 10   |  |
| Business owned 50% or more by black person                  | 5  |  |
| Business owned 50% or more by black women                   | 5  |  |
| <b>GOAL 2 – RDP- Maximum Points</b>                         | 10   |  |
| Promotion of business located within KZN                    | 10   |  |

**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

- ☐ Partnership/Joint Venture / Consortium
- ☐ One-person business/sole propriety
- ☐ Close corporation
- ☐ Public Company
- ☐ Personal Liability Company
- ☐ (Pty) Limited
- ☐ Non-Profit Company
- ☐ State Owned Company

[TICK APPLICABLE BOX]

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

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

paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct.

iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –

- (a) disqualify the person from the tendering process.
- (b) recover costs, losses or damages it has incurred or suffered because of that person's conduct.
- (c) cancel the contract and claim any damages which it has suffered because 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.

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



## MBD 8

### DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
  - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system.
  - b. been convicted for fraud or corruption during the past five years.
  - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

| Item  | Question   | Yes                             | No                             |
|-------|--|---------------------------------|--------------------------------|
| 4.1   | <p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p><b>The Database of Restricted Suppliers now resides on the National Treasury's website(<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) and can be accessed by clicking on its link at the bottom of the home page.</b></p> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.1.1 | If so, furnish particulars:  |                                 |                                |

|             |   |                                 |                                |
|-------------|---|---------------------------------|--------------------------------|
| 4.2         | Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?<br><b>The Register for Tender Defaulters can be accessed on the National Treasury's website (<a href="http://www.treasury.gov.za">www.treasury.gov.za</a>) by clicking on its link at the bottom of the home page.</b> | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.2.1       | If so, furnish particulars:   |                                 |                                |
| 4.3         | Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.3.1       | If so, furnish particulars:   |                                 |                                |
| <b>Item</b> | <b>Question</b>   | <b>Yes</b>                      | <b>No</b>                      |
| 4.4         | Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.4.1       | If so, furnish particulars:   |                                 |                                |
| 4.5         | Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| 4.7.1       | If so, furnish particulars:   |                                 |                                |

**CERTIFICATION**

**I, THE UNDERSIGNED (FULL NAME) .....  
CERTIFY THAT THE INFORMATION FURNISHED ON THIS  
DECLARATION FORM TRUE AND CORRECT.**

**I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN  
AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.**

.....  
**Signature**

.....  
**Date**

.....  
**Position**

.....  
**Name of Bidder**

## **MBD 9**

### **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

- 1 This Municipal Bidding Document (MBD) must form part of all bids<sup>1</sup> invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).<sup>2</sup> Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
  - a. takes all reasonable steps to prevent such abuse.
  - b. rejects the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
  - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

**<sup>1</sup> Includes price quotations, advertised competitive bids, limited bids and proposals.**

**<sup>2</sup> Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.**

**MBD 9**

## **CERTIFICATE OF INDEPENDENT BID DETERMINATION**

I, the undersigned, in submitting the accompanying bid:

---

(Bid Number and Description)

in response to the invitation for the bid made by:

---

(Name of Municipality / Municipal Entity)

do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of:

---

that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
  - (a) has been requested to submit a bid in response to this bid invitation;
  - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
  - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>3</sup> will not be construed as collusive bidding.

7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
- (a) prices;
  - (b) geographical area where product or service will be rendered (market allocation)
  - (c) methods, factors or formulas used to calculate prices;
  - (d) the intention or decision to submit or not to submit, a bid;
  - (e) the submission of a bid which does not meet the specifications and conditions of the bid; or
  - (f) bidding with the intention not to win the bid.
8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
9. 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.

**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.**

10. I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting

business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

.....  
Signature

.....  
Date

.....  
Position

.....  
Name of Bidder

## **INSTRUCTIONS TO BIDDERS**

### **PUBLICATION REFERENCE:**

In submitting their bid, bidders must respect all instructions, forms, Terms of reference, contract provisions and specifications contained in this bid dossier. Failure to submit a bid containing all the required information and documentation within the deadline specified will lead to the rejection of the bid.

#### **1. Services to be provided**

These services required by the Contracting Authority are described in these Terms of Reference/Specification.

#### **2. Participating and sub-contracting**

##### **2.1 Participation in this bid is open to everyone.**

- 2.2 Bids should be submitted by the same service provider or consortium, which has submitted the proposal based on the above. **No change whatsoever in the identity or composition of the bidder is permitted.**
- 2.3 **Short-listed service provider or consortia are allowed to form alliances with any other firms or to sub-contract to each other for the purpose of this contract;**
- 2.4 **Sub-contracting will be allowed, only in so far as it was stated in the initial bid.**
- 2.5 Duplication of bid document is prohibited.

