



TENDER NO: RFP30/12/2023

A PANEL OF REGISTERED PROPERTY VALUERS SERVICE PROVIDERS FOR A PERIOD OF THREE YEARS

ISSUED BY:

Department of Infrastructure Development
Chief Directorate Supply Chain Management
Private Bag X 83
Marshalltown
2107

Dec 2023

NAME OF TENDERING ENTITY:

INVITATION TO TENDER

| | | | | | | | | | |
|---|--|----|-----------------------------------|----|--|----|-----------------------------------|----|----------------|
| Short description of requirements: | A Panel of registered Property Valuers service providers for a period of three years | | | | | | | | |
| Tender number: | RFP30/12/2023 | | | | | | | | |
| Tender documents available from: 08 December 2023 | Tender documents can be downloaded from: E-Tender portal on the below link: http://e-tenders.treasury.gov.za http://e-tenders.gauteng.gov.za | | | | | | | | |
| Price of tender documents: | Bid documents must be downloaded and printed on the e-Tender portal at bidders' cost | | | | | | | | |
| Closing date: | 16 January 2024 | | | | | | | | |
| Tender Validity | Calendar 180 days | | | | | | | | |
| Address for submission of tenders: | Department of Infrastructure Development (GDID Tender Box) Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown Johannesburg 2000 | | | | | | | | |
| Evaluation Steps: | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px;">1)</td> <td>Mandatory Compliance Requirements</td> </tr> <tr> <td>2)</td> <td>Other Admin Compliance Requirements Applicable to this Procurement</td> </tr> <tr> <td>3)</td> <td>Functionality Evaluation Criteria</td> </tr> <tr> <td>4)</td> <td>Specific Goals</td> </tr> </table> | 1) | Mandatory Compliance Requirements | 2) | Other Admin Compliance Requirements Applicable to this Procurement | 3) | Functionality Evaluation Criteria | 4) | Specific Goals |
| 1) | Mandatory Compliance Requirements | | | | | | | | |
| 2) | Other Admin Compliance Requirements Applicable to this Procurement | | | | | | | | |
| 3) | Functionality Evaluation Criteria | | | | | | | | |
| 4) | Specific Goals | | | | | | | | |
| Compulsory pre-bid meeting/site meeting: | <p>MEETING ADDRESS:</p> <p>Lower ground Auditorium Department of Infrastructure Development Corner House Building, Corner Commissioner and Pixley Ka Isaka Seme (Sauer Street) Marshalltown, Johannesburg</p> <p>DATE OF MEETING: 13 December 2023</p> <p>TIME: 10h00 am</p> | | | | | | | | |
| Mandatory Compliance Requirements | Failure to submit / meet or comply with the following requirements outlined in Section 13.1 automatically constitutes disqualification of tender offer. | | | | | | | | |

| | |
|--|---|
| Other Administrative Requirements | The returnable documents applicable to Section 13.2 of the Terms of reference must be fully completed and submitted. |
| Functionality Evaluation | Functionality evaluation will be conducted in accordance with Section 13.3 of the Terms of Reference. |

| | |
|--|--|
| Enquiries Technical: | Project Manager: Eric Lekaje Email Address: eric.lekaje@gauteng.gov.za |
| Enquiries general: | SCM: Millicent Chauke Email Address: millicent.chauke@gauteng.gov.za |
| Last date for accepting queries is: | 3 days before closing date |

Note to tenderers:
All successful service provider will be subject to signing Service Level Agreement (SLA) and standard Rates as prescribed by the department and the Preferential Procurement Policy Framework Act no 5 of 2000 and its Regulations of 2022.

