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# MPUMALANGA PROVINCIAL GOVERNMENT



## DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND & ENVIRONMENTAL AFFAIRS

**BID NUMBER: ALA/606/26/MP**

### **APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE**

ISSUED BY:

Department of Agriculture, Rural Development, Land & Environmental Affairs  
Private Bag X11219  
Mbombela  
1200

NAME OF BIDDER: .....  
TOTAL BID PRICE (all inclusive) :.....  
(Also in words): .....  
.....

**PART A  
INVITATION TO BID**

<b>YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT LAND AND ENVIRONMENTAL AFFAIRS</b>					
BID NUMBER:	<b>ALA/606/26/MP</b>	CLOSING DATE:	<b>01 June 2026</b>	CLOSING TIME:	<b>12H00</b>
DESCRIPTION	<b>APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE</b>				
<b>BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)</b>					
<b>MBOMBELA</b> , Riverside Government Complex, Building No 9, Government Boulevard, Mbombela, 1200, <b>PIET RETIEF</b> , No. 11 Measroch Street, Piet Retief Office, <b>KWAMHLANGA</b> , KwaMhlanga Government Complex, Department of Finance, Building No. 12, Computer Centre <b>SECUNDA</b> No 5 Van Eck Street, Secunda (opposite Sasol Value Gas Garage) Secunda, 2280, <b>BUSHBUCKRIDGE</b> , Bushbuckridge Advice Centre, Department of Finance, Protea building (old Telkom building), <b>MIDDELBURG</b> , Department of Public Works, Cnr. Lillian Ngoyi and Dr Beyers Naudé Streets – Old TPA Building, Upper ground floor, Office numbers A20, 21 and 25, <b>MALELANE</b> , 24 Air Street, Malelane, <b>ELUKWATINI</b> , Elukwatini Sub Regional offices, Office numbers A49 and A50 (opposite Elukwatini Community Hall) Stand number 12 Extension A, Elukwatini 1192. <b>SIYABUSWA</b> Old Parliament Building, Building No.1, Job Skhosana Street, Siyabuswa 0472					
<b>BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO</b>			<b>TECHNICAL ENQUIRIES MAY BE DIRECTED TO:</b>		
CONTACT PERSON	<b>Ms. NI Mbuyane / Ms. TV Dhludhlu</b>		CONTACT PERSON	<b>Ms. SD Maleni</b>	
TELEPHONE NUMBER	<b>013 766 6118 / 013 766 6674</b>		TELEPHONE NUMBER	<b>082 569 0047</b>	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	<a href="mailto:nimbuyane@mpg.gov.za">nimbuyane@mpg.gov.za</a> <a href="mailto:tvmanana@mpg.gov.za">tvmanana@mpg.gov.za</a>		E-MAIL ADDRESS	<a href="mailto:sontocau@gmail.com">sontocau@gmail.com</a> or <a href="mailto:MaleniSD@mpg.gov.za">MaleniSD@mpg.gov.za</a>	
<b>SUPPLIER INFORMATION</b>					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	
<b>QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS</b>					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.</b>					

**PART B  
TERMS AND CONDITIONS FOR BIDDING**

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

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

SIGNATURE OF BIDDER: .....

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

DATE: .....



**MPUMALANGA PROVINCIAL GOVERNMENT  
DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND & ENVIRONMENTAL  
AFFAIRS**

**BID DOCUMENT NO. AS PER DIB BULLETIN**

**BID DOCUMENT**

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT  
OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO  
AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA  
PROVINCE**

**NAME OF BIDDER** : \_\_\_\_\_

**TEL NUMBER** : \_\_\_\_\_

**FAX NUMBER** : \_\_\_\_\_

**PREPARED BY:**



**HEAD : AGRICULTURE, RURAL DEVELOPMENT, LAND & ENVIRONMENTAL AFFAIRS  
PRIVATE BAG X 11219  
MBOMBELA  
1200**

**CONTACT: Ms SD MALENI  
PHONE: (082 569 0047)**

**CLOSING DATE: AS PER BID BULLETIN  
THE BID IS VALID FOR 90 DAYS**

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE**

**BID NOTICE AND INVITATION TO BID**

Bids are hereby invited for **APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.**

Bid documents will be obtainable from the Bid office, **Mbombela Riverside Government Complex, Malelane 24 Air Street, Siyabuswa Old Parliament Building, Middelburg Department of Public Works, KwaMhlanga Government Complex Department of Finance, Piet Retief no. 11 Mearsorch Street, Secunda, No 5 Van Eck Street, Elukwatini Sub-Regional Offices and Bushbuckridge R40 Road, Bakoena Business Complex**, on payment of a non-refundable levy of **R250.00** or can be downloaded at **<https://www.etenders.gov.za/Home/Opportunities>**. Only bank guaranteed cheque or cash will be accepted.

Duly completed Bids enclosed in a sealed envelope marked **“APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE”** with the name of the Bidder, shall be deposited in the clearly marked Bidder boxes provided at the following Supply Chain Offices: Mbombela, Bushbuckridge, Malelane, KwaMhlanga, Middleburg, Siyabuswa, Secunda, Piet Retief and Elukwatini, before 12:00hrs on the closing date as per bid bulletin.

**NB: COMPULSORY BRIEFING SESSION will be held as follows:**

<b>Date and Time</b>	<b>Venue</b>	<b>Location</b>
As per Bid Bulletin	Mkhondo Agrichub. The site location can also be described by the following coordinates: Latitude: -27.032133°S and Longitude: 30.812366°E.	Mkhondo

Telegraphic, telephonic, telex, facsimile, e-mail and late bids WILL NOT be accepted

Bidders should ensure that bids are delivered on time to the correct address. If the bid is late, it will not be accepted for consideration.

All documentation submitted in response to this bid must be in English, unless otherwise indicated under technical specification.

APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE

## 1. BACKGROUND

The Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA) had developed the Mkhondo Agrihub infrastructure located within the Mkhondo Local Municipality in the Gert Sibande District of Mpumalanga Province. Mkhondo Agrichub can be accessed through the N2 road to Pongola. The site location can also be described by the following coordinates: Latitude: -27.032133°S S and Longitude: 30.812366°E.

Figure 1: Layout of the Mkhondo Agrichub



Despite the high volume of livestock production in the Gert Sibande District, small-scale farmers face significant barriers to market entry. Currently, private abattoirs dominate the value chain, often purchasing livestock at low prices while generating high margins post-processing. The Agrihub is strategically positioned along the Mpumalanga–KwaZulu-Natal corridor, serving as a critical node for processing livestock and mitigating the transmission of Foot and Mouth Disease (FMD) while providing a fair market for local and cross-border farmers.

APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRICHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE

The Mkhondo Agrihub was developed as a public agricultural infrastructure investment to:

- **Provide** market access and agro-processing infrastructure.
- **Offer** packaging facilities and cold chain logistics.
- **Deliver** value-addition services.
- **Create** retail and export opportunities.
- **Enhance** food security.
- **Strengthen** rural economic development

Importantly, the Agrihub includes a **fully constructed fresh produce market building that is ready for immediate use**, which will serve as a central packing and distribution hub for fruit and vegetable producers. The Agrihub will therefore support both livestock value chains and fresh produce value chains.

