



**APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE
MORULA HOTEL AND ASSOCIATED AMENITIES FOR A
PERIOD OF 10 YEARS.**

TENDER NUMBER: NWHC 05/2023

CLOSING DATE: 26 MAY 2023

CLOSING TIME: 11H00

NAME OF BIDDER :

CONTACT PERSON :

ADDRESS OF BIDDER:

.....

TEL NUMBER : (.....)

EMAIL :

CSD NUMBER :

BBBEE LEVEL :

ISSUED BY:
SUPPLY CHAIN MANAGEMENT
NORTH WEST HOUSING CORPORATION
23 FIRST STREET
SEGARONA BUILDING
INDUSTRIAL SITE, MAFIKENG
2745
TEL: [018] 110 0761

TENDER NOTICE

NWHC 05/2023

Bids are hereby invited for the **APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS.**

In order to achieve its management objectives, the NWHC requires the services of an experienced service provider for the **APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS**

A Compulsory site briefing meeting will be held on 26th April 2023 at 11h00. The venue is Morula Resort with GPS Co- ordinates: Latitude: - 25.522317 S Longitude: 28.033031 E

Bidders are advised to use a high clearance vehicle.

Completed bid documents accompanied by all necessary documents are to be placed in a sealed envelope with the bid name and number (as given above) clearly written in an envelope. **All bids must be deposited in the Tender Box, at the offices of the North West Housing Corporation at No. 23 First Street, Segarona Building, Industrial Site, Mahikeng, 2745, by not later than 11h00 on Thursday, 18 May 2023, at which time the bids will be opened in public.**

For all enquiries regarding the bid document please contact Mr. Frilymo Makwati at 018 381 5029, e-mail: flmakwati@nwhc.co.za or Contact Mr. Brian Segapo for technical enquires at 018 381 5029 during working normal hours, email kbsegapo@nwhc.co.za.

MANDATORY RETURNABLE DOCUMENTS	SUBMITTED [Yes/No]
CENTRALIZED SUPPLIER DATABASE REPORT (FULL CSD REPORT) APRIL 2023	
Signed General conditions of contract	
Invitation to Bid (SBD 1)	
Bidders Disclosure (SBD 4)	
Preference Claim Form (SBD 6.1)	
Joint Venture Declaration Form	
Joint Venture Agreement	
Authority to sign bid documents	
Company details	
STAGE 1: COMPLIANCE REQUIREMENTS	
Attendance of Compulsory Site Briefing	
STAGE 2: FUNCTIONALITY	
Proof of Company Experience	
Proposed operational plan	
Audited or reviewed annual financial statement with at least net asset value of R4m	
Proof of availability of funds for furniture, fittings, and kitting of the facility	
Proof of availability of working capital of at least 10% of forecasted annual turnover	
Proof of accommodation facilities' management experience	
Proof of activities' provision or management experience or partnerships	
Proof of registration with an affiliated tourism body	
STAGE 3: PRICE PROPOSAL	
Financial Proposal	
Proof of Specific Goals Preference Points Claim as follows:	
ID Copies of Directors	
CIPC registration certificates	
Medical certificate for disability Preference Points Claim	
Municipal account or Proof of Address or lease agreement	

PART A
INVITATION TO BID

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE EASTERN CAPE PARKS & TOURISM AGENCY					
BID NUMBER:	NWHC 05/2023	CLOSING DATE:	18 May 2023	CLOSING TIME:	11h00am
DESCRIPTION	APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
23 FIRST STREET, SEGARONA BUILDING, INDUSTRIAL SITE					
MAHIKENG					
2745					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO:		
CONTACT PERSON	Mr. Frilymo Makwati		CONTACT PERSON	Mr. Brian Segapo	
TELEPHONE NUMBER	018 381 5029		TELEPHONE NUMBER	018 381 5029	
FACSIMILE NUMBER			FACSIMILE NUMBER		
E-MAIL ADDRESS	flmakwati@nwhc.co.za		E-MAIL ADDRESS	kbsegapo@nwhc.co.za	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]		B-BBEE STATUS LEVEL AFFIDAVIT	SWORN [TICK APPLICABLE BOX]	
	Yes	No		Yes	No
[A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR PREFERENCE POINTS FOR B-BBEE]					

1 ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS / SERVICES / WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	2 ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS/ SERVICES/ WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
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QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS

IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? ☐ YES ☐ NO

DOES THE ENTITY HAVE A BRANCH IN THE RSA? ☐ YES ☐ NO

DOES THE ENTITY HAVE PERMANENT ESTABLISHMENT IN THE RSA? ☐ YES ☐ NO

DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? ☐ YES ☐ NO

IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? ☐ YES ☐ NO

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

PART B
TERMS AND CONDITIONS FOR BIDDING

1. BID SUBMISSION:

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED– (NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

- 2.1 BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.
- 2.2 BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.
- 2.3 APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILING THROUGH THE SARS WEBSITE WWW.SARS.GOV.ZA.
- 2.4 BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
- 2.5 IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED; EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
- 2.6 WHERE NO TCS 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:

.....

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1.1 BACKGROUND

The North West Housing Corporation (NWHC) is a legal entity established in terms of the North West Housing Corporation Act No. 24 of 1982 and it is classified as a Schedule 3 (c) public entity, in terms of the Public Finance Management Act No. 1 of 1999.

The NWHC exists to provide and further the provision of Housing, Shelter and Accommodation to Low-income Communities.

1.2 Vision

A preferred provider of accommodation and shelter.

1.3 Mission

To provide integrated, sustainable shelter and property solutions.

1.4 Values

The NWHC's staff aligns their behaviour to the company's shared values as listed below, which support, and is informed by, the organisation's vision and mission:

- Respect for others
- Professionalism
- Innovation
- Efficiency and effectiveness
- Ethical conduct
- Accountability
- Transparency

1.5 BID CONDITIONS

Bids and all correspondence and documents relating to Bids shall be in English language.

The submission of a Bid by a Bidder implies full knowledge and acceptance of, and submission to, all the terms and conditions set out in this RFP, the concession Agreement and under the applicable laws of the Republic of South Africa.

The bidders may only request clarification in writing before the closing date stated in the Tender Notice. All queries and clarifications must be in writing and submitted by the **12 May 2023**

Bidders shall be responsible for any and all costs, expenses and losses incurred by them in the preparation and submission of Bids or otherwise in connection with the Tender. NWHC will not compensate Bidders for any such costs, expenses or losses, regardless of the outcome of the Tender.