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (GAUTENG DEPARTMENT OF INFRASTRUCTURE)

| | | | | | |
|-------------|---------------|---------------|-----------------|---------------|----------|
| BID NUMBER: | RFP30/12/2023 | CLOSING DATE: | 16 JANUARY 2024 | CLOSING TIME: | 11:00 AM |
|-------------|---------------|---------------|-----------------|---------------|----------|

| | |
|-------------|--|
| DESCRIPTION | A PANEL OF REGISTERED PROPERTY VALUERS SERVICE PROVIDERS FOR A PERIOD OF THREE (3) YEARS. |
|-------------|--|

BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)

| |
|-------------------------------|
| Corner House Building |
| 63 Commissioner Street |
| Johannesburg |
| 2001 |

SUPPLIER INFORMATION

| | | | |
|----------------|--|--|--|
| NAME OF BIDDER | | | |
|----------------|--|--|--|

| | | | |
|----------------|--|--|--|
| POSTAL ADDRESS | | | |
|----------------|--|--|--|

| | | | |
|----------------|--|--|--|
| STREET ADDRESS | | | |
|----------------|--|--|--|

| | | | | |
|------------------|------|--|--------|--|
| TELEPHONE NUMBER | CODE | | NUMBER | |
|------------------|------|--|--------|--|

| | | | | |
|------------------|--|--|--|--|
| CELLPHONE NUMBER | | | | |
|------------------|--|--|--|--|

| | | | | |
|------------------|------|--|--------|--|
| FACSIMILE NUMBER | CODE | | NUMBER | |
|------------------|------|--|--------|--|

| | | | |
|----------------|--|--|--|
| E-MAIL ADDRESS | | | |
|----------------|--|--|--|

| | | | |
|-------------------------|--|--|--|
| VAT REGISTRATION NUMBER | | | |
|-------------------------|--|--|--|

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

| | | | | | |
|--|----------|--|-----------|---------|--|
| | TCS PIN: | | OR | CSD No: | |
|--|----------|--|-----------|---------|--|

| | | | | |
|--|---|-----------|-------------------------------------|---|
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE [TICK APPLICABLE BOX] | <input type="checkbox"/> Yes <input type="checkbox"/> No | OR | B-BBEE STATUS LEVEL SWORN AFFIDAVIT | <input type="checkbox"/> Yes <input type="checkbox"/> No |
|--|---|-----------|-------------------------------------|---|

| | | | |
|---|--|---|---|
| <u>ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES /WORKS OFFERED?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF] | <u>ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?</u> | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ANSWER PART B:3 BELOW] |
| <u>SIGNATURE OF BIDDER</u> | | <u>DATE</u> | |
| <u>CAPACITY UNDER WHICH THIS BID IS SIGNED (Attach proof of authority to sign this bid; e.g. resolution of directors, etc.)</u> | | | |
| <u>TOTAL NUMBER OF ITEMS OFFERED</u> | | <u>TOTAL BID PRICE (ALL INCLUSIVE)</u> | |
| BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO: | | TECHNICAL INFORMATION MAY BE DIRECTED TO: | |
| DEPARTMENT/ PUBLIC ENTITY | Department of Infrastructure Development | CONTACT PERSON | Eric Lekalaje |
| CONTACT PERSON | Millicent Chauke | TELEPHONE NUMBER | N/A |
| TELEPHONE NUMBER | N/A | FACSIMILE NUMBER | N/A |
| FACSIMILE NUMBER | N/A | E-MAIL ADDRESS | |
| E-MAIL ADDRESS | millicent.chauke@gauteng.gov.za | eric.lekaje@gauteng.gov.za | |

**PART B
TERMS AND CONDITIONS FOR BIDDING**

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR ONLINE**
- 1.3. **BIDDERS MUST REGISTER ON THE CENTRAL SUPPLIER DATABASE (CSD) TO UPLOAD MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS; AND BANKING INFORMATION FOR VERIFICATION PURPOSES). B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.**
- 1.4. **WHERE A BIDDER IS NOT REGISTERED ON THE CSD, MANDATORY INFORMATION NAMELY: (BUSINESS REGISTRATION/ DIRECTORSHIP/ MEMBERSHIP/IDENTITY NUMBERS; TAX COMPLIANCE STATUS MAY NOT BE SUBMITTED WITH THE BID DOCUMENTATION. ORIGINAL B-BBEE CERTIFICATE OR SWORN AFFIDAVIT FOR B-BBEE MUST BE SUBMITTED TO BIDDING INSTITUTION.**
- 1.5. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER LEGISLATION OR SPECIAL CONDITIONS OF CONTRACT.