### **3. Contents of Bids**

Bid must comprise of a financial offer must be submitted with the bid.

### **4. Financial offer**

The financial offer must state the bidder's price in South African Rand for providing the services according to its technical offer and the bidders offer must be inclusive of vat and any other relevant taxes.

The same person who signed the corresponding must sign this document.

### **5. Submission of samples**

Where necessary, Prospective service providers may be requested to supply samples to the Municipality to enable verification of SABS and SANS specifications on samples provided and compliance with Local Content Criteria. These are to be supplied at the request of the Municipality prior to the evaluation of compliant bids. **Samples supplied will serve as standard quality.**

### **6. Variant solutions**

Any variant solutions will not be taken into consideration.

#### **Period during which Bid are binding**

Bidders are bound by their bids for 120 days after the deadline for the submission of bids. In exceptional cases, before the period of validity expires, the Contracting Authority may ask bidders to extend the period for a specific number of days, which may not exceed 40.

The successful bidder must maintain its bid for a further 60 days from the date of notification that its bid has been selected for the contract.

### **7. Additional information before the deadline for submission of bidders**

The bid dossier should be clear enough to avoid the Contracting Authority from having request additional information during the procedure. If the Contracting Authority, either on own initiative or in response to the request of a short-listed candidate, provides additional information on the bid dossier, such information will be sent in writing to all other bidders at the same time.



Bidders may submit questions in writing to the following address up to 10 days before the deadlines for submission of bids, specifying the **publication reference** and the **contract title**:

Attention: Ms. A. Mahlaka  
Greater Kokstad Municipality  
75 Hope Street  
P.O. Box 8  
KOKSTAD  
4700  
Email: [andiswa.mahlaka@kokstad.gov.za](mailto:andiswa.mahlaka@kokstad.gov.za)

Any prospective bidders seeking to arrange individual meetings with the Contracting Authority during the bid period may be excluded from the bid procedure.

Any clarification of the bid dossier will be communicated simultaneously in writing to all bidders at the latest 7 calendar days before the deadline for submission of bids. No further clarifications will be given after this date.

Visits by individual prospective bidder during the bid period are not permitted other than the site visit for good reasons.

## **8. Submission of Bids**

Bids must be submitted in English such that they are received before the deadline specified by in the letter of invitation to bid.

Any infringement of these rules (e.g. unsealed envelopes) is to be considered a breach of the rules and will lead to rejection of the bid.

The envelope should carry the following information:

- a) The address for submission of bid indicated above;);
- b) The words “Not to be opened before the bid opening sessions”;
- c) The pages of the Technical and Financial offers must be numbered.

## **9. Alterations or Withdrawal of Bids**

**9.1** Bidders may alter or withdraw bids by written notification prior to the deadline for submission of bids. No bid may be altered after this deadline.

**9.2** Any such notification of alteration or withdrawal shall be prepared and submitted in accordance with clause 8. The envelope must be marked “Alteration” or “Withdrawal” as appropriate.

## **10. Costs for preparing Bids**

No costs incurred by the bidder in preparing and submitting the bid shall be reimbursable. All such costs shall be borne by the bidder. In particular, if proposed key members were interviewed, all costs shall be borne by the bidder.

## **11. Ownership of Bids**

The Contracting Authority retains ownership in all bid received (this excludes intellectual property for all but the successful bidder) under this tendering procedure. Consequently, bidders have no right to have their bids returned to them.

## **12. Confidentiality**

The entire evaluation procedure, from the drawing up of the shortlist to the signature of the contract, is confidential. The Evaluation / Adjudication Committee's decisions are collective and its deliberations are held in closed session. The members of the Evaluation / Adjudication Committee are bound to secrecy.

The evaluation reports and written records are for official use only and may be communicated to neither the bidders nor to any party other than the Contracting Authority.

## **13. Ethics clauses / Corruptive practices**

- a) Any attempt by a bidder to obtain confidential information, enter into unlawful agreements with competitors or influence the Evaluation / Adjudication Committee or the Contracting Authority during the process of examining, clarifying, evaluating, comparing and adjudication bid will lead to the rejection of its bid and may result in administrative penalties.
- b) The bidder must not be affected by any potential conflict of interest.
- c) The Greater Kokstad Municipality reserves the right to suspend or cancel funding to this project if corrupt practices of any kind are discovered at any stage of the award process or during the implementation of a contract, if the Contracting Authority fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Contracting Authority.
- d) Bids will be rejected, or contracts terminated if it emerges that the award or execution of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions paid to a payee who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

Failure to comply with one or more of the ethics clauses may result in the exclusion of the bidder or contractor from other Community contracts and in penalties.