Bidders **must** be registered with the Treasury Central Supplier Database (CSD).

Service providers who are not registered with the National Treasury Central Database of Suppliers must visit www.csd@treasury.gov.za to register their companies, after the completion of the registration report, a summary report must be included to their bid documents.

NWHC does not bind itself to accept the highest bid or any other bid and reserves the right to accept the whole or part of the bid.

The award of this bid may be subjected to price negotiation with the preferred bidder(s).

Bids which are late, incomplete, unsigned or submitted by facsimile or electronically will not be accepted.

NWHC reserves the right to terminate the contract if it is not satisfied with the work produced by the service provider. Only bidders that have met the requirements of the proposal / specification shall be considered during the adjudication process.

The NWHC Bid Committee and the Supply Chain Management Unit may, before a bid is adjudicated or at any time during the bidding process, oblige a bidder to substantiate any claims it may have made in its bid document.

Bids submitted are to hold good for a period of **120** days.

2. THE OPPORTUNITY

2.1 Introduction

An opportunity exists at the MORULA RESORT for the MANAGEMENT OF THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS following assets:

2.2 Geographical Location

2.2.1 Location

The MORULA RESORT is located at Lucas Mangope Rd, Mabopane Unit U, Mabopane, 0190.

2.2.2 Arial view



2.3 Facilities

2.3.1 Hotel Rooms

2.3.2 Restaurant

2.3.3 Swimming Pool

2.3.4 Reception Area

2.3.5 Offices (X2)

2.3.6 Lethabong Pub

2.3.7 Sports Bar

2.3.8 Conference Facilities viz:

(i) **Mabopane**

(ii) **Leseding**

2.3.9 Playgrounds

2.3.10 Parking

2.4 Infrastructure

2.4.1 Access Road

Access road is available starting from the main gate proceeding to parking areas.

2.4.2 Sewerage

Sewerage network and disposal facilities are available on site. The service provider will be responsible for the cost of sewerage maintenance and management.

2.4.3 Refuse

The operator will be responsible for removal and complete disposal of all refuse generated on the reserve. There is no internal disposal site. The operator should have a waste management plan, which must be submitted as part of this proposal. The service provider will be responsible for the cost of refuse.

2.4.4 Water

Municipal water supply is available on site however, the management entity is advised to install backup tanks for water supply if municipal supply fails.

The existing backup system will be investigated by the entity whether it needs rehabilitation or replacement which will be at the cost of the entity.

2.4.5 Maintenance

There are processes and procedures in place that need to be followed for maintenance purposes. Details to be enlisted on the SLA agreement. The appointed bidder is required to maintain the premises for the terms of the agreement. The service provider will be responsible for the cost of maintenance.

2.4.6 Safety

- One control access center for entrance and exit;
- Appointed bidder must provide insurance for the facilities;
- Appointed bidder must provide security;
- CCTV Cameras; and

The service provider will be responsible for the cost of security.

2.5 Operating model

2.5.1 Pricing structure

The pricing structure is as follows:

- Nominal fixed monthly rental payable in advance; and
- Turnover rental based on a proposed percentage factor payable monthly in arrears.

The proposed Offer Fee, **shall be exclusive of VAT and** will be based on the following formula:

$$P = R + (TF \times T10)$$

where:

P = Price Fee

R = Nominal rental proposal (i.e., proxy for property running costs)

TF = Turnover factor

T10 = Turnover as submitted for the 10-Year period forecasted

2.5.2 Term of concession

The **term of the concession** shall be a **period of 10 years**, with a full review every **3-year period** to assess the following:

- Environmental compliance;
- Financial performance;
- Contractual obligations compliance i.e., rental obligations, reserve fund maintenance etc.;
- Local economic empowerment and Local employment.

2.5.3 Timelines

Timelines are of particular importance to the NWHC due to the urgency in commercializing opportunities to earn revenues. The following timelines must be adhered to by the bidder:

Commencement of fittings and kitting	within one month
Completion of fitting (from commencement)	within three months
Opening date (from completion)	within 2 weeks

2.5.4 Monitoring and review

The following reviews will be conducted on the performance of the Tenant:

- 10-Year comprehensive review; and
- Bi-annual compliance meeting in line with performance measures.

Non-compliance may result in the termination of the agreement.

2.5.5 Rental Payments

The commencement of Rental Payment will be negotiated upon signing of the SLA Agreement.

2.5.6 Furniture, fittings, and kitting

The appointed entity is required to fit the facilities with furniture, fittings and kitting and should provide proof of availability for these funds, along with a detailed costing thereof for each opportunity. The furniture, fittings and kitting's shall become that of the NWHC on expiry of agreement or termination thereof.

2.5.7 Reserve Fund

The appointed entity is required to maintain a reserve fund effective from the third anniversary of the agreement equivalent to at least 2.5% of the net turnover. Net turnover is the turnover less any cost of providing such turnover i.e., cost of sales and selling expenditure.

2.5.8 Other conditions and requirements

The following is required from the concessionaire:

- 75% of unskilled labour for the Morula Resort shall be from its region;
- At least 25% of supplies of Morula Resort should be sourced within the surrounding bordering regions of Gauteng and North West Province.

These requirements are in addition to the 80/20 Preference Points in terms of the PPPFA and its regulations of 2022.

3. SITE VISIT

The compulsory site visit process is organised for the Bidders with the following objectives:

- to provide all Bidders the opportunity to ascertain all information they need to present informed and competitive bids for the sites they are qualified to bid for, including physical facilities; and
- to ensure that such access to information is equal for all Bidders.

Attendance will inform Bidders of possible challenges and opportunities that may or may not have an impact on the feasibility studies conducted by Bidders and will further serve to ensure the accuracy of viabilities conducted for the facility.

A Compulsory site briefing meeting will be held on 26th April 2023 at 11h00. The venue is Morula Resort with GPS Co- ordinates: Latitude - - 25.522317 S Longitude - 28.033031 E

Each Bidder shall be solely responsible for its own due diligence investigation of the investment-opportunity, the proposed Concession Agreement terms and all matters relating to this RFP. Neither NWHC nor any of their respective officers, employees, agents or advisers makes any representation or warranty, express or implied, concerning any matter affecting the opportunity, except for the representations and warranties of NWHC that will be set out in the Agreement.