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE PROOF OF TCS / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS PINS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL DATABASE (CSD) A CSD NUMBER MUST BE PROVIDED

3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

- 3.1. IS THE BIDDER A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?
 YES NO
- 3.2. DOES THE BIDDER HAVE A BRANCH IN THE RSA?
 YES NO
- 3.3. YES NO
- 3.4. DOES THE BIDDER HAVE A PERMANENT ESTABLISHMENT IN THE RSA?
 YES NO
- 3.5. DOES THE BIDDER HAVE ANY SOURCE OF INCOME IN THE RSA?
 YES NO

IF THE ANSWER IS “NO” TO ALL OF THE ABOVE, THEN, IT IS NOT A REQUIREMENT TO OBTAIN A TAX COMPLIANCE STATUS / TAX COMPLIANCE SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.

NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. BIDDER'S DECLARATION

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

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

| Full Name | Identity Number | Name of State institution |
|-----------|-----------------|---------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

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

2.2.1 If so, furnish particulars:

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

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

2.3.1 If so, furnish particulars:

.....
.....

3 DECLARATION

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

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

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

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



TENDER NO: RFP30/12/2023

SPECIFICATION

**A PANEL OF REGISTERED PROPERTY VALUERS SERVICE
PROVIDERS FOR A PERIOD OF THREE YEARS**

CONTENTS

1. PURPOSE
2. BACKGROUND
3. OBJECTIVES/ PROJECT AIMS
 - 3.1 Title Deed information and other information
 - 3.2 Certificate of Value
 - 3.3 Physical description of the property
 - 3.4 Establishment of comparable sales
 - 3.5 Application of comparable
4. RISK
5. SCOPE OF WORK
6. TENDER VALIDITY PERIOD
7. DURATION OF THIS TENDER
8. OBJECTIVE CRITERIA APPLICABLE TO THIS BID
9. WORK ALLOCATION
10. TENDER SYSTEM
11. TENDER SUBMISSION
12. VALUATION FEE STRUCTURE
13. EVALUATION PROCESS
 - 13.1 MANDATORY
 - 13.2 OTHER ADMINISTRATIVE REQUIREMENTS
 - 13.3 FUNCTIONALITY EVALUATION CRITERIA
 - 13.4 SPECIFIC GOALS

1. PURPOSE

The Gauteng Department of Infrastructure Development (“GDID”) intends to appoint a panel of service providers to conduct property valuations to update the maintenance of the life cycle recorded in the Immovable Asset Register utilising the property valuation reports to be provided.

2. BACKGROUND

The cost of asset is defined as the total cost of acquisition. In cases where the cost could not be determined accurately, the immovable capital asset was stated at R1 unless the Fair Value has been reliably estimated.

However, the majority of carrying values (Historical Cost) in the Immovable Asset Register (IAR) and Annual Financial Statements (AFS) are not reliable and can no longer be traced to supporting documentation or valuation methods (legacy premise immovable asset register), given the state of accounting records and lack of audit trails.

The immovable properties to be valued are situated in five corridors of the Gauteng Province, the table below indicates the number of properties per corridor (Please note the number is subject to change at any given time):

| TABLE 2. CORRIDOR NO. | CORRIDOR | NUMBER OF PROPERTIES |
|----------------------------------|-------------------|-----------------------------|
| 1 | Central Corridor | 3100 |
| 2 | Eastern Corridor | 1618 |
| 3 | Northern Corridor | 1887 |
| 4 | Southern Corridor | 1109 |
| 5 | Western Corridor | 565 |
| TOTAL | | 8279 |

3. OBJECTIVES/ PROJECT AIMS

The primary objective of this project is to undertake immovable property valuations on behalf of DID to update the IAR, for various purposes and to include the following documents as part of the submission of the Valuation Reports. The valuer is expected to cover all the items listed below in the valuation report.