However, portions of the infrastructure currently require refurbishment to meet regulatory and operational standards, particularly compliance requirements under **Meat Safety Act**.

The Mkhondo Agrihub consists of the following infrastructure:

- **Fresh Produce Market Building** — Ready for immediate use, only packhouse equipment is required.
- **Abattoir Building** — Requires refurbishment
- **Multi-species Lairage (cattle and sheep)** — Requires refurbishment
- **Retail Building** — Requires refurbishment
- **Administration Block** — Requires refurbishment
- **Canteen Building** — Requires refurbishment

The Department therefore seeks to appoint a **Strategic Investment Operator** who will:

- Invest capital to refurbish the infrastructure
- Operate and manage the facility
- Facilitate livestock and fresh produce trading and processing
- Support farmer participation in markets
- Ensure long-term sustainability of the Agrihub

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This bid is issued in accordance with Section 217(1) of the Constitution of the Republic of South Africa, 1996, which requires that procurement systems be fair, equitable, transparent, competitive, and cost-effective.

Furthermore, in line with Section 9(2) of the Constitution, the Department recognises the need to implement measures designed to protect or advance persons disadvantaged by unfair discrimination in order to promote the achievement of equality.

Accordingly:

- The bid is open to all capable and qualified bidders.
- Bidders are encouraged to demonstrate meaningful participation by historically disadvantaged persons.
- Enterprises owned or controlled by historically disadvantaged individuals, women, youth, cooperatives, and community-based entities are strongly encouraged to participate.
- Evaluation of bids will be conducted in a fair, transparent, and competitive manner in accordance with applicable procurement legislation.

### **3. PURPOSE**

The purpose of this bid is to appoint a credible, capable and experienced Strategic Investment Operator to:

- Invest in refurbishment of the Mkhondo Agrihub infrastructure
- Operate and manage the entire facility
- Support livestock and fresh produce farmers
- Establish packing and distribution services
- Develop market access systems
- Support export readiness
- Supply government nutrition programmes
- Ensure financial sustainability

#### **4. STRATEGIC MARKET LINKAGES**

The Strategic Investment Operator will utilize the facility to process and prepare products to be sold through the following channels:

##### **4.1 Mpumalanga International Food Market (MIF)**

Located within City of Mbombela local municipality. The Strategic Investment Operator will:

- packed products to the MIF
- Facilitate trading of products
- Ensure compliance with market standards
- Support export readiness

Products delivered to the MIF will be subject to 12.5% commission consisting of:

- 7.5% Transport Market Agent Fee
- 5% Management Fee

##### **4.2 Government Nutrition Programme (GNP)**

The Strategic Investment Operator will:

- Supply food items to the provincial GNP
- Ensure timely delivery
- Maintain quality standards
- Support food security

##### **4.3 Retail Building at the Mkhondo Agrihub**

The Strategic Investment Operator will:

- Sell fresh produce
- Sell meat products
- Serve local consumers

The operator will determine product pricing for retail sales.

##### **4.4 Other markets**

The Strategic Investment Operator will sell products to other retailers/ wholesalers.

## 5. SCOPE OF WORK

The Strategic Investment Operator will be responsible for the following:

### 5.1 Infrastructure Refurbishment (Mandatory)

The operator is responsible for the total financial and technical refurbishment of the following facilities to meet export and compliance standards (including **Halal** and **Meat Safety Act No. 40 of 2000** certifications):

- **Abattoir Building:** Structural repairs and equipment installation.
- **Multi-species Lairage:** Upgrade for cattle and sheep.
- **Retail Building:** General refurbishments and shop-fitting.
- **Admin Block & Canteen:** Electrical, structural, and cosmetic repairs.
- **Fresh produce building:** Installation of packhouse equipment.
- **Auction Facility:** Establishment of a new on-site auction infrastructure and feedlot

*General repairs across all buildings include: Doors, windows, electrical works, wall/floor cracks, and air conditioning.*

### 5.2 Specific Abattoir Compliance Requirements for the abattoir and multi-species lairage

To comply with the Meat Safety Act, the operator must ensure:

From a structural point of view, the following need to be in place.

a) Building meant for alkaline hydrolysis:

- There must be floor to wall or wall to wall rounding (*wall to wall and wall to floor joints **must not** be at a 90° angle as, this does not facilitate good cleaning*);
- Water supply inside building (cold and warm);
- Provision for draining on the floor.
- Alkaline hydrolysis equipment (currently absent).

b) Lairages:

- Poles need to be washable and non-permeable (*preferably galvanised metal painted with non-toxic paint*);
- Floor to be concreted (*Concrete should not be finished with a smooth finish as this will make the floor slippery for the animals*);
- Offloading ramp and lairage floors to have metal grids to prevent animals from slipping.

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- Offloading ramps must be able to cater for various heights on vehicles and must be constructed to ensure that there are no gaps between the vehicles and the ramp when animals are being offloaded.
- Provision for drainage in lairages (*All drains must be covered to prevent animal's limbs from becoming stuck inside of the drains*);
- There should be no protrusion of bolts and nuts in the lairages to prevent cruelty to animals;
- The lairages where sheep or goats will be kept must be roofed.
- Water troughs must be placed 900mm high for cattle and 300mm high for small stock;
- The isolation pen must have solid walls and gate and must not drain across other pens or pose any other contamination risk;
- Passages in the lairages must be 1800mm wide;
- The crush leading to the stunning area must be 900mm wide, and must be designed so that the stunning pen is not visible from the crush or lairages;
- The section of the crush leading into the stunning box must have solid sides;
- Cattle crush should not run directly to roller shutter door of abattoir, there needs to be provision made for stunning box;
- Lairages must be provided with wash points, hoses and reels;

c) Stunning and bleeding areas

- Provision for stunning box, and for carcass to fall into/onto dry landing area;
- There must be provision for a hoist in the bleeding area to lift animal up onto the bleeding line after stunning.
- There must be stunning pistols and cartridges for the stunning of cattle (*with backups for both cattle and sheep if one pistol does not work*)
- There must be floor to wall or wall to wall rounding;
- Provision for drainage;
- Provision for collection and storing of blood
- The trunking for electrical wires and the air conditioner ducts is 4,0m from floor level. There needs to be 4.8m height for the bleeding hoist and 4,5m height for the bleeding rail. Currently the overhead structure in the stunning & bleeding area limits the height at which a bleeding rail can be installed.