4. GENERAL CONDITIONS OF THE BID

1. Interpretation

The word "Bidder" in these conditions shall mean and include any firm or any company or body incorporated or unincorporated.

The word "NWHC" in these conditions shall mean the North West Housing Corporation.

2. Extent of the bid

This contract is for the provision of the services as detailed in the attached Specification.

3. Contract to be Binding.

NWHC will enter into a concession agreement with the successful service provider.

4. Mode of the Bid

All Bids shall be completed and signed: All forms, annexure, addendums and specifications shall be signed and returned with the Bid document as a whole. ***The highest or any Bid will not necessarily be accepted.*** The NWHC wishes to deal on a prime contractual basis with the successful Bidder being responsible and accountable for all aspects of the entire solution or service offered.

5. Insurance Claims, etc.

The NWHC shall not be liable in any manner in respect of any claims, damages, accidents and injuries to persons, property or rights or any other courses of civil or criminal action that may arise from the carrying out of this contract.

The company shall insure his / her / their personnel and any plant, machinery or other mechanical or electronic equipment involved in the fulfillment of this contract and shall indemnify NWHC against all risks or claims which may arise. **It will be required from the successful Bidder to submit proof of insurance with SASRIA included or any other valid form of indemnification to NWHC for scrutiny.**

6. Signing of Documents

Bidders are required to return the complete set of documents duly signed.

7. Period of Validity for Bids and withdrawal of Bid after Closing Date

Bids are to be held valid and binding for 120 days from the closing date of submissions (calculated from, but not including, the due date).

8. Penalty Provision

Should the successful Bidder:

- a. Withdraw the Bid during the afore-mentioned period of validity; or
- b. Advise the NWHC of his / her / their inability to fulfill the contract; or
- c. Fail or refuse to fulfill the contract; or
- d. Fail or refuse to sign the agreement or provide any surety if required to do so.

Then, the Bidder will be held responsible for and is obligated to pay to the NWHC:

All expenses incurred by NWHC to advertise for or invite and deliberate upon new Bids, should this be necessary.

The difference between the original accepted Bid price and:

- (i) A less favorable (for the NWHC) Bid price accepted as an alternative by the NWHC from the Bids originally submitted; or
- (ii) A new Bid price.

9. Value Added Tax

In calculating the cost of the supply and delivery of services and / or material, the supplier will issue a "Tax Invoice" for all services rendered and / or materials supplied, which will reflect the exclusive cost of such services, goods or materials with the relevant Value Added Tax being added to the total. VAT must be included in the Bid price but must be shown separately.

10. Price Escalation

To be provided on the financial proposal over the full ten-year contract period.

11. Authority to Sign Bid Documents

In the case of a Bid being submitted on behalf of a company, close corporation or partnership, evidence must be submitted to the NWHC at the time of submission of the Bid that the Bid has been signed by persons properly authorized thereto by resolution of the directors or under the articles of the entity.

12. Duration of the Bid

The contract period is for a period of 10 years. The contract is reviewable as determined by mutual agreement between NWHC the appointed contracted Tenant.

13. Insurance and Indemnity

NWHC shall not be liable in any manner in respect of any claims, damages, accidents and injuries to persons, property or rights or any other courses of civil or criminal action that may arise from the carrying out of this contract. The operator shall at all times during the term of the lease maintain

liability insurance.

14. Agreement

The successful bidder undertakes to be bound by all terms and conditions contained in this bid document. An SLA agreement will be signed between NWHC and the successful service provider.

5. SUBMISSION OF BID

Bids must be submitted in sealed envelopes clearly marked “**APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS**”- **NWHC 05/2023**” Bid Documents must be deposited in the Bid Box, 23 First Street, Segarona Building, Industrial Site, Mafikeng, 2745, by no later than **11:00 am** on the **18 May 2023**. **Late, faxed, or emailed bid documents will not be accepted.**

Bids which are not submitted in a properly sealed and marked envelope and/or deposited in the relevant bid box on or before the closing date and time will not be considered. Faxed or e-mailed Bids will not be considered.

5.1 Rules of bidding

- 5.1.1 The NWHC reserves the right to call interviews with short-listed bidders before the final selection process.
- 5.1.2 The NWHC reserves the right to negotiate prices with preferred bidders.
- 5.1.3 The NWHC reserves the right to return late bids submissions unopened. No late submissions.
- 5.1.4 Firms may not contact the NWHC, transaction advisors or the relevant treasury on any matter pertaining to their bid from the time of submission to the award date. Any effort by the bidder to influence bid evaluation, bid comparisons or bid award decision in any manner may result in rejection of the bid concerned.
- 5.1.5 The bidder must be a single entity with all other necessary expertise secured via subcontract or under joint venture agreement. The NWHC will enter into a single contract with a single firm for the delivery of the work set out in the terms of reference.
- 5.1.6 Bids must be submitted in South African Rands, on a fixed price basis.
- 5.1.7 The cost of preparing bids and of negotiating the contract will not be reimbursed.
- 5.1.8 The NWHC is not bound to accept any of the bids submitted and reserves the right to call for best and final offers from shortlisted bidders before final selection.

5.2 Other due diligence

Each bidder will be responsible for its own due diligence investigation of the concession opportunity, environmental compliance requirements, proposed contractual terms and anything else relating to this RFP. Neither the NWHC nor any of its staff can make any suggestions or guarantees, directly or indirectly, about anything affecting this RFP.

5.3 Clarification enquiries

For all enquiries regarding the bid document please contact Mr. Frilymo Makwati on 018 381 5029, e-mail: flmakwati@nwhc.co.za or Contact Mr. Brian Segapo for technical enquires at 018 381 5029, e-mail: kbsegapo@nwhc.co.za during normal working hours. Response to clarifications queries will be emailed to bidders within a period of one week atleast.

5.4 Validity period

All information provided in the bid must be **valid for a period of 120 days** from the bid's closing date.

5.5 Pre-qualification checklist

DOCUMENTS

YES / NO

All Standard Bidding Documents

Audited or reviewed annual financial statement with at least net asset value of R2m

Proof of availability of funds for furniture, fittings, and kitting of the facility

Proof of availability of working capital of at least 10% of forecasted annual turnover

Proof of accommodation facilities' management experience

Proof of activities' provision or management experience or partnerships

Proof of registration with an affiliated tourism body

The bidder must comply with the requirements of the pre-qualification checklist to avoid disqualification of bid.