3.1 Title Deed Information and Other Relevant Information

- Title deed (Number, date registered and office of registration)
- Full description of property(s) as per Title Deed.
- Registered owner(s) from the first registration date of the subject property.
- Extent of property
- Date of acquisition by current owner
- Purchase price (any subsequent changes)
- Current Mortgage Bonds
- All relevant title conditions (including servitudes, endorsement and caveats)

- Existing lease agreements or other registered land rights
- Mineral rights (if applicable)
- Any unregistered rights and how it impacts on value
- The confirmation of water use entitlement from the Department of Water and Sanitation.
- The valuer must indicate if the farm is operating as single unit.
- Surveyor-General's diagram of property.

3.2 Certificate of Value

- Assumption and limiting conditions
- Certificate of Value
- Sign the valuation report and the Certificate as follows; his/ her name and surname, signature, registration number and registration category of the SACPVP.

3.3 Physical Description of the Property

- Situation
- Nature of surrounding neighborhood/ area
- Distances from important points
- Availability of services and amenities
- Historical background, if applicable
- Features of property, including topography, soil types, shape, etc.
- Climatic conditions and water supply, if applicable
- Buildings and other improvements-herewith a detailed discussion of improvements is necessary, including Gross Building Areas, age and condition.

3.4 Establishment of Comparable Sales:

The valuer should indicate comparable factors and comparable properties:

- Indicate the scope of the deeds search in terms of radius and time frame of sales
- Include a list of all comparable sales and not only selected sales with which subject property has been compared
- Comparable properties, explain why certain sales were excluded from further analysis
- Indicate how market data were interpreted, adjusted and applied
- Comparable price per hectare for different kinds of land use
- Detailed discussion on the following:
 - o Full names, period of service, number of households of labourers / tenants
 - o Whether there are illegal occupants or not
 - o Market identification of property - potential and highest and best use
 - o Market conditions

NOTE: All sales of properties acquired by the State must be excluded for comparative purposes, provided further that in the event of insufficient sales, such transactions involving acquisition of properties by the State may be considered on condition that it is clearly indicated as such.

3.5 Application of Comparable Sales:

- Explain Method of valuation and applicability
- Motivation including all calculations showing how comparable sales have been adjusted and applied
- Value conclusion and Certificate of Value.

The Certificate of Value (or Valuers Certificate, Valuation Certificate, etc.) is a statement to the effect that the valuer has reached his or her conclusion on the basis of considering all relevant factors, subject to stated assumptions and limiting conditions, and without prejudice due to any present or contemplated interest in the properties or the outcome of the valuations.

4. RISKS

The overall risk for not implanting the above project objectives/ aims will lead to continuous no compliance and incompleteness (Audit Findings) of the GPG assets register which leads to poor management, maintenance of Immovable assets including poor budgeting for those assets.

5. SCOPE OF WORK

Independent Professional Services Providers are required to conduct Property Valuations for the Gauteng Provincial Government Asset Register. The IAR portfolio value has been populated using Municipal Valuations Rolls (**MVR**) and the Fair Value Model. This does not reflect the true value of the portfolio, as it is conducted in line with Municipal Property Rates Act, which intends to regulate the power of a municipality to impose rates on property.

It is therefore necessary to conduct Market Related Valuations to address the following:

- Rental Determination on leased properties
- Portfolio of evidence such as Zoning Information, SG Diagrams etc.
- Lodging of Objections and Appeals on Valuations Rolls published by Municipalities and eliminates paying assets accounts that may not belong to GPG property portfolio (CLAIMS)
- Acquisition or Disposals of immovable assets
- Annual Financial Statements
- Generally, Recognized Accounting Practice for future compliance Properties which currently need to be valued:
- Number of properties = ± 8279 (incl of 1265 Future, Deemed & Vested)
- Profiling and Valuations Report of all properties to be valued = 8279.

6. TENDER VALIDITY PERIOD

Tender validity period is 180 calendar days.

7. DURATION OF THE PROJECT

7.1 This panel of service providers will be for a period of three (3) years after appointment.

7.2 The Department reserves its discretionary right to award a tender.

7.3 The successful service providers will be expected to provide a quote, as and when required, for the services required on the planning and implementation.