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d) Slaughter floor:

- There must be floor to wall or wall to wall rounding (*wall to wall and wall to floor joints must not be at a 90° angle as, this does not facilitate good cleaning*);
- There must be separation between stunning area, bleeding area and dressing area;
- Floor areas need to drain towards the spoon drain system so that water should not flow over walk areas;
- The rails must be at least 700 mm from the sides of a doorway through which carcasses must pass. (Regulation 26 (4));
- Inner window sills must be at a 45° angle;
- Chutes must be sloped at a 45° angle towards the dirtier area;
- There must be provision for a hoist at the point of carcass transfer from the bleeding line onto the dressing line
- There must be ante-chamber area for the dirty area workers (*Ante-chamber is a room where workers can wash their boots hands and aprons for before entering their work area*);

e) Small stock chiller and dispatch:

- The chiller floor must slope towards the drainage channel outside the door;
- There must be a dispatch area for the small stock carcasses with docking seals to ensure that the cold chain can be maintained during dispatch. (*Chiller trucks must be able to dock onto the abattoir dispatch and the have the truck doors open inside the abattoir dispatch, this ensures that the cold chain is maintained*)
- Air temperature of the dispatch area must not exceed 12°C

f) Beef carcass chiller and dispatch

- The rails must be a minimum of 1000mm from the walls of the chillers, and then 900 mm between the rails inside the chillers. (Regulation 28 (2) (a)); and
- There must be provision for a hoist at dispatch.
- The rails in the dispatch area should provide for both beef quarters and sides to be dispatched;
- The dispatch area must have loading ramps able to cater for the heights of various vehicles, must be roofed and have provision for drainage.
- There must be provision for docking seals that will ensure that the cold chain can be maintained during dispatch. (*Chiller trucks must be able to dock onto the abattoir dispatch and the have the truck doors open inside the abattoir dispatch, this ensures*

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*that the cold chain is maintained. As the facility stands there is a concrete slab which prevents trucks from being able to dock directly on the abattoir dispatch)*

- Air temperature of the dispatch area must not exceed 12°C.

g) Hides & skin, and heads & feet room:

- There must be floor to wall and wall to wall rounding (*wall to wall and wall to floor joints **must not** be at a 90° degree angle as, this does not facilitate good cleaning*);
- The drainage pipes should be preferably at least 150mm to avoid potential blockages; (*Abattoirs make use of a lot of water and there is a chance of solids and fats passing through the drains, these have a tendency to block the drains*)

h) Rough offal room:

- There must floor to wall and wall to wall rounding (*wall to wall and wall to floor joints **must not** be at a 90° angle as, this does not facilitate good cleaning*);
- Provision must be made to remove stomach contents from the room (*abattoirs make use of an auger system or wheeled bins*)
- Provision must be made to collect the stomach contents on the outside of the room. (*This is usually done in a skip which is then removed regularly or when full to an approved dumping site or an approved compost/ fertiliser company. Most abattoirs make use of more than one skip as stomach contents will build up several times over the course of an operational day*)

i) Clean area change rooms:

- Provision for clean area change rooms must be made as currently there are only toilet facilities for men and women respectively;

Please note the following:

Premises must be of such design, construction and finish and must be so equipped, in such condition and so located that they can be used at all times for the purpose for which they were designed, equipped and appointed –

(a) without creating a health hazard; and

(b) in such a manner that meat –

(i) can be handled hygienically on these premises or with equipment on the premises;  
and

(ii) can be protected by the best available method against contamination or spoilage by poisons, offensive gasses, vapours, odours, smoke, soot deposits, dust, moisture,

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insects or other vectors or by other physical, chemical or biological contamination or pollution.

Equipment –

- (a) must be corrosion resistant and non-toxic and may not taint or stain meat;
- (b) must have surfaces which are smooth, impervious and free of holes, cracks and sharp corners, and must be sterilizable; and
- (c) may not contaminate meat with lubricants.

Containers used to hold meat must comply with sub regulation (1) (*safe for handling of food*) and if the sides and bottoms are constructed with openings they must be designed so that meat cannot protrude through the openings or make contact with the floor.

Sterilizers must be readily accessible and must–

- (a) be placed on dressing platforms and **within three meters of workstations, adjacent to hand wash-basins** in rooms and areas where –
  - (i) animals are slaughtered;
  - (ii) carcasses, meat and offal are detained;
  - (iii) condemned material is handled; or
  - (iv) meat is otherwise handled;

*The sterilisers on site are not sufficient for the facility, and the exact number required is difficult to indicate at this stage.*

Hand wash-basins must be readily accessible and be –

- (a) placed on dressing platforms and **within three meters of workstations** in rooms and areas where –
  - (i) animals are slaughtered;
  - (ii) carcasses, meat and offal are detained;
  - (iii) condemned material is handled; or
  - (iv) meat is otherwise handled;
- (b) corrosion resistant;
- (c) provided with taps that are not hand or elbow operated;

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- (d) supplied with warm running water at not less than 40°C;
- (e) provided with an inlet, overflow and outlet and must drain through a down pipe directly into a closed drainage system or into an open channel, but such drainage water may not flow over the floor across areas where traffic occurs; and
- (f) fitted with a dispenser for liquid germicidal soap as well as hand drying facilities, unless the drying of hands is not necessary in the area where the basin is situated.

## 6. BUSINESS MODEL

The operator will partner with DARDLEA using a Financial Cascading Model.

- **Cascading Model:** The operator will fund 100% of the refurbishments. In return, a profit-sharing agreement using a cascading model will be implemented to allow the operator to recoup their capital investment over the contract period.
- **Farmer Options:** The operator must offer farmers two payment models:
  - Immediate payment upon delivery.
  - Deferred payment post-processing (allowing farmers to benefit from value-added margins).
- **Auction Revenue:** The operator will benefit from livestock auction prices and commission.

## 7. BIDDER'S PROPOSAL

Bidders are required to submit a detailed Proposal that specifically addresses the following six pillars:

### 7.1 Community Engagement & Social Inclusion

The bidder must outline a strategy for:

- **Stakeholder Liaison:** How they will engage with local traditional authorities, commodity organisations and farmer associations in Mkhondo.
- **Conflict Resolution:** A mechanism for managing disputes between the operator and local suppliers/farmers.
- **Localized Benefits:** A plan for prioritizing local labor for the refurbishment phase and permanent operational roles.

## 7.2 Operations Plan

The bidder must provide a "Day-to-Day" operational manual, including:

- **Process Flow:** Detailed workflow for the fresh produce (fruit and vegetables) and from livestock offloading at lairages to stunning, dressing, and packaging.
- **Cold Chain Logistics:** Managing the transport of perishables to the **Mpumalanga International Food Market (MIF)** and the **Government Nutrition Programme (GNP)**.
- **Auction Management:** A schedule and logistical plan for hosting livestock auctions that maximize farmer participation.

## 7.3 Management Services

Details on the governance of the facility:

- **Organizational Structure:** Key personnel roles (e.g., Facility Manager, Veterinary Liaison, Quality Controller).
- **Compliance Management:** How the operator will maintain Halal certification, food safety and Meat Safety Act standards on an ongoing basis.
- **Reporting:** A framework for monthly reporting to DARDLEA regarding volumes processed, farmer payouts, and profit-share calculations.