5.6 Bid submission structure

Bids and all related correspondence and documents must be in English. Bidders must submit printed copies in two envelopes. Each envelope must be marked Functionality or Pricing Proposal. Attach the bid cover letter in the front page of the bid document.

5.6.1 Envelope 1: Functionality envelope must contain copies of the following:

A Company information	
1	Company profile with a minimum of Organogram (including documentation listed in 6.2.1), year of operations; Abridged CVs of directors of the companies, number of hotels under management
2	Valid SARS Tax PIN for at least two (2) months from closing date of this bid
B Financial Capacity	
1	Audited or reviewed financial statements with at least R2m net asset value
2	Bank letter confirming availability of funds at least equivalent to the costings in the operational plan submitted by the bidder for furniture, fittings, and kitting from a reputable financial institution. Proof availability of working capital at least equivalent to 10% of the annual turnover submitted by the bidder in the operation plan
C Operational Plan	
1	Employee structure;
2	Job creation plan for the next 5 years
3	Detailed Costing of furniture, fittings, and kitting of the facilities
4	10 – Year cash flow forecast financial forecast;
5	Environmental management plan;
6	Local economic empowerment plan;
7	Implementation timetable
D Hospitality and tourism experience	
1	Proof of experience in managing accommodation facilities (proof of at least 5-years'). Must provide management agreement or lease agreement
2	Proof of experience in providing activities or proof of partnerships of at least 2 years

- 3** Proof of affiliations with a registered Tourism Body
- E** Standard Bid Documents
 - 1** SBD 1 Invitation to bid
 - 2** SBD 4 Declaration of interest
 - 3** Registration confirmation on CSD
- F** **Other documents**
 - 1** Company details form
 - 2** Authority to sign
 - 3** Joint Venture Disclosure form (if applicable)
 - 4** Joint Venture Agreement (if applicable)

Bidders who score at least 70% and above for functionality will be evaluated on stage two for price and specific goals.

5.6.2 Envelope 2: Price and Preference Points proposals

Price proposal must be clearly marked “**PRICE PROPOSAL: PRICE AND PREFERENCE POINTS PROPOSAL: APPOINTMENT OF A SERVICE PROVIDER TO MANAGE THE MORULA HOTEL AND ASSOCIATED AMENITIES FOR A PERIOD OF 10 YEARS**”

The Pricing Envelope is for the fee offer and the mark-up of the draft Concession agreement and will only be opened and evaluated if those minimum thresholds are met.

Pricing envelope must contain three copies of:

A	Price
1	Price Offer Form
2	Fee offer, in the format in ‘Annexure B – Offer Fee Schedule’
B	Preference Points
1	SBD 6.1 Preference points claim
2	Preference Points Claim proposal in terms of scores outlined in section
	5.2, including:
	a. Specific Goals supporting documentation:
	▪ CSD report.
	▪ CIPC registration certificates.
	▪ ID copies.
	▪ Medical certificate; and
	▪ Municipal accounts or proof of address or lease agreements.

6. INCOMPLETE BIDS

Bids must be delivered by the stipulated time to the correct address. Late bids will not be accepted for consideration.

The bid evaluation committee will check bid to see whether all the documentation that this RFP requires has been submitted correctly.

If a bid is not complete or something in it is not clear, the bid evaluation committee may, but is not obliged to, ask Bidders for more information. Bidders will receive such requests for more information in writing. No substantial changes to the bid will be asked for or allowed, except if there is a clear mistake in the bid.

NWHC may, but is not obliged to, disqualify a bid that is not complete or requires clarification without a request for further information.

NWHC shall not be obliged to reimburse Bidders for any costs and/or damage they incurred during the preparation of Bid Submissions, in the event of cancellation, disqualification, suspension, modification or delay of the Tender.

7. EVALUATION CRITERIA

BIDS WILL BE EVALUATED IN ACCORDANCE WITH THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT (PPPFA) of 2000 AND ITS REGULATIONS OF 2022

A three (3) Stage Evaluation process will be employed. In Stage One (1) Bids will be evaluated based on compliance with the bid requirements. Only bidders who meet all the criteria for compliance with the bid requirements will advance to Stage 2. In Stage two (2), bids will be evaluated on functionality criteria. Only bidders who achieve a minimum score of **70** out of 100 will be evaluated on Stage 3.

STAGE 1: Compliance with bid requirements

Bidders must comply with the set of compliance requirements listed below. The compliance requirements stated below are project specific and disparate from the pre-qualification requirements enshrined in the Preferential Procurement Policy Regulations of 2022.

- **Compulsory Briefing:** Bidders must attend the compulsory briefing meeting on site.

Failure to comply with the above requirement will lead to immediate rejection of the bid.

STAGE 2: Functionality

Bidders must obtain a minimum score of **70** points and above on functionality in order to be considered for Stage 3. Bidders who score less than 70 points will be regarded as non-responsive and disqualified from the process.

7.1 Evaluation criteria

It is to be noted that the provisions of the PPPFA and its regulations of 2022 will apply. In order to participate in the bidding process, bidders are required to meet the following qualification criteria.

7.1.1 Financial capacity

Given the fact that the project is of high value and may entail risk to both the preferred bidder and the NWHC, it is important that interested parties demonstrate financial strength. The prospective bidder must illustrate the following:

- Financial strength with reference to the net asset value of the entity or its shareholders (provided its shareholders own at least 20% of the entity with the requisite experience) or fellow associate companies or subsidiaries. **Net asset value must at least be R2m (Two Million Rands); A group structure must be provided**, if fellow shareholder, subsidiary, or associate company

financial strength, including the following:

- Certified copy of Memorandum and Articles of Association or Memorandum of Incorporation (or equivalent constitutive documents).
- Certified copy of Signed Shareholders Agreement/Partnership or Joint Venture Agreement/Trust Deed.
- Certified copy of shareholders' or partner register at the date of submission of the bid indicating each shareholder or partner's beneficial interest and in the event that there is more than 1 (one) class of shares, the percentages held by each.
- **Audited or reviewed financial statements** of either the prospective tenant, its shareholders (provided its shareholders own at least 20% of the entity with experience) or fellow associate companies or subsidiaries;
- **Bank letter confirming availability of funds for the costing of furniture, fittings, and kitting of the facility**, and If support is from a parent company, fellow subsidiary or associated company, proof of availability of funds can be in the name of such company.
- Availability of **working capital facility equivalent to 10% of the forecasted annual turnover** in the 5-Year financial feasibility in the data room. If support is from a parent company, fellow subsidiary or associated company, proof of availability of funds can be in the name of such company.