8. OBJECTIVE CRITERIA APPLICABLE TO THIS BID

The Department believes that the property rates payable to the municipalities are higher than the value of our properties, hence the Department intends to appoint independent service providers to conduct property valuations for GPG owned immovable assets. The Department will not contract with a service provider who has been involved or contracted by the municipality for the same service in the same corridor. The report of an independent service provider will enable the Department to challenge the municipality property rates where necessary.

9. WORK ALLOCATION

The work allocation for all successful Bidders will be allocated on rational basis for the duration of the contract.

10. TENDER SYSTEM

The project is not a two envelop system, the details (including price offers) of all bids received on closing time will be read in public immediately after closing time.

11. TENDER SUBMISSION

No late bids will be accepted and no fax, email, CD tender documents will be accepted. Tender document must be delivered on the address mentioned in the invitation to tender.

12. VALUATIONS FEE STRUCTURE

The valuations fees will be as per Annexure A – Fees Structure attached which will be increased at a rate of 6% per annum for the duration of the project.

| Value of Property | Basic Tariff | Adjusted Tariff | Additional to Basic Tariff |
|--|-----------------|--------------------|------------------------------------|
| 1. Up to R50 000 | R500 | R1 066 | |
| 2. From R50 000 to R150 000 | R500 | R1 066 | R15,00 per R1 000 over R50 000 |
| 3. From R150 000 to R350 000 | R2 000 | R4 266 | R10,00 per R1 000 over R150 000 |
| 4. From R350 000 to R500 000 | R4 000 | R8 532 | R8,00 per R1 000 over R350 000 |
| 5. From R500 000 to R750 000 | R5 200 | R11 091 | R6,00 per R1 000 over R500 000 |
| 6. From R750 000 to R1 000 000 | R6 700 | R14 291 | R4,00 per R1 000 over R750 000 |
| 7. From R1 000 000 to R5 000 000 | R7 700 | R16 424 | R1,50 per R1 000 over R1 000 000 |
| 8. From R5 000 000 to R10 000 000 | R13 700 | R29 221 | R1,40 per R1 000 over R5 000 000 |
| 9. From R10 000 000 to R25 000 000 | R20 700 | R44 152 | R1,20 per R1 000 over R10 000 000 |
| 10. From R25 000 000 to R50 000 000 | R38 700 | R82 544 | R0,70 per R1 000 over R25 000 000 |
| 11. From R50 000 000 to R100 000 000 | R56 200 | R119 871 | R0,40 per R1 000 over R50 000 000 |
| 12. Over R100 000 000 | R76 200 | R162 529 | R0,20 per R1 000 over R100 000 000 |
| NB: Fees to be applied in terms of condition set out "GUIDELINE PROFESSIONAL FEES Effective 01 October 2010" adjusted at 6% annually since published. | | | |

13. EVALUATION PROCESS

Evaluation Steps:

- i. Mandatory
- ii. Other Administrative Requirements
- iii. Functionality Evaluation Criteria
- iv. Specific Goals

13.1 MANDATORY COMPLIANCE REQUIREMENTS

N.B. Failure to submit / meet or comply with the following requirements automatically constitute disqualification of tender offer.

- Invitation to Bid (SBD 1)
- Bidder's Disclosure (SBD 4)
- Submission of completed preference claim form (SBD 6.1)
- Submission of signed JV agreement or consortia agreement in case of Joint Venture/ Consortium that must stipulate the percentage revenue split between the parties
- Bidders to provide an undertaking that on appointment confirming:
 - o They will have in their employ a minimum of two (2) x Professional Valuers per corridor, which number shall be applicable for the duration of the contract.
 - o In the event where they lose any of the minimum two (2) x Professional Valuers required at any time after appointment due to resignation or some other reason, then the Bidders must ensure that they are substituted by Professional Valuers with the same qualifications and experience and are employed, within 60 (sixty) days.
- Bidders to declare that they have not conducted property valuations on behalf of any municipality in the corridor which they are bidding for, within the past 5 years. *Failure to declare such activity and the Department concludes that such information is false the bidder will be disqualified or their contract will be terminated in whole or in part and if applicable, any losses will be recovered from the bidder.*

NB: All parties to a joint venture or consortium should submit all of the above documents.

