



KWAZULU-NATAL LIQUOR AUTHORITY

REQUEST FOR QUOTATION

**KZN LIQUOR AUTHORITY INTERNAL SERVICES FOR THE PERIOD OF 12
MONTHS.**

23 MARCH 2023

REQ NO:

108/2022/23

REQUEST FOR QUOTATION

| ACTIVITY | DATES & TIME |
|---------------------------|--------------|
| Quotation Invitation Date | 23/03/2023 |
| Quotation Closing Date | 28/03/2023 |
| Quotation Closing Time | 11:00AM |

Kindly provide a formal quotation for the following items:

| ITEM | ITEM DESCRIPTION: |
|------|---|
| 1 | BATCH <ul style="list-style-type: none">- INTERNAL SERVICES FOR THE PERIOD OF 12 MONTHS- DATE OF PUBLICATION: 23 MARH 2023 |
| | Refer to attached specifications |

Instructions:

1. All suppliers must be registered on the National Treasury Central Supplier Database.
2. Central Supplier Database Number must be included on the quotation.
3. The quotation must be on the supplier's letterhead.
4. This request for quotation is subject to Terms and Conditions as prescribed by the Preferential Procurement Regulations 2022 issued in terms of the PPPFA.
5. Quotations must be submitted electronically to the following e-mail address: scm@kznlqa.co.za
6. The BBBEE certificate/sworn affidavits must be submitted electronically with all quotations.
7. To claim preference points, the Specific Goals table below on **SBD 6.1** must be completed, and the relevant supporting evidence must be submitted. Failure to provide the supporting evidence will result in no preference points being awarded.
8. Prices must be inclusive of all applicable taxes.
9. Quotations must be valid for **60 working days** after the closing date.
10. Late submission will not be considered.
11. The following SBD Forms must be completed in full for all quotations.

SCM Enquiries: BHEKANI MNCWANGO 031 302 0661

SCM Email: scm@kznlqa.co.za

PART A INVITATION TO BID

| | | | | | |
|--|--|---------------|---|-------------------------------|---|
| YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE KZN GAMING AND BETTING BOARD | | | | | |
| BID NUMBER: | REQ108/2022/23 | CLOSING DATE: | 23/03/2023 | CLOSING TIME: | 11:00AM |
| DESCRIPTION | INTERNAL SERVICES FOR THE PERIOD OF 12 MONTHS | | | | |
| BID RESPONSE DOCUMENTS MAY EMAILED TO CONTACT BELOW AND/OR BE DEPOSITED IN THE BID BOX SITUATED AT: | | | | | |
| KZNLA'S SCM BUSINESS UNIT AT 1 ST Floor The Marine Building, 22 Dorothy Nyembe Street, Durban, 4000 | | | | | |
| | | | | | |
| BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO | | | TECHNICAL ENQUIRIES MAY BE DIRECTED TO: | | |
| CONTACT PERSON | BHEKANI MNCWANGO | | CONTACT PERSON | | |
| TELEPHONE NUMBER | 031 302 0661 | | TELEPHONE NUMBER | | |
| E-MAIL ADDRESS | Bhekani.mncwango@kznlqa.co.za or scm@kznlqa.co.za | | E-MAIL ADDRESS | | |
| SUPPLIER INFORMATION | | | | | |
| NAME OF BIDDER | | | | | |
| POSTAL ADDRESS | | | | | |
| STREET ADDRESS | | | | | |
| TELEPHONE NUMBER | CODE | | NUMBER | | |
| CELLPHONE NUMBER | | | | | |
| FACSIMILE NUMBER | CODE | | NUMBER | | |
| E-MAIL ADDRESS | | | | | |
| VAT REGISTRATION NUMBER | | | | | |
| SUPPLIER COMPLIANCE STATUS | TAX COMPLIANCE SYSTEM PIN: | | OR | CENTRAL SUPPLIER DATABASE No: | MAAA |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE | TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No | | B-BBEE STATUS LEVEL SWORN AFFIDAVIT <input type="checkbox"/> Yes <input type="checkbox"/> No | | [TICK APPLICABLE BOX] <input type="checkbox"/> Yes <input type="checkbox"/> No |
| [A B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE/ SWORN AFFIDAVIT (FOR EMES & QSEs) MUST BE SUBMITTED IN ORDER TO QUALIFY FOR] | | | | | |
| 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] | | ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED? | | <input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW] |
| QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS | | | | | |
| IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | | |
| DOES THE ENTITY HAVE A BRANCH IN THE RSA? | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | | |
| DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | | |
| DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | | |
| IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? | | | <input type="checkbox"/> YES <input type="checkbox"/> NO | | |
| 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, [REDACTED], THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

2. TAX COMPLIANCE REQUIREMENTS

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

.....

DATE:

.....