7.1.2 Operational Plan

The bidder must submit an operational plan, which must contain at the very minimum the following:

- **Organization employee structure**, indicating number of employees;
- **10 – Year cash flow forecast** - must Indicate how much capital will be needed, where it will come from (own capital, grants, loans) and the expected amount and terms (interest rate, repayment period, security) of any proposed loans. Specify whether the necessary financing has been secured and provide appropriate proof.

Bidders **may elect to build their own financial model**, which is required to at least have an income statement, balance sheet and cash flow forecast, and assumptions utilized in the forecast;

- **Detailed costing of furniture, fittings, and kitting** of the facilities;
- **Availability of working capital facility equivalent to 10% annual turnover** as forecasted in the 10 – Year cash flows;
- **Environmental Management Plan** Bidders need to adhere to the Operational Environmental Management Plan of working within the reserve that there is limited or no impact on the environment; and
- **Local Economic Empowerment Plan** detailing local sourcing and job creation.

7.1.3 Hospitality and Tourism experience

The project requires interested parties with substantial experience and expertise in hospitality and tourism, as well as food and beverage and other similar adventure activities. The following is required from the prospective bidder:

- A **minimum 5 years' experience** in operating accommodation facilities (i.e. Bed and breakfast, lodge, backpackers, hotel etc.) and will be advantageous if prospective bidder has experience in conferencing and restaurant establishments. The prospective tenant must provide a **management contract or lease agreement** where they have managed accommodation establishment;
- Illustrate at least **2 years' experience in providing and/or managing activities or in partnership with activities company operators** to boost attraction in the area. Proof of partnerships with other service providers will accepted via proof of contract; and
- The interested bidder must have and **affiliation by at least 1 of the recognized Tourism body** and provided **certificate must be valid for at least two months**.

These criteria may be met with reference to one of the Bidding Company's parent shareholders, fellow subsidiary, or associated company, provided that the parent involved holds at least 20% of total company equity or interest.

7.2 Functionality evaluation criteria

The following is the weighting awarded for each element, and the threshold score for each:

1	Financial Capacity	25	Scoring
1.1	Audited or reviewed financial statements with at least R2m net asset value of entity, shareholder, subsidiary, or an associated company, with documents listed in 6.2.1 for the latter	Submitted with at least NAV greater than R2m = 10 Not submitted or less than R2m = 0	10
1.2	Bank letter or guarantee confirming availability of funds at least equivalent to the costings in the operational plan submitted by the bidder for furniture, fittings, and kitting from a reputable financial institution. Proof may be in the form of a verifiable investment statement	Submitted and based on submitted costings for furniture and fittings = 10 Not submitted = 0	10
1.3	Bank letter or proof availability of working capital at least equivalent to 10% of the annual turnover submitted by the bidder in the operation plan	Submitted and based on 10% of submitted 5-Year forecast = 10 Not submitted = 0	5
2	Operational Plan	35	Scoring
2.1	Employee structure	Submitted = 5 Not submitted = 0	5
2.2	Job creation plan for the next 5 years	At least 30 employees = 5 Less than 25 employees = 3 Less than 20 employees = 0 Not submitted = 0	5
2.3	Detailed costing of furniture, fittings, and kitting of the facilities (as illustrated in Annexure B in the data room)	Costing in line with capacity of facility = 5 Costing not in line with capacity of facility = 0	5

2.4	5 – Year cash flow forecast financial forecast	Forecasted cash flows viable i.e. = 5 Forecast cash flows not viable = 0	5
2.5	Environmental management plan	Good = 5 Average = 3 Poor = 0 Not submitted = 0	5
2.6	Local economic empowerment plan	Good = 5 Average = 3 Poor = 0 Not submitted = 0	5
2.7	Implementation timetable	Submitted and within timelines in 4.7 = 5 Submitted and not within times in 4.7 = 0 Not submitted = 0	5

3	Hospitality and tourism experience	40	Scoring
----------	---	-----------	----------------

3.1	Proof of experience in operating accommodation facilities (at least 5-years' experience required). Must provide verifiable management agreement or lease agreement. Proof of experience must be submitted in any of the following documents and must include period of assignment, type of services offered and must be on a letterhead: a. Appointment Letter b. Reference letter c. Copies of contract or SLA d. Proof of affiliation with industry body / association detailing period of membership / affiliation	Submitted with at least 5-year experience = 15 Not submitted = 0	15
------------	--	---	-----------

3.2	Proof of experience in providing activities or proof of partnerships of at least 2-years	Submitted with at least 2-year experience = 15 Not submitted = 0	15
3.3	Proof of affiliations with a registered Tourism Body	Submitted = 10 Not submitted = 0	10

Total functionality points	100
Minimum threshold	70

NB: FAILURE TO SUBMIT PROOF OF EXPERIENCE IN THE ABOVE-PRESCRIBED FORMAT WILL LEAD TO ZERO POINTS AWARDED. NO PARTIAL POINTS WILL BE ALLOCATED FOR THE PARTIAL INFORMATION SUBMITTED.

Stage 3: Price & Specific Goals

Price and specific goals points will be calculated as described in the Preferential Procurement Regulations of 2022.

SBD 6.1 form must be used to claim points for specific goals for the company. A copy of CSD report, Medical Certificate and Proof of Address must be submitted as proof of specific goals. When the above documentation is not provided as proof the company will automatically score zero.

Criteria	Points Available
Bid Price	90
Specific Goals	10
Total	100

7.3 Pricing

The total bid price to be submitted by bidders will be based on the following formula:

$$P = R + (TF \times T10)$$

where:

P = Price Fee

R = Nominal rental proposal (i.e., proxy for property running costs)

TF = Turnover factor

T10 = Turnover as submitted for the 10-Year period forecasted

Offer Fee will be evaluated exclusive of VAT

Important note to bidders:

Information on the concession fee offer must be **contained in Envelope 2 and is not to be submitted in Envelope 1 with the functionality proposal.**

Price will be evaluated on a 90/10 Preference Points prescribed in the PPPFA and its regulations of 2022 as follows and will be based on Price Fee calculated above:

$$P_s = 90 (1 + [P_t - P_{max}]/P_{max})$$

where:

P_s = Points scored for price of tender under consideration

P_t = Price of tender under consideration

P_{max} = Price of the highest acceptable tender

If the price offered by a tenderer scoring the highest points is not market related, NWHC may not award the contract to the tenderer. The NWHC may:

- i. Negotiate a market related price with the tenderer scoring the highest points or cancel the tender;
- ii. If the tenderer does not agree to a market related price, negotiate a market related price with the tenderer scoring the second highest points or cancel the tender; or
- iii. If the tenderer scoring the second highest points does not agree to a market related price, negotiate a market-related price with the tenderer scoring the third highest points or cancel the tender.