## **14. Documentary evidence required from the successful Bidder**

The successful bidder will be informed in writing that its bid has been accepted (notification of award). Before the Contracting Authority signs the contract with a Successful bidder, a successful bidder may be requested to provide additional information as deemed necessary by the Contracting Authority.

This evidence or these documents must carry a date, which cannot be more than 180 days in relation to the deadline for the submission of the bidder. In addition, a sworn statement shall be furnished stating that the situations described in these documents have not changed since then.

**If the successful bidder fails to provide these documents or is found to have provided false information, the award will be considered null and void. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.**

**15. Signature of contract(s)**

Within 7 days of receipt of the contract already signed by the Contracting Authority, the selected bidder shall sign and date the contract and return it to the Contracting Authority.

Failure of the selected bidder to comply with this requirement may constitute grounds for the annulment of the decision to award the contract. In such a case, the Contracting Authority may award the bid to another bidder or cancel the bid procedure.

**The other candidates will be informed that their bids were not accepted, by means of a standard letter.**

**16. Cancellation of the Bids procedure**

In the event of cancellation of the bid procedure, bidders will be notified of the cancellation by the Contracting Authority. If the bid procedure is cancelled before the envelopes of any bid has been opened, the unopened and sealed envelopes will be returned to the bidders.

**Cancellation may occur when:**

- The bid procedure has been unsuccessful, i.e., not qualitatively or financially worthwhile bid has been received or there is no response at all;
- The economic or technical data of the project have been fundamentally altered;
- Exceptional circumstances or *force majeure* render normal performance of the contract impossible;
- All technically compliant bids exceed the financial resources available;
- There have been irregularities in the procedure, in particular where these have prevented fair competition.

In no event shall the Contracting Authority be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a bid even if the Contracting Authority has been advised of the possibility of damages.

The publication of a procurement notice does not commit the Contracting Authority to implement the program or project announced.

**17. Intentions to award**

Bidders will be informed of the Municipality's intention to award (notification of the intention to award). A notice will be sent to bidders or will be uploaded on the Greater Kokstad Municipality Website.

**THE NATIONAL TREASURY**  
**Republic of South Africa**



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**GOVERNMENT PROCUREMENT:**  
**GENERAL CONDITIONS OF CONTRACT**  
July 2010

**TABLE OF CLAUSES**

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35.      Prohibition of restrictive practices

# General Conditions of Contract

## 1. Definitions

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 Vendor, 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 Vendor 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 anything 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 with 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 consignee’s 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 Vendor 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 markets 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 Vendor and not involving the Vendor'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 Vendor 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 Vendor 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/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 Institution purchasing the goods/works and/or service.
- 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 ancillaries 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 Vendor 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 Vendors, services or works.
- 2.3 Where such Special Conditions of Contract are in conflict with these general conditions, the special conditions shall apply.

## 3. General

- 3.1 Unless otherwise indicated in the bidding documents, the Purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged.
- 3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from [www.treasury.gov.za](http://www.treasury.gov.za).

## 4. Standards



- 4.1 The goods/works and/or service supplied shall conform to the standards mentioned in the bidding documents and specifications.

## **5. Use of Contract Document and Information; Inspection**

- 5.1 The Vendor 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 Vendor 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 Vendor 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 Vendor's performance under the contract if so required by the Purchaser.
- 5.4 The Vendor shall permit the Purchaser to inspect the Vendor's records relating to the performance of the Vendor and to have them audited by auditors appointed by the Purchaser, if so required by the Purchaser.
- 5.5 The Vendor 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.

## **6. Patent Rights**

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

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

## **8. Inspection, Tests and Analysis**

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 Institution or an organization acting on behalf of the Institution.

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 Vendor.

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 analysed 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 Vendor 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 Vendor's cost and risk. Should the Vendor fail to provide the substitute supplies forthwith, the Purchaser may, without giving the Vendor further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the Vendor.

- 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. Packaging**

- 9.1 The Vendor 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 Vendor in accordance with the terms specified in the contract. The details of shipping and/or other documents to be furnished by the Vendor are specified in SCC.
- 10.2 Documents to be submitted by the Vendor 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 Vendor 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 Vendor of any warranty obligations under this contract;
  - e) training of the Purchaser's personnel, at the Vendor's plant; and /or
  - f) on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.
- 13.2 Prices charged by the Vendor 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 Vendor for similar services.