## 7.4 Development of Trading Facility as a Catalyst for Transformation

This is the core "Social Mandate" of the project. The bidder must demonstrate:

- **Market Access:** How they will move small-scale farmers from the "cheap price" trap of private abattoirs to the higher-value processed meat market, as well as fresh produce (fruits and vegetables)
- **Skills Development:** Programmes to train farmers on meeting local and export-quality standards for meat and fresh produce.
- **Enterprise Development:** Encouraging small-owned businesses to provide ancillary services (e.g., transport, cleaning, security) to the Agrihub.

## 7.5 Financially Viable Operation (Business Case)

A financial projection including:

- **Revenue Streams:** Income from the abattoir, fresh produce, retail shop, auction commissions, and GNP supply contracts.
- **Break-even Analysis:** Projecting when the initial refurbishment CAPEX will be recovered under the **Cascading Model**.
- **Risk Mitigation:** Financial safeguards against livestock disease outbreaks or market fluctuations.
- **CAPEX Commitment:** The total upfront investment the bidder is prepared to commit for refurbishments.
- **Cascading Model Timeline:** Estimated duration for each "Tier" of the profit-sharing model based on realistic throughput volumes.
- **Revenue Projection (Net Contribution to DARDLEA):** A clear breakdown of the anticipated financial return to the Department after the CAPEX recovery phase.

## 7.6 Asset Management and Maintenance Plan

As the infrastructure belongs to DARDLEA, the operator acts as a custodian. The proposal must include:

- **Preventative Maintenance:** A schedule for servicing the Alkaline Hydrolysis equipment, hoists, refrigeration units, and AC systems, ect.
- **Lifecycle Replacement:** A fund or plan for replacing wear-and-tear items (e.g., lairage metal grids, stunning pistols) to ensure the facility does not fall back into disrepair.
- **Security Plan:** Protecting the infrastructure from vandalism and theft.

## 8. PRESENTATION PROPOSAL

Shortlisted bidders will be invited to a formal presentation session. The presentation must demonstrate the bidder's integrated approach to managing both the **Livestock (Abattoir/Lairage)** and **Fresh Produce (Market Building)** components.

The presentation must specifically cover the following five (5) areas:

### 8.1 Operational Management Plan

- **Integrated Workflow:** How the bidder will manage the simultaneous operation of the **Fresh Produce Market** and the **Abattoir**.

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- **Logistics:** Specifics on the "Farm-to-Agrihub-to-MIF and other markets" transport loop for perishables.
- **Quality Control:** Standard Operating Procedures (SOPs).

## 8.2 Property Development Plan

- **Refurbishment Strategy:** Detailed execution plan for the abattoir, retail, admin, and canteen buildings.
- **Auction Facility Design:** Visual or technical concept for the new on-site auction infrastructure.
- **Future Scalability:** Potential for adding value-added services (e.g., cold storage expansion or juicing plants or processing facility for infected livestock).

## 8.3 Environmental Management Systems (EMS)

- **Waste Valorisation:** Plans for organic waste from the fresh produce building (composting) and abattoir by-products.
- **Resource Efficiency:** Solar integration or water recycling systems to lower the carbon footprint of the Agrihub.

## 8.4 Marketing Strategy

- **Brand Development:** How the Mkhondo Agrihub brand will be positioned in the Mpumalanga and KZN markets.
- **Farmer Recruitment:** Strategies to attract farmers to utilize the facility.

## 8.5 Trading Model

- **GNP Integration:** How the bidder will coordinate the sourcing and delivery of products to the **Government Nutrition Programme (GNP)**.
- **MIF Trading:** The strategy for trading high-quality surplus at the **Mpumalanga International Food Market** for export purposes.

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**9. MANDATORY COMPLIANCE LAWS**

Below is a list of all key compliance Acts and regulations applicable to the Mkhondo Agrihub

Compliance Area	Applicable Legislation / Authority	Key Requirement	Responsible Party	Evidence Required	Frequency
Abattoir Registration	Meat Safety Act	Register abattoir before operation	Strategic Investment Operator	Abattoir registration certificate	Once-off + renewal
Animal Welfare	Animal Protection Act	Humane handling and slaughter	Operator	Animal welfare compliance report	Continuous
Disease Control	Animal Diseases Act	Biosecurity and disease control	Operator	Veterinary clearance	Continuous
Food Safety	Foodstuffs, Cosmetics and Disinfectants Act	Safe food handling	Operator	Health certificate	Annual
Product Quality	Agricultural Product Standards Act	Grading and packaging compliance	Operator	Product compliance certificate	Continuous
Worker Safety	Occupational Health and Safety Act	Safe working environment	Operator	Safety compliance report	Annual
Environmental Compliance	National Environmental Management Act	Environmental protection	Operator	Environmental authorization	Once-off
Waste Management	National Environmental Management Waste Act	Safe disposal of waste	Operator	Waste disposal permit	Continuous
Building Compliance	National Building Regulations and Building Standards Act	Structural compliance	Operator / DARDLEA	Occupancy certificate	Once-off
Employment Compliance	Labour Relations Act	Labour law compliance	Operator	Employment records	Continuous
Procurement Compliance	Public Finance Management Act	Financial accountability	DARDLEA / Operator	Financial reports	Annual
Export Compliance	Perishable Products Export Control Act	Export certification	Operator	Export certificate	Per shipment
National Health Compliance	National Health Act	Regulates public health standards	Operator		Continuous
Local Government Municipal Systems Compliance	Local Government Municipal Systems Act	Regulates municipal service delivery	Operator		Continuous

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## **10. EXPECTED OUTPUT**

The appointed Strategic Investment Operator will deliver:

- Refurbished infrastructure
- Operational abattoir
- Functional fresh produce packing facility
- Functional livestock auction facility and feedlot
- Increased farmer participation
- Improved livestock prices
- Improved fruit and vegetable market access
- Export-ready products
- Sustainable Agrihub operations
- Job creation
- Revenue generation
- The Agrihub operating independently from government support
- Reliable food supply to government programmes

## **11. EVALUATION PROCESS**

The valuation process comprises of the following phases:

### **Phase I: Initial screening process**

During this phase bid documents will be reviewed to determine compliance with the following:

- Bidders must attend the compulsory briefing session and must sign the attendance register.
- SBD forms (SBD 1, SBD 4 & SBD 6.1) must be honestly, fully completed and signed by the bidder
- Signed Joint Venture Agreement and Power of Attorney in case of Joint Ventures must be submitted.
- Bidders must submit a Company Profile which includes previous contract work done, value of the work and contactable references per contract.