7.4 Specific Goals

The Specific Goals will be for Income Generating transactions Preference points allocated out of 10

Preference Point will be allocated in terms of the PPPFA and its regulations of 2022, to score the bidder points out of 10 points for Specific Goals as outlined below:

No.	Specific goals	Income-generating transactions Preference points allocated out of 10
1.	Enterprises owned by black people (must be included as a specific goal)	Maximum 10 points <ul style="list-style-type: none">○ 100% Black ownership - 10 points○ Less than 100% Black ownership – 0 points Proof of ownership must be verified by either one of the following documents: CIPC Certificate, Valid B-BBEE Certificate & CSD report
2.	Enterprise owned by women, youth or Military Veteran, People living with disabilities	Not Applicable
3.	Enterprise location	Not applicable

Claiming Of Preference Points:

- Preference points allocated to Historically Disadvantaged individuals may be claimed by a **South African citizen** who had no franchise in national elections prior to 1983 and 1993.
- Preference points allocated for women may be claimed if there is sufficient evidence that such woman has ownership of 51% or more of the enterprise shareholding.
- Preference points allocated for persons with disabilities may only be claimed if there is sufficient evidence that such person has ownership of 51% or more of the enterprise shareholding.
- Preference points allocated for promotion of youth may only be claimed if there is sufficient evidence that such youth has ownership of 51% or more of the enterprise shareholding.
- Preference points for Locality allocated for promotion of enterprises located within the Eastern Cape Province may only be claimed by submission of proof that the enterprise is located within the borders of Eastern Cape Province. This includes an enterprise whose head office may be situated in another province but has a fully-fledged branch within Eastern Cape Province. Enterprises located outside the borders of the Eastern Cape Province and who only appoints agents and or commission warehouses in this municipal area are expressly excluded from claiming points for this goal.

A tenderer must submit proof of its Specific Goals. The supporting documents required to verify Specific Goals points claimed may (in line with the specified requirements) include:

- CSD report;
- CIPC registration certificates;
- ID copies of directors;
- Medical certificate for disabled directors or shareholders; and
- Municipal accounts or proof of address or lease agreements.

A tenderer failing to submit proof of Special Goals claimed or is a non-compliant contributor to Specific Goals **will not be disqualified** but will only score point out of 80, and scores 0 points out of 20 for Special Goals.

- i. The points scored by the tenderer for Specific Goals must be added to points scored for price.
- ii. The points scored must be rounded off to the nearest two decimal places.
- iii. The bid must be awarded to the tenderer scoring the highest points

7.5 Preferred bidder

The bidder that receives the highest overall score will be appointed the preferred bidder. The bidder that receives the second highest overall score will be appointed the reserve bidder.

The Bidders hereby confirms that the company or incorporated joint venture or trust meets the operational and financial criteria as contained in this RFP regarding the operational experience and financial prerequisites and provide a summary statement of the operational and financial criteria and how they are met in the reasonable opinion of the bidder.

An irrevocable confirmation, to the satisfaction of the NWHC by the bidder that it has irrevocably waived any right it may have to seek and obtain a writ of injunction or prohibition or restraining order against the NWHC to prevent or restrain the tender or any proceedings related to it. Such waiver shall be without prejudice to the right of a disqualified or losing bidder to question the lawfulness of their disqualification or the rejection of its bid by appropriate administrative or judicial processes not involving the issuance of a writ or injunction or prohibition or restraining order.

8. INFORMATION ON BIDDER

Bidders must submit the following information in the following format:

Functionality envelope must contain copies of the following:

A Company information

- 1 Company profile with a minimum of Organogram (including documentation listed in 6.2.1), year of operations; Abridged CVs of directors of the companies, number of hotels under management
- 2 Valid SARS Tax PIN for at least two (2) months from closing date of this bid

B Financial Capacity

- 1 Audited or reviewed financial statements with at least R2m net asset value
- 2 Bank letter confirming availability of funds at least equivalent to the costings in the operational plan submitted by the bidder for furniture, fittings, and kitting from a reputable financial institution. Proof may be in the form of investment statement
Proof availability of working capital at least equivalent to 10% of the annual turnover submitted by the bidder in the operation plan

C Operational Plan

- 1 Employee structure;
- 2 Job creation plan for the next 5 years
- 3 Detailed Costing of furniture, fittings, and kitting of the facilities
- 4 10 – Year cash flow forecast financial forecast;
- 5 Environmental management plan;
- 6 Local economic empowerment plan;
- 7 Implementation timetable

D Hospitality and tourism experience

- 1 Proof of experience in managing accommodation facilities (proof of at least 5-years'). Must provide management agreement or lease agreement
- 2 Proof of experience in providing activities or proof of partnerships of at least 2 years
- 3 Proof of affiliations with a registered Tourism Body
- E Standard Bid Documents**
 - 1 SBD 1 Invitation to bid
 - 2 SBD 4 Declaration of interest
 - 3 Registration confirmation on CSD
- F Other documents**
 - 1 Company details form
 - 2 Authority to sign
 - 3 Joint Venture Disclosure form (if applicable)
 - 4 Joint Venture Agreement (if applicable)

Pricing envelope must contain three copies of:

A Price

- 1 Price Offer Form
- 2 Fee offer, in the format in 'Annexure B – Offer Fee Schedule'

B Preference Points

- 1 SBD 6.1 Preference points claim

PRICE OFFER FORM

Bidders must present the Fee Offer in the form of a letter on the bidder's letterhead as follows, inserting the bidder's name and the percentage of gross revenue for the variable bid as indicated:

Form of Letter

To: North West Housing Corporation

23 First Street, Segarona Building, Industrial Site, Mahikeng, 2745

(Name of bidder) _____ hereby commits to pay to NWHC based on the following formula:

$$P = R + (TF \times T10)$$

where:

P = Price Fee

R = Nominal rental proposal (i.e., proxy for property running costs)

TF = Turnover factor

T5 = Turnover as submitted for the 10-Year period forecasted

For indicative purposes only, our projection of fees payable to NWHC is:

	Formula	Years 1 – 10
Gross revenue (net of VAT)	T10	
Nominal rental proposed	R	
Percentage of gross revenue due as Variable concession Fee (% same for each year)	TF	
Fee due	R + (TF x T10)	
Minimum concession fee plus Variable concession Fee		

(Name of bidder) _____ hereby warrants that the committed minimum concession fee and the Variable concession Fee shall be included in the concession agreement, if accepted by NWHC.