### **14. Spare Parts**

- 14.1 Specified in SCC, the Vendor may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Vendor:
- a) such spare parts as the Purchaser may elect to purchase from the Vendor, provided that this election shall not relieve the Vendor 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 Vendor 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 Vendor 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 Vendor, 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 Vendor in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the Vendor 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 Vendor, 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 Vendor's risk and expense and without prejudice to any other rights which the Purchaser may have against the Vendor under the contract.

**16. Payment**

- 16.1 The method and conditions of payment to be made to the Vendor under this contract shall be specified in SCC.
- 16.2 The Vendor shall furnish the Purchaser with an invoice accompanied by a copy of the delivery note and upon fulfilment 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 Vendor.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

**17. Prices**

- 17.1 Prices charged by the Vendor for goods/works delivered and/or services rendered under the contract shall not vary from prices quoted by the Vendor in this bid, with an exception of any price adjustments authorized in SCC or 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 Vendor shall not assign, in whole or in part, its obligations to perform under the contract, except with the Purchaser's prior written consent.

**20. Subcontractors**

- 20.1 The Vendor shall notify the Purchaser in writing of all subcontracts awarded under this contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Vendor from any liability or obligation under the contract.

**21. Delay in Vendor's Performance**

- 21.1 Delivery of the goods/works and/or performance of services shall be made by the Vendor 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 Vendor or its subcontractor(s) should encounter conditions impeding timely delivery of the goods/works and/or performance of services, the Vendor 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 Vendor's notice, the Purchaser shall evaluate the situation and may at his discretion extend the Vendor'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 essential services executed if an emergency arises, the Vendor's point of supply is not situated at or near the place the supplies are required or the Vendor's supplies or goods are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the Vendor in the performance of its delivery obligations shall render the Vendor 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 cancelling 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 Vendor'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 Vendor.

## **22. Penalties**

- 22.1 Subject to GCC Clause 25, if the Vendor fails to deliver any or all of the goods/works and/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/works and/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 Vendor, may terminate this contract in whole or in part:
- a) if the Vendor 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 Vendor fails to perform any other obligation(s) under the contract; or
  - c) if the Vendor, 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 and/or services similar to those undelivered, and the Vendor shall be liable to the Purchaser for any excess costs for such similar goods/works and/or services. However, the Vendor 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 Vendor by prohibiting such Vendor 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 Vendor or any person associated with the Vendor, the Vendor 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 Vendor 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 Vendor.
- 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 Vendor 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 Vendors or persons prohibited from doing business with the public sector.

- 23.7 If a court of law convicts a person of an offence as contemplated in sections 12 or 13 of the Prevention and Combating of Corrupt Activities Act, No. 12 of 2004, the court may also rule that such person's name be endorsed on the Register for Tender Defaulters. When a person's name



has been endorsed on the Register, the person will be prohibited from doing business with the public sector for a period not less than five years and not more than 10 years. The National Treasury is empowered to determine the period of restriction and each case will be dealt with on its own merits. According to section 32 of the Act the Register must be open to the public. The Register can be perused on the National Treasury website.

## **24. Anti-Dumping and Countervailing Duties and Rights**

24.1 When, after the date of bid, provisional payments are required, or antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favorable 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 vendor 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 as a result of an event of Force Majeure.

25.2 If a force majeure situation arises, the Vendor shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Vendor 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 on Insolvency**

26.1 The Purchaser may at any time terminate the contract by giving written notice to the Vendor if the Vendor becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Vendor, 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 Vendor 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 Vendor 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 Vendor any monies due the Vendor.

**28. Limitation of Liability**

- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- a) the Vendor 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 Vendor to pay penalties and/or damages to the Purchaser; and
  - b) the aggregate liability of the Vendor 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 Vendor 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 Vendor 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 Vendor 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 Purchaser 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. Transfer of contract**

- 33.1. The contractor shall not abandon, transfer, cede assign or sublet a contract or part thereof without the written permission of the purchaser.

**34. Amendments of contracts**

- 34.1 No agreement to amend or vary a contract or order or conditions, stipulations or provisions thereof

shall be valid and of any force unless such agreement to amend or vary is entered into in writing and signed by the contracting parties. Any waiver of the requirement that the agreement to amend or vary shall be in writing

### **35. National Industrial Participation Programme**

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

### **36. Prohibition of Restrictive Practices**

36.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).

36.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the Purchaser, has / have engaged in the restrictive practice referred to above, the Purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

36.3 If a bidder(s) or contractor(s), has / have been found guilty by the Competition Commission of the restrictive practice referred to above, the Purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid(s) for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder(s) or contractor(s) from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder(s) or contractor(s) concerned.