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- Bidders must submit a comprehensive, detailed, and viable business proposal

**All bidders must be registered with the Central Operator Database (CSD) failure to do so will be automatically disqualified.**

NB: It is the responsibility of the bidder to ensure that the following key information is in order to avoid any disqualification during the bid evaluations:

- The Business registration status
- Bid restrictions and defaulters status
- Identification number and the service of the state status

**Failure to submit or adhere to the above “Phase I” requirements will lead to automatic disqualification.**

**Phase II: Functionality evaluation as per attached Terms of Reference**

- a) Bids will be evaluated strictly according to the bid evaluation criteria stipulated in the terms of reference
- b) Bidders must as part of their bid documents, submit supportive documentation for all technical requirements as indicated hereunder. The panel responsible for scoring for the respective bids will evaluate and score all bids based on their submissions and the information provided.
- c) Bidders will not rate themselves, but need to ensure that all information is supplied as required. The Bid Evaluation committee (BEC) will evaluate and score all responsive bids and will verify all documents submitted by the bidders.
- d) The BEC members will individually evaluate the responses received against the following criteria as set out below:

**EVALUATION CRITERIA ON FUNCTIONALITY**

<b>QUALITY &amp; BID EVALUATION CRITERIA FOR PREFERENCE AND PRICE</b>			
<b>CRITERIA</b>	<b>EVIDENCE</b>	<b>POINTS</b>	<b>WEIGHTING</b>
<p><b>Detailed viable proposal</b></p> <p>A detailed Proposal that specifically addresses the following six (6) pillars:</p> <ul style="list-style-type: none"> <li>• Community Engagement &amp; Social Inclusion</li> <li>• Operations Plan</li> <li>• Management Services</li> <li>• Development of Trading Facility as a Catalyst for Transformation</li> <li>• Asset Management and Maintenance Plan</li> <li>• Financially Viable Operation</li> </ul> <p>NB: All shortlisted service providers will be invited for presentation.</p>	No information submitted to determine the scoring level or Proposal with one (1) of the details above	1	<b>20</b>
	Proposal with two (2) of the details above	2	
	Proposal with three (3) of the details above	3	
	Proposal with five (5) of details above	4	
	Proposal with all details above	5	
<p><b>Financial Capacity</b></p> <p>They must demonstrate:</p> <ul style="list-style-type: none"> <li>• Access to capital: Attached bank confirmation letter stating available funds or creditworthiness</li> <li>• Funding availability: Attached grant approval or signed letter of intent from financial institution</li> <li>• Investment capability: Attached capital investment plan &amp; proof of investment project completed</li> </ul>	No information submitted to determine the scoring level	1	<b>20</b>
	Demonstrated one (1) of the listed financial capability	2	
	Demonstrated two (2) of the listed financial capability	3	
	Demonstrated three (3) of the listed financial capability	4	

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<b>QUALITY &amp; BID EVALUATION CRITERIA FOR PREFERENCE AND PRICE</b>			
<b>CRITERIA</b>	<b>EVIDENCE</b>	<b>POINTS</b>	<b>WEIGHTING</b>
<ul style="list-style-type: none"> <li>Financial sustainability: Attached audited financial statements (last 2 years)</li> </ul>	Demonstrated four (4) of the listed financial capability	5	
<p><b>Transport and logistics capacity</b></p> <p>They must demonstrate:</p> <ul style="list-style-type: none"> <li>Refrigerated trucks (cold chain): vehicle registration or signed lease agreement &amp; temperature control specification</li> <li>Distribution vehicles (LDV &amp; trucks): vehicle registration or signed lease agreement</li> </ul> <p><i>Attach proof of ownership (certified registration certificate, valid license disc) if owned by the Bidder</i> OR</p> <p><i>Signed hiring arrangement that refers to this contract if intended to be leased/hired. Attach proof of ownership (certified registration certificate, valid license disc) if owned by the Bidder</i> <i>Certification should not be more than 6 months by the closing of bid</i></p>	No information submitted to determine the scoring level	1	<b>20</b>
	Demonstrated one (1) of the listed details above	3	
	Demonstrated two (2) of the listed details above	5	
<p><b>Details of staff available for this contract</b></p> <ol style="list-style-type: none"> <li>Minimum NQF level 6 in Food science with ISO 22000 and HACCP (Hazard Analysis and Critical Control Points) certification,</li> <li>Four-year Degree in Agricultural Economics,</li> <li>Minimum NQF level 6 in Logistics,</li> <li>Minimum NQF level 6 in Health and Safety,</li> <li>Minimum NQF level 6 in business management,</li> </ol>	No information submitted to determine the scoring level or two of the required skills	1	<b>20</b>
	Three of the required skills	2	
	Four of the required skills	3	
	Five of the required skills	4	
	Six of the required skills	5	

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<b>QUALITY &amp; BID EVALUATION CRITERIA FOR PREFERENCE AND PRICE</b>			
<b>CRITERIA</b>	<b>EVIDENCE</b>	<b>POINTS</b>	<b>WEIGHTING</b>
<p>6. Qualified veterinarians registered with the South African Veterinary Council (SAVC)</p> <p><i>Attach CVs, certified copies of qualifications, proof of registration with relevant body and signed letters of consent from the relevant personnel, referring to this bid document. Certification should not be more than 6 months by the closing of bid. SAQA verification certificate will be required for qualifications obtained outside South Africa</i></p>			
<p><b>Previous experience of similar contracts</b></p> <p><b><i>Bidders to submit proof of proven track record and a high level of experience operating:</i></b></p> <ul style="list-style-type: none"> <li>• Agrihubs</li> <li>• Food processing facilities</li> <li>• Abattoir operations</li> <li>• Livestock markets</li> <li>• Supply chain operations</li> </ul> <p>Attach signed reference letters by the client. The signed reference letter must include the following information: Project details, Duration, Contact Details of reference and completion date</p> <p>Note: Failure to attach signed reference letters will lead to no scoring on the evaluation area</p>	No information submitted to determine the scoring level	1	20
	Signed reference letters covering 2 (two) of the listed operations	2	
	Signed reference letters covering 3 (three) of the listed operations	3	
	Signed reference letters covering 4 (four) of the listed operations	4	
	Signed reference letters covering 5 (five) of the listed operations	5	
	<b>TOTAL</b>		<b>100</b>

**Only bidders who attain a minimum of 70 percent on Functionality will qualify to proceed for further evaluation on Price and Preference points.**

**The bid evaluation committee may conduct physical verification during the evaluation process.**

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- e) Each panel member will rate each individual criterion on the score sheet using the following scale:  
**1- Poor, 2 - Average, 3 - Good, 4 - Very Good, 5- Excellent**
- f) Individual value scores will be multiplied with the specified weighting for the criterion to obtain the marks scored for all elements. These marks will be added and expressed as a fraction of the best possible score for all criteria. This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 70% for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder.
- g) The value scored for each criterion will be multiplied with the specified weighting for the relevant criterion to obtain the marks scored for each criterion. These marks will be added and expressed as a fraction of the best possible score for all criteria.
- h) This score will be converted to a percentage and only bidders that have met or exceeded the minimum threshold of 70 percent for functionality will be evaluated and scored in terms of pricing and socio-economic goals as indicated hereunder.
- i) Any proposal not meeting a minimum score of 70 percent functionality proposal will be disqualified.
- j) The price will not be evaluated at this stage