The person signing below is a duly authorised representative of the bidder with full power and authority to submit this financial offer and commit the bidder to its terms.

Signed: _____

Name: _____

Title: _____

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 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:

.....
.....

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 consortium¹ will not be construed as collusive bidding.

3.4 In addition, there have been no consultations, communications, agreements or

¹ 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.

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 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 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) The applicable preference point system for this tender is the 80/20 preference point system.

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

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

1.4 To be completed by the organ of state:

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	90
SPECIFIC GOALS	10
Total points for Price and SPECIFIC GOALS	100

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

2. DEFINITIONS

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

3. FORMULAE FOR PROCUREMENT OF GOODS AND SERVICES

3.1. POINTS AWARDED FOR PRICE

3.1.1 THE 80/20 PREFERENCE POINT SYSTEMS

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

80/20

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmin = Price of lowest acceptable tender

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

3.2.1. POINTS AWARDED FOR PRICE

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

80/20

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

Where

Ps = Points scored for price of tender under consideration

Pt = Price of tender under consideration

Pmax = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

4.1. In terms of Regulation 4(2); 5(2); 6(2) and 7(2) of the Preferential Procurement Regulations, preference points must be awarded for specific goals stated in the tender. For the purposes of this tender the tenderer will be allocated points based on the goals stated in table 1 below as may be supported by proof/ documentation stated in the conditions of this tender:

4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which

states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

(a) an invitation for tender for income-generating contracts, that either the 80/20 or 90/10 preference point system will apply and that the highest acceptable tender will be used to determine the applicable preference point system; or

(b) any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system,

then the organ of state must indicate the points allocated for specific goals for both the 90/10 and 80/20 preference point system.

Table 1: Specific goals for the tender and points claimed are indicated per the table below.

No.	Specific goals	Income-generating transactions Preference points allocated out of 10
1.	Enterprises owned by black people (must be included as a specific goal)	Maximum 10 points <ul style="list-style-type: none"> ○ 100% Black ownership - 10 points ○ Less than 100% Black ownership – 0 points Proof of ownership must be verified by either one of the following documents: CIPC Certificate, Valid B-BBEE Certificate & CSD report
2.	Enterprise owned by women, youth or Military Veteran, People living with disabilities	Not Applicable
3.	Enterprise location	Not applicable

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
 - (e) forward the matter for criminal prosecution, if deemed necessary.

.....
SIGNATURE(S) OF TENDERER(S)

SURNAME AND NAME:

DATE:

ADDRESS:

.....

.....

.....

JOINT VENTURE DISCLOSURE FORM

GENERAL

- i) All the information requested must be filled in the spaces provided. If additional space is required, additional sheets may be used and attached to the original documents.
- ii) A copy of the joint venture agreement must be attached to this form, in order to demonstrate the Affirmable, Joint Venture Partner's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details relating to:
 - a) the contributions of capital and equipment
 - b) work items to be performed by the Affirmable Joint Venture Partner's own forces
 - c) work items to be performed under the supervision of the Affirmable Joint Venture Partner.
- iii) Copies of all written agreements between partners concerning the contract must be attached to this form including those, which relate to ownership options and to restrictions/limits regarding ownership and control.
- iv) ABE partners must complete ABE Declaration Affidavits.
- v) The joint venture must be formalised. All pages of the joint venture agreement must be signed by all the parties concerned. A letter/ notice of intention to formalise a joint venture once the contract has been awarded will not be considered.
- vi) should any of the above not be complied with, the joint venture will be deemed null and void and will be considered non-responsive.

1. JOINT VENTURE PARTICULARS

- a) Name
- b) Postal address.....
.....
.....
.....
.....
.....

c) Physical address.....
.....
.....

d) Telephone

e) Fax

2. IDENTITY OF EACH NON-AFFIRMABLE JOINT VENTURE PARTNER

2.1(a) Name of Firm

Postal Address.....

Physical Address

Telephone

Fax

Contact person for matters pertaining to Joint Venture Participation Goal requirements:

.....

2.2(a) Name of Firm

Postal Address.....

Physical Address

Telephone

Fax

Contact person for matters pertaining to Joint Venture Participation Goal requirements:

.....

(Continue as required for further non-Affirmable Joint Venture Partners)

IDENTITY OF EACH AFFIRMABLE JOINT VENTURE PARTNER

3.1(a) Name of Firm

Postal Address.....

Physical Address

Telephone

Fax

Contact person for matters pertaining to Joint Venture Participation Goal requirements:

.....

3.2(a) Name of Firm

Postal Address.....

Physical Address

Telephone

Fax

Contact person for matters pertaining to Joint Venture Participation Goal requirements:

.....

3.3(a) Name of Firm

Postal Address.....

Physical Address

Telephone

Fax

Contact person for matters pertaining to Joint Venture Participation Goal requirements:

.....

1. BRIEF DESCRIPTION OF THE ROLES OF THE AFFIRMABLE JOINT VENTURE PARTNERS IN THE JOINT VENTURE

.....

.....

.....

5. OWNERSHIP OF THE JOINT VENTURE

a) Affirmable Joint Venture Partner ownership percentage(s)..... %

b) Non-Affirmable Joint Venture Partner ownership percentage(s) %

c) Affirmable Joint Venture Partner percentages in respect of: *

(i)

Profit and loss sharing

(ii)

Initial capital contribution in Rands

.....

.....

(*Brief descriptions and further particulars should be provided to clarify percentages).

(iii)

Anticipated on-going capital contributions in Rands

.....

.....

(iv) Contributions of equipment (specify types, quality, and quantities of equipment) to be provided by each partner.

.....

.....