13.2 OTHER ADMINISTRATIVE REQUIREMENTS

- Proof of Registration with CSD (the CSD report or MAAA number). CSD registration report for each main bidder, partner in the trust, consortium or joint venture to be submitted.
- Submission of a Tax Compliance Status PIN that will grant a third-party access to the bidder's Tax Compliance Status. (A trust, consortium or joint venture must submit a Tax Compliance Status Pin of each partner in the trust, consortium or joint venture)
- Registration Documents of the business with the Companies and Intellectual Property Commission (CIPC)
- Certified ID copies for all members / directors / shareholders or owner/s to be submitted. (Certification of documents should not be older than 6 months).

13.3 FUNCTIONALITY EVALUATION CRITERIA

The functionality evaluation will be conducted by the Bid Evaluation Committee. The evaluation process will be based on threshold criteria. Points allocated for Functionality shall be evaluated in accordance with the Evaluation Criteria outlined below:

Functionality will be scored out of 100 points and the minimum threshold to obtain to qualify for appointment is 65 points. Bidders who fail to meet the minimum threshold will not be considered for this Bid.

FUNCTIONALITY EVALUATION CRITERIA:

| | |
|--|------------|
| Functionality: | |
| Functionality total points: | 100 |
| Minimum points that should be achieved to be found responsive: | 65 |

| Main functionality criteria: | Points allocation for sub-criteria: | Total Points | |
|---|--|--------------|------------------|
| COMPANY EXPERIENCE Demonstrated experience of tendering entity with respect to property valuation management services | Bidders to provide proof of work on previously completed Valuation Work on Immovable Assets with Fully Motivated Valuation Reports which has all the information as indicated in 3.1 to 3.5 of this BID Document signed copy and not older than 12 months for the following valuation purpose criteria: <ol style="list-style-type: none"> 1. Rental Determination 2. Historical Values 3. Purchase and Sales / Acquisition & Disposal 4. Objections and Appeals (Attach Objections and Appeal outcome where applicable) 5. Immovable Assets Register Purposes <p>NB: Each criteria valuation purpose will carry 8 points and should the bidder submit valuation reports for the same valuation purpose, as indicated from 1-5 valuation purposes above, only 1 x valuation report will be counted.</p> | | |
| | 5 Valuation Reports confirming completion Valuation Reports of all five (5) valuation purpose criteria listed above with reports indicating that the Bidder was the company who conducted valuations / the Professional Valuer / Professional Associates who are part of the Human Resource of the company in this Bid. | 40 Points | 40 Points |
| | 4 Valuation Reports confirming completion Valuation Reports of any four (4) valuation purpose criteria listed above with reports | 32 Points | |

| | | |
|---|---|------------------|
| | <p>indicating that the Bidder was the company who conducted valuations / the Professional Valuer / Professional Associates who are part of the Human Resource of the company in this Bid</p> | |
| | <p>3 Valuation Reports confirming completion Valuation Reports of any three (3) valuation purpose criteria listed above with reports indicating that the Bidder was the company who conducted valuations / the Professional Valuer / Professional Associates who are part of the Human Resource of the company in this Bid.</p> | <p>24 Points</p> |
| | <p>2 Valuation Reports confirming completion Valuation Reports of any two (2) valuation purposes criteria listed above with reports indicating that the Bidder was the company who conducted valuations / the Professional Valuer / Professional Associates who are part of the Human Resource of the company in this Bid.</p> | <p>16 Points</p> |
| | <p>1 Valuation Report confirming completion Valuation Reports of one (1) valuation purpose criteria listed above with reports indicating that the Bidder was the company who conducted valuations / the Professional Valuer / Professional Associates who are part of the Human Resource of the company in this Bid.</p> | <p>8 Points</p> |
| | <p>No Valuation Reports.</p> | <p>0 Points</p> |
| <p>Note: Valuation Reports must have contactable details of the client that the valuation was conducted for, and the client must not be an individual but a registered company / government department / parastatal.</p> | | |