### 7.2.2 Phase III: Price / Financial stage

- a) Price / Financial proposal must be submitted in South African Rand.
- b) The following formula will be used to calculate the points for price in respect of this bid:

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

Where

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

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- c) The responsive bids will be adjudicated by the State whether the 80/20 or 90/10 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.
- The bid price (maximum 80/90 points)
  - Specific goals (maximum 20/10 points)
- d) The department reserves the right to arrange contracts with more than one contractor.
- e) The Preferential Procurement Policy Framework Act 2000 (PPPFA) Preferential Procurement Regulations 2022, Regulations were gazetted on 4 November 2022 (No. 47552) Vol.689 and effective from 16 January 2023. This bid will be evaluated as per above mentioned regulations. Bidders are required to submit evidence by which preference points can be claimed based on the specific goals determined by the Department. In case of a Joint Venture, the average score of the joint companies will be considered for determining preference point score.
- f) A maximum of 20/10 points may be awarded to a bidder for full complying with specific goals requirements stipulated in the table below. For this bid the maximum number preference points that could be allocated to a bidder are indicated below:

<b>Specific Goal</b>	<b>Maximum Preference Points Allocated</b>	<b>Minimum Proof required for claiming preference points</b>
An Enterprise owned by black people	4/2	CIPC enterprise registration certificate, certified ID copies of company owners and certified Accredited B-BBEE status level contributor certificate or signed sworn affidavit
An Enterprise owned by youth (35 years or younger)	4/2	CIPC enterprise registration certificate, certified ID copies of company owners and certified Accredited B-BBEE status level contributor certificate or signed sworn affidavit
An Enterprise owned by women	4/2	CIPC enterprise registration certificate, certified ID copies of company owners and

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		certified Accredited B-BBEE status level contributor certificate or signed sworn affidavit
An Enterprise owned by persons with disability	4/2	Proof of disability (Certificate from a medical doctor that specifies the nature of the disability)
An enterprise owned by Military veterans	4/2	A confirmation letter from the Department of Military Veterans confirming the individual's status as a military veteran and that they have not been dishonourably discharged from that military organization or force.
<b>TOTAL</b>	<b>20/10 POINTS</b>	

**Failure to submit the required evidence will lead to allocation of zero (0) preference points.**

- a) The Certified copies should not be made more than 6 months by the closing of the bid.
- b) The points scored by a bidder in respect of the points indicated above will be added to the points scored for price.
- c) Supply Chain Management may, before a bid is adjudicated or at any time, require a bidder to substantiate claims it has made with regard specific goals.
- d) Points scored will be rounded off to the nearest 2 decimals.
- e) In the event that two or more bids have scored equal total points, the contract will be awarded to the bidder scoring the highest number on specific goals. Should two or more bids be equal in all respects, the award shall be decided by drawing lots.
- f) The contract will be awarded to the highest scored bidder/s.

NB: It is the responsibility of the service provider to ensure that tax is compliant during the appointment stage.

- Where the recommended bidder is not tax compliant, the bidder will be notified by email or in writing of their non-compliant status and the bidder will be requested to provide written proof

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from SARS on their compliance status or proof that they have made an arrangement to meet their outstanding tax obligation, within 7 working days. The bidder should thereafter provide the Department with proof of their tax compliance status which should be verified via the Central Supplier Database.

- Should the recommended bidder fail to provide written proof of their tax compliance status within seven (7) working days for bids; the Accounting Officer or Accounting Authority must reject the bid submitted by the bidder.
- Where goods and services have been delivered satisfactory without any dispute the department must not delay the processing of payments as a result of outstanding tax matters.
- A bidder must register for Value Added Tax (VAT) if the total value of taxable goods or services awarded is more than R1 million in a 12-month period or is expected to exceed this amount.

## **12. SPECIAL CONDITION OF CONTRACT**

This bid and all contracts emanating thereof will be subject to the General Conditions of contract issued in accordance with Treasury Regulations 16A published in terms of the Public Finance Management Act, 1999 (Act 1 of 1999 as amended). The Special Conditions of Contract are supplementary to those of the General Conditions of contract. However, where the Special Conditions of Contract are in conflict with the General Conditions, the Special Conditions take precedence.

- a. The Department reserves the right NOT to appoint any operator/investor(s) if it deems fit that the bid is non-responsive.
- b. The original bid documents must be completed in black ink, and any use of correction fluid will nullify the bid.
- c. The Pricing Schedule must be fully completed. Any blank spaces or use of correction fluid in the bid document will result in disqualification.
- d. Alterations or the use of a custom-designed Bill of Quantities (BoQ) will result in disqualification.
- e. The Department (DARDLEA) reserves the right to suspend/ terminate the contract if the successful bidder/s does not comply with any stipulations contained in the contract.
- f. The Department (DARDLEA) reserves the right to request further information from

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the bidder/s any time to clarify aspects in the bid(s). The requests will be in writing.

- g.* The Department (DARDLEA) reserves the right to verify information and documentation of the bidder/s.
- h.* The Department (DARDLEA) reserves the right to ensure that the bidder/s has at his/her disposal the necessary infrastructure (owned or leased) to execute the contract to the satisfaction of DARDLEA prior to the awarding of the contract.
- i.* The Department (DARDLEA) reserves the right to inspect the necessary infrastructure for the execution of the contract prior to the awarding of the contract.
- j.* The Department (DARDLEA) reserves the right to appoint one or more operator(s) or to withdraw the bid.
- k.* If it is shown that errors or shortcomings exist in the implementation of the contract, the operator shall be required to perform corrective services to remedy such errors at no cost to the Department (DARDLEA). Such errors or shortcomings shall be corrected within five (5) working days.
- l.* The Department (DARDLEA) reserves the right to reject services/goods/works that does not meet the required standard and to engage a different operator to complete the work. The bidder shall be served with seven (7) days written notice for termination of contract in case of unsatisfactory performance.
- m.* Performance management
  - i.* Operator Performance Management is viewed by the DARDLEA as a critical aspect in ensuring value for money in terms of acquisition and good operator relations (between the DARDLEA and all its operators).
  - ii.* The successful bidder shall, upon receipt of written notification of an award, sign a Service Level Agreement (SLA) with the DARDLEA. The SLA will serve as a tool to measure, monitor and assess the operators' performance level and ensure effective delivery, quality and value add of the service to the DARDLEA.
  - iii.* Bidder(s) are required to comply with the above conditions listed in (i) - (ii), and also provide a scorecard on how their product / service offering is being measured to achieve the objectives of this conditions.
- n.* Meat Inspector Appointment and Compliance  
The Agrihub Operator shall, at its own cost, ensure that a duly qualified and registered Meat Inspector is appointed, either through direct employment or by formal contractual agreement, for the abattoir operations.

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The appointed Meat Inspector must:

- Be registered with the relevant regulatory authority in terms of the Meat Safety Act 40 of 2000 and any applicable regulations.
- Be present or available as required to conduct ante-mortem and post-mortem inspections of all animals slaughtered at the facility.
- Ensure full compliance with all applicable food safety, hygiene, and meat inspection standards.