PRICING SCHEDULE – FIRM PRICES (PURCHASES)

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

IN CASES WHERE DIFFERENT DELIVERY POINTS INFLUENCE THE PRICING, A SEPARATE PRICING SCHEDULE MUST BE SUBMITTED FOR EACH DELIVERY POINT

SERVICE PROVIDERS MAY PROVIDE SEPARATE QUOTE ON LETTER HEAD.

| | |
|------------------------------|-----------------------------------|
| Name of bidder..... | Bid number: REQ108/2022/23 |
| Closing Time: 11:00AM | Closing date: 28/03/2023 |

OFFER TO BE VALID FOR 60 WORKING DAYS FROM THE CLOSING DATE OF BID.

| ITEM NO. | QUANTITY | DESCRIPTION | Unit Price | Total for each unit |
|---|----------|--|------------|---------------------|
| 1 | | BATCH 01 | | |
| | | Internal services for the period of 12 months Date of publication: 23 MARCH 2023 | | |
| | | Refer to attached specifications | | |
| | | | | |
| | | | | |
| | | | | |
| | | Delivery (if applicable) | | |
| SUB-TOTAL | | | | |
| VAT AT 15% | | | | |
| GRAND TOTAL (BID PRICE IN RSA CURRENCY WITH ALL APPLICABLE TAXES INCLUDED) | | | | |

- Required by: **28/03/2023**
- At: **KZN LIQUOR AUTHORITY- DURBAN HEAD OFFICE**
- Does the offer comply with the specification(s)? ***YES/NO**
- If not to specification, indicate deviation(s)
- Period required for delivery
*Delivery: Firm/not firm
- Delivery basis

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

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

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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

2. Bidder's declaration

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

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

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

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

2.2.1 If so, furnish particulars:

.....

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

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

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

- 3.1 I have read and I understand the contents of this disclosure;
- 3.2 I understand that the accompanying bid will be disqualified if this disclosure is found not to be true and complete in every respect;
- 3.3 The bidder has arrived at the accompanying bid independently from, and without consultation, communication, agreement or arrangement with any competitor. However, communication between partners in a joint venture or consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 3.4 The terms of the accompanying bid have not been, and will not be, disclosed by the bidder, directly or indirectly, to any competitor, prior to the date and time of the official bid opening or of the awarding of the contract.
- 3.5 There have been no consultations, communications, agreements or arrangements made by the bidder with any official of the procuring institution in relation to this procurement process prior to and during the bidding process except to provide clarification on the bid submitted where so required by the institution; and the bidder was not involved in the drafting of the specifications or terms of reference for this bid.
- 3.6 I am aware that, in addition and without prejudice to any other remedy provided to combat any restrictive practices related to bids and contracts, bids that are suspicious will be reported to the Competition Commission for investigation and possible imposition of administrative penalties in terms of section 59 of the Competition Act No 89 of 1998 and or may be reported to the National Prosecuting Authority (NPA) for criminal investigation and or may be restricted from conducting business with the public sector for a period not exceeding ten (10) years in terms of the Prevention and Combating of Corrupt Activities Act No 12 of 2004 or any other applicable legislation.

I CERTIFY THAT THE INFORMATION FURNISHED IN PARAGRAPHS 1, 2 and 3 ABOVE 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 |

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

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

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

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

1. GENERAL CONDITIONS

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

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

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

- a) The applicable preference point system for this tender is the **80/20** preference point system.
- b) Either the 90/10 or 80/20 preference point system will be applicable in this tender. The lowest/highest acceptable tender will be used to determine the accurate system once tenders are received.

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

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

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

The maximum points for this tender are allocated as follows:

| | POINTS |
|---|--------|
| PRICE | 80 |
| SPECIFIC GOALS | 20 |
| 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 OR 90/10 PREFERENCE POINT SYSTEMS

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

| 80/20 | or | 90/10 |
|---|----|---|
| $P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$ | or | $P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$ |

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{min} = 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 | or | 90/10 |
|---|----|---|
| $P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$ | or | $P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$ |

Where

- P_s = Points scored for price of tender under consideration
 P_t = Price of tender under consideration
 P_{max} = Price of highest acceptable tender

4. POINTS AWARDED FOR SPECIFIC GOALS

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

- 4.2. In cases where organs of state intend to use Regulation 3(2) of the Regulations, which states that, if it is unclear whether the 80/20 or 90/10 preference point system applies, an organ of state must, in the tender documents, stipulate in the case of—

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

system; or

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

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

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

Note to tenderers: (The tenderer must indicate how they claim points for each preference point system.)

| The specific goals allocated points in terms of this tender | Supporting Evidence required | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|--|--|---|---|
| Ownership by Black, Youth, Female, and Disability | BBEE Certificate, Sworn affidavit within 12 months, CIPC documents | | |
| 1. BBEE compliance based on Section 10 of the BBEE Act (Act 53 of 2003 as amended by Act 46 of 2013) | | 4 | |
| 2. Black Women Ownership | | 7 | |
| 3. Black Youth Ownership | | 7 | |
| 4. Disability Ownership | | 2 | |
| Total Points allocated to Specific Goals