| | | | |
|--|---|------------------|-------------------------|
| <p>QUALIFICATION OF KEY PERSONNEL (qualification/s must be certified, and certification of qualification/s should not be older than 6 months)</p> | <p>Key staff (assigned personnel) in relation to the scope of property valuations services. Attach CV's with reference and certified copies of professional registration with the SACPVP as professional Property Valuer or Professional Associated Valuer without restrictions:</p> | <p>20 Points</p> | <p>40 Points</p> |
| <p>EXPERIENCE OF KEY PERSONNEL</p> | <p>EXPERIENCE OF KEY PERSONNEL OF REGISTERED PROFESSIONAL PROPERTY VALUERS OR PROFESSIONAL ASSOCIATED VALUER (WITHOUT RESTRICTION): Must attach CVs of each valuer (key personnel)</p> <p>Registered Professional Property Valuers or Professional Associated Valuer – with at least 5 years' experience in property valuation = 10 points per Valuer</p> <p>Professional Property Valuer/s or Professional Associated Valuer/s – with less than 5 years' experience will score zero (0) points.</p> <p>Failure to attach CVs and professional registration with the SACPVP will result in the bidder forfeiting points.</p> | <p>20 Points</p> | |
| | <p>NB! Key staff who do not meet the stated minimum qualification requirements will score zero (0) points.</p> | | |

| | | |
|---|--|-------------------|
| PROJECT PLAN | A Detailed Project Plan, detailed work breakdown structure, clear timeframe aligned to the project duration to include the following: | |
| | A project plan demonstrating that a service for property valuations of 8279 will be completed within: | 20 Points |
| | 2 years or less | 20 Points |
| | More than 2 years but less than 2 years and 6 months | 15 Points |
| | More than 2 years and 6 months but less than 3 years | 10 Points |
| | Over 3 years or no project plan | 0 Points |
| Total Functionality points | | 100 points |
| Minimum Threshold to be found responsive | | 65 points |

13.4 SPECIFIC GOALS

The enterprises are scored out of a maximum of 20 points for socio-economic goals.

| HDI TARGETED GROUPS – AT-LEAST 51% OWNERSHIP AS FOLLOWS: | POINTS ALLOCATION |
|--|--------------------------|
| TOWNSHIPS, RURAL OR UNDERDEVELOPED AREAS: The address on CIPC company registration documents will be utilized to determine the allocation of points, no points will be allocated if the company is not registered under the township, Rural or Underdeveloped area. | 3 POINTS |
| WOMEN: (Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided. | 2 POINTS |
| YOUTH: Provide ID documents for Members / shareholder / Directors / Owner, no points will be allocated if ID's are not provided. | 5 POINTS |
| PEOPLE WITH DISABILITY (PwD): provide a confirmation letter / certificate from medical practitioner, no points will be allocated if no confirmation letter or certificate from medical practitioner stating the permanent disability for the owner / director / member shareholder of the company | 5 POINTS |
| MILITARY VETERANS: provide a confirmation letter with a force number from the Department of Military Veterans, no points will be allocated if no confirmation letter or certificate from Department of Military Veterans is submitted, stating the membership of the owner/ director / member shareholder of the company. | 5 POINTS |
| TOTAL HDI's POINTS | 20 POINTS |

Annexure A

GOVERNMENT PROCUREMENT GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

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

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2. “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance 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.

- 11.2 " 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 ancillaries to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical

assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.

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

2. Application

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

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

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

3. General

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

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

4. Standards

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

5. Use of contract documents and information; inspection.

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

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

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

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

6. Patent rights

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

7. Performance security

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

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

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

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

(b) a cashier's or certified cheque

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

8. Inspections, tests and analyses

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

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

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

- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal, the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

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

10. Delivery and documents

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

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

11. Insurance

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

12. Transportation

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

13. Incidental Services

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

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

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

14. Spare parts

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

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

15. Warranty

15.1 The supplier warrants that the goods supplied under the

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

- 18.1 No variation in or modification of the terms of the contract shall

- Amendments** 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 contract 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 cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the 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 212;
- (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.

General Conditions of Contract (revised February 2008)