The Agrihub Operator shall:

- Maintain valid proof of appointment or contract of the Meat Inspector at all times.
- Ensure that no slaughtering activities take place in the absence of a duly appointed Meat Inspector.
- Comply with any directives issued by the Meat Inspector or relevant authorities.

Failure to comply with this clause shall constitute a material breach of contract and may result in suspension of abattoir operations and/or termination of this Agreement.

### **13. CLIENT BASE**

The information submitted concerning the experience may be verified in terms of contactable references which are on the company profile. The references may include the names of relevant persons as well as their phone numbers and email addresses.

DARDLEA may utilize this data to obtain information during the evaluation and adjudication process.

### **14. INDEMNITY IMPLICATIONS**

Successful service providers must be prepared to enter into a service level agreement with the DARDLEA.

DARDLEA reserves the right to award this bid on a non-exclusive basis, i.e. DARDLEA may procure similar services outside this bid with the view of securing the best service and value for money.

## **15. COMMUNICATION**

Supply Chain Management will communicate with bidders for, among others. Where bid clarity is sought, to obtain information or to extend the validity period. Any communication either by electronic mail or any other form of correspondence to any government official, department or representative of a testing institution or a person acting in an advisory capacity for DARDLEA in respect of this bid between the closing date and the award of the bid by the bidder is prohibited.

## **16. COUNTER CONDITIONS**

Bidders' attention is drawn to the fact that amendments to any of the Special Conditions by bidders will result in invalidation of such bids.

## **17. PROHIBITION OF RESTRICTIVE PRACTICES**

In terms of the Competition Act No. 89 of 1998, all applicable sections of the relevant Acts will be covered under the Service Level Agreement (SLA).

## **18. FRONTING**

DARDLEA supports the spirit of broad based black economic empowerment and recognizes that real empowerment can only be achieved through individuals and businesses conducting themselves in accordance with the Constitution and in an honest, fair, equitable, transparent and legally compliant manner. Against this background, DARDLEA condemns any form of fronting.

DARDLEA, in ensuring that bidders conduct themselves in an honest manner will, as part of the bid evaluation processes, conduct or initiate the necessary enquiries/investigations to determine the accuracy of the representation made in bid documents. Should any of the fronting indicators as contained in the Guidelines on Complex Structures and Transactions and Fronting, issued by the Department of Trade and Industry be established during such enquiry/investigation, the onus will be on the bidder / contractor to prove that fronting does not exist.

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Failure to do so within a period of 14 days from date of notification may invalidate the bid/contract and may also result in the restriction of the bidder/contractor to conduct business with public sector for a period not exceeding ten years, in addition on any other remedies DARDLEA may have against the bidder/contractor concerned.

Fronting is prohibited. Any bidder found to have fronted shall automatically be disqualified. For contracts already awarded, the contract shall be cancelled and any costs borne shall be for the account of the defaulting Bidder. These costs shall include the costs of appointing another Bidder to complete the work.

**19. RIGHT OF DARDLEA TO INVESTIGATE AND SEEK CLARIFICATION**

- The Department may, in its sole discretion, seek clarification, during the process. In the process of clarification, no change in the substance of the Technical Section or in the Financial Section shall be sought, offered or permitted.
- The Department shall, seek all clarifications in writing and the bidders responses shall also be in writing. Without limiting the information above, the Department may, in its sole discretion;
- Investigate evidence of the ability and experience of a Bidder under consideration, including joint venture partners, proposed sub-contractors, and parties otherwise related to the Bidder or the Bidder's Proposal; and
- Require or seek out confirmation from other parties of information furnished by a Bidder.

**20. VALIDITY PERIOD**

Proposals shall remain valid for ninety (90) days after the date of proposal submission. A proposal valid for a shorter period may be rejected by the department (DARDLEA) on the grounds that it is non-responsive.

In exceptional circumstances, the department (DARDLEA) may solicit the bidder's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. A bidder granting the request will not be required nor permitted to modify their Proposal.

## **21. ASSUMPTION OF DUTY**

The successful bidder(s) will be expected to offer the services for a minimum of 10 years renewable not exceeding a maximum of 20 years after signing of the Service Level Agreement (SLA).

## **22. MONITORING**

Bidder(s) are to note that the Department (DARDLEA) will monitor and evaluate the project. The bidder must report within 7 (seven) days after the end of each quarter on the performance of the project. Designated DARDLEA staff and representatives must have unrestricted access to the facility and all information regarding operations.

## **23. SIGNATURE OF AUTHORITY.**

Only persons duly authorized by a company shall sign the documents that are to be submitted to the Department. A letter of authorization must accompany bid documents. In terms of joint ventures, a document of establishment of the venture must accompany bid documents. Representatives of all the parties in the joint venture shall sign the establishment document.

## **24. ACCEPTANCE AND REJECTION**

The Department may reject any bid document if it deviates from the set criteria and reserves the right to accept or reject any bid if it does not meet the necessary requirements.

## **25. TIME SCHEDULE**

This bid will be valid for **90 days** after closing date. In cases where the bidder(s) fails to sign the contract of agreement or produce the required security within the required time, be unable to undertake work given or withdraw during the appointment period, the bidder(s) shall repay the full expenses of re-advertising and preparing of new bids. This shall not apply if the Department accepts another bidder(s) from the list.

## **26. JURISDICTION**

The applicable legislation of the Republic of South Africa shall apply to each contract on its acceptance as *domicilium citandi et executandi*, where any legal process may be resumed on the contractor.

Each bidder(s) binds itself to the jurisdiction and the stipulated laws of the Republic of South Africa.

## **27. MEDIATION AND ARBITRATION**

Mediation and Arbitration proceedings shall be in terms of rules laid by the Law Society of South Africa.

## **28. ENQUIRIES**

### **Technical enquiries**

Ms SD Maleni

Tel: 082 569 0047

sontocau@gmail.com/ MaleniSD@mpg.gov.za

### **Administrative Enquiries:**

Ms. NI Mbuyane / Ms TV Dhludhlu

Tel: 013 766 6183 / 013 766 6674

nimbuyane@mpg.gov.za /vmanana@mpg.gov.za

*No visit to the respective persons will be entertained to ensure fairness to all prospective bidders and for audit ability purposes.*

**Closing Date: AS PER BID BULLETIN**



**Particulars of tender (If applicable)**

Tender number

Estimated Tender amount R

Expected duration of the tender year(s)

**Particulars of the 3 largest contracts previously awarded**

Date started	Date finalised	Principal	Contact person	Telephone number	Amount
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**Audit**

Are you currently aware of any Audit investigation against you/the company? YES NO  
If "YES" provide details

[Empty box for providing details of audit investigations]

**Appointment of representative/agent (Power of Attorney)**

I the undersigned confirm that I require a Tax Clearance Certificate in respect of Tenders or Goodstanding.

I hereby authorise and instruct to apply to and receive from SARS the applicable Tax Clearance Certificate on my/our behalf.