5. RECENT CONTRACTS EXECUTED BY PARTNERS IN THEIR OWN RIGHT AS PRIME CONTRACTORS OR AS PARTNERS IN OTHER JOINT VENTURES

	NON-AFFIRMABLE JOINT VENTURE PARTNERS	PARTNER NAME
a)		
b)		
c)		
d)		
e)		

	AFFIRMABLE JOINT VENTURE PARTNERS	PARTNER NAME
a)		
b)		
c)		
d)		
e)		

7. CONTROL AND PARTICIPATION IN THE JOINT VENTURE

(Identify by name and firm those individuals who are, or will be, responsible for, and have authority to engage in the relevant management functions and policy and decision making, indicating any limitations in their authority e.g. co-signature requirements and Rand limits).

(a) Joint Venture cheque signing

.....

.....

.....

(b) Authority to enter into contracts on behalf of the Joint Venture

.....

.....

.....

(c) Signing, co-signing and/or collateralising of loans

.....

.....

.....

(d) Acquisition of lines of credit

.....

.....

.....

(e) Acquisition of performance bonds

.....
.....
.....
(f) Negotiating and signing labour agreements
.....
.....
.....

8. MANAGEMENT OF CONTRACT PERFORMANCE

(Fill in the name and firm of the responsible person).

- (a) Supervision of field operations.....
(b) Major purchasing.....
(c) Estimating
(d) Technical management

9. MANAGEMENT AND CONTROL OF JOINT VENTURE

(a) Identify the “managing partner”, if any,
.....
.....
.....
.....

(b) What authority does each partner have to commit or obligate the other to financial institutions, insurance companies, suppliers, subcontractors and/or other parties participating in the execution of the contemplated works?

.....

.....

.....

.....

(c) Describe the management structure for the Joint Venture's work under the contract

MANAGEMENT FUNCTION / DESIGNATION	NAME	PARTNER*

(Fill in "ex Affirmable Joint-Venture Partner" or "ex non-Affirmable Joint Venture Partner".

10. PERSONNEL

(a) State the approximate number of operative personnel (by trade/function/discipline) needed to perform the Joint Venture work under the Contract.

TRADE/FUNCTION/ DISCIPLINE	NUMBER EX AFFIRMABLE JOINT VENTURE PARTNERS	NUMBER EX NON- AFFIRMABLE JOINT VENTURE PARTNERS

(Fill in "ex Affirmable Joint-Venture Partner" or "ex non-Affirmable Joint-Venture Partner").

(b) Number of operative personnel to be employed on the Contract who are currently in the employ of partners.

(i) Number currently employed by Affirmable Joint Venture Partners

.....

(ii) Number currently employed by the Joint Venture

.....

(c) Number of operative personnel who are not currently in the employ of the respective partner and will be engaged on the project by the Joint Venture

.....

(d) Name of individual(s) who will be responsible for hiring Joint Venture employees

.....

.....

(e) Name of partner who will be responsible for the preparation of Joint Venture payrolls

.....

11. CONTROL AND STRUCTURE OF THE JOINT VENTURE

Briefly describe the manner in which the Joint Venture is structured and controlled.

.....

.....

.....

The undersigned warrants that he/she is duly authorised to sign this Joint Venture Disclosure Form and affirms that the foregoing statements are true and correct and include all material information necessary to identify and explain the terms and operations of the Joint Venture and the intended participation of each partner in the undertaking.

The undersigned further covenants and agrees to provide the Employer with complete and accurate information regarding actual Joint Venture work and the payment therefore, and any proposed changes in any provisions of the Joint Venture agreement, and to permit the audit and examination of the books, records and files of the Joint Venture, or those of each partner relevant to the Joint Venture, by duly authorised representatives of the Employer.

Signature

Duly authorized to sign on behalf of

Name

Address.....

Telephone.....

Date

Signature

Duly authorized to sign on behalf of

Name

Address.....

Telephone.....

Date

Signature

Duly authorized to sign on behalf of

Name

Address.....

Telephone.....

Date

Signature

Duly authorized to sign on behalf of

Name

JOINT VENTURE AGREEMENT

ATTACH JOINT VENTURE AGREEMENT

COMPANY DETAILS

The following company details schedule must be completed to ensure that the prerequisite requirements to bidding are met.

Registered Company Name	
Company Registration Number	
VAT Number	
Bank Name	
Branch Name	
Bank Account Number	
Professional Registration Details	
Professional Indemnity Details	

AUTHORITY TO SIGN BID DOCUMENTS

In the case of a bid being submitted on behalf of a company, close corporation or partnership, evidence must be submitted to ECPTA at the time of submission of the bid that the bid has been signed by persons properly authorized thereto by resolution of the directors or under the articles of the entity.

Please attach proof to the next page.

ATTACH RESOLUTION OF SIGNATORY

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
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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
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13. Incidental services
14. Spare parts
15. Warranty
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21. Delays in the supplier's performance
22. Penalties
23. Termination for default
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25. Force Majeure
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33. National Industrial Participation Programme (NIPP)

General Conditions of Contract

1. Definitions

1. The following terms shall be interpreted as indicated:
 - 1.1 “Closing time” means the date and hour specified in the bidding documents for the receipt of bids.
 - 1.2 “Contract” means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
 - 1.3 “Contract price” means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
 - 1.4 “Corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution.
 - 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
 - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
 - 1.7 “Day” means calendar day.
 - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
 - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
 - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
 - 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
 - 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable.

Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.

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

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

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

**8. Inspections,
tests and
analyses**

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

supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.

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

9. Packing

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

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

- 13.1 The supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:
- (a) performance or supervision of on-site assembly and/or commissioning of the supplied goods;
 - (b) furnishing of tools required for assembly and/or maintenance of the supplied goods;
 - (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - (d) performance or supervision or maintenance and/or repair of the supplied goods, for a period of time agreed by the parties, provided that this service shall not relieve the supplier of any warranty obligations under this contract; and

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

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

14. Spare parts

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

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

15. Warranty

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

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

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

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

15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser may proceed to take such remedial action as may be necessary, at the supplier's risk and expense and without prejudice to any other rights which the purchaser may have against the supplier under the contract.

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

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

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

22. Penalties

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

23. Termination for default

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

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

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

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

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

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

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

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

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

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

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

24. Anti-dumping and countervailing duties and rights

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

25. Force Majeure

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

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

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

**26. Termination
for insolvency**

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

**27. Settlement of
Disputes**

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.

- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.

- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,

- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- (b) the purchaser shall pay the supplier any monies due the supplier.

**28. Limitation of
liability**

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

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