	Date
Signature of representative/agent	
Name of representative/agent	

**Declaration**

I declare that the information furnished in this application as well as any supporting documents is true and correct in every respect.

	Date
Signature of applicant/Public Officer	
Name of applicant/Public Officer	

**Notes:**

1. It is a serious offence to make a false declaration.
2. Section 75 of the Income Tax Act, 1962, states: Any person who
  - (a) fails or neglects to furnish, file or submit any return or document as and when required by or under this Act; or
  - (b) without just cause shown by him, refuses or neglects to-
    - (i) furnish, produce or make available any information, documents or things;
    - (ii) reply to or answer truly and fully, any questions put to him ...
 As and when required in terms of this Act ... shall be guilty of an offence ...
3. SARS will, under no circumstances, issue a Tax Clearance Certificate unless this form is completed in full.
4. Your Tax Clearance Certificate will only be issued on presentation of your South African Identity Document or Passport (Foreigners only) as applicable.

## BIDDER'S DISCLOSURE

**1. PURPOSE OF THE FORM**

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

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

**2. Bidder's declaration**

2.1 Is the bidder, or any of its directors / trustees / shareholders / members / partners or any person having a controlling interest<sup>1</sup> in the enterprise, employed by the state? **YES/NO**

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

Full Name	Identity Number	Name of State institution

2.2 Do you, or any person connected with the bidder, have a relationship

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

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

2.2.1 If so, furnish particulars:

.....  
.....

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

2.3.1 If so, furnish particulars:

.....  
.....

**3 DECLARATION**

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium<sup>2</sup> will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring

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

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

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

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

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

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

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

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

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

**1. GENERAL CONDITIONS**

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

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

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

a) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The 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
<b>PRICE</b>	80 / 90
<b>SPECIFIC GOALS</b>	20 /10
<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.

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.**

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**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**

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

**3.2.1. POINTS AWARDED FOR PRICE**

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

$$Ps = 80 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right) \text{ or } Ps = 90 \left( 1 + \frac{Pt - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.**

**4. POINTS AWARDED FOR SPECIFIC GOALS**

- 4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:
- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—
- (a) an invitation for tender for income-generating contracts, that either the 80/20 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or
  - (b) any other invitation for tender, that either the 80/20 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,
- then the organ of state must indicate the points allocated for specific goals for 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 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 or 90/10 system) (To be completed by the organ of state)	Number of points claimed (80/20 or 90/10 system) (To be completed by the tenderer)
An Enterprise owned by black people	4 / 2	
An Enterprise owned by youth (35 years or younger)	4 / 2	
An Enterprise owned by women	4 / 2	
An Enterprise owned by persons with disability	4 / 2	
An enterprise owned by Military veterans	4 / 2	

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.**

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**DECLARATION WITH REGARD TO COMPANY/FIRM**

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

4.4. Company registration number: .....

4.5. TYPE OF COMPANY/ FIRM

Partnership/Joint Venture / Consortium

One-person business/sole propriety

Close corporation

Public Company

Personal Liability Company

(Pty) Limited

Non-Profit Company

State Owned Company

[TICK APPLICABLE BOX]

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

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
  - (a) disqualify the person from the tendering process;
  - (b) recover costs, losses or damages it has incurred or suffered as a result of that person's conduct;
  - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
  - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

**APPOINTMENT OF A CREDIBLE, CAPABLE AND EXPERIENCED STRATEGIC INVESTMENT OPERATOR(S) TO INVEST, REFURBISH, MANAGE AND OPERATE THE MKHONDO AGRIHUB LOCATED UNDER MKHONDO LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.**

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(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>	.....
	.....
	.....
	.....

# **THE NATIONAL TREASURY**

**Republic of South Africa**



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## **GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT**

**July 2010**

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

**NOTES**

The purpose of this document is to:

- (i) Draw special attention to certain general conditions applicable to government bids, contracts and orders; and
- (ii) To ensure that clients be familiar with regard to the rights and obligations of all parties involved in doing business with government.

In this document words in the singular also mean in the plural and vice versa and words in the masculine also mean in the feminine and neuter.

- The General Conditions of Contract will form part of all bid documents and may not be amended.
- Special Conditions of Contract (SCC) relevant to a specific bid, should be compiled separately for every bid (if applicable) and will supplement the General Conditions of Contract. Whenever there is a conflict, the provisions in the SCC shall prevail.

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## General Conditions of Contract

### 1. Definitions

1. The following terms shall be interpreted as indicated:
  - 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
  - 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
  - 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
  - 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 "Day" means calendar day.
  - 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
  - 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
  - 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

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

## **2. Application**

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

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

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

## **3. General**

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

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

## **4. Standards**

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

## **5. Use of contract documents and information; inspection.**

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

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

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

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

## **6. Patent rights**

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

**7. Performance security**

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

**8. Inspections, tests and analyses**

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

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

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

#### **9. Packing**

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

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

#### **10. Delivery and documents**

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

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

#### **11. Insurance**

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

#### **12. Transportation**

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

#### **13. Incidental services**

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

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

- (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and
- (e) training of the purchaser's personnel, at the supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied goods.

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

#### 14. Spare parts

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

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

#### 15. Warranty

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

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

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

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

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

such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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

supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.

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

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

## 22. Penalties

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

## 23. Termination for default

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

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

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

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

23.4 If a purchaser intends imposing a restriction on a supplier or any

person associated with the supplier, the supplier will be allowed a time period of not more than fourteen (14) days to provide reasons why the envisaged restriction should not be imposed. Should the supplier fail to respond within the stipulated fourteen (14) days the purchaser may regard the intended penalty as not objected against and may impose it on the supplier.

- 23.5 Any restriction imposed on any person by the Accounting Officer / Authority will, at the discretion of the Accounting Officer / Authority, also be applicable to any other enterprise or any partner, manager, director or other person who wholly or partly exercises or exercised or may exercise control over the enterprise of the first-mentioned person, and with which enterprise or person the first-mentioned person, is or was in the opinion of the Accounting Officer / Authority actively associated.
- 23.6 If a restriction is imposed, the purchaser must, within five (5) working days of such imposition, furnish the National Treasury, with the following information:
- (i) the name and address of the supplier and / or person restricted by the purchaser;
  - (ii) the date of commencement of the restriction
  - (iii) the period of restriction; and
  - (iv) the reasons for the restriction.

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

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

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

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

may be due to him

**25. Force Majeure**

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

**26. Termination for insolvency**

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

**27. Settlement of Disputes**

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

**28. Limitation of liability**

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

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.
- 29. Governing language** 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.
- 30. Applicable law** 30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.
- 31. Notices** 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice
- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.
- 32. Taxes and duties** 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.
- 33. National Industrial Participation (NIP) Programme** 33.1 The NIP Programme administered by the Department of Trade and Industry shall be applicable to all contracts that are subject to the NIP obligation.
- 34 Prohibition of Restrictive practices** 34.1 In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 34.2 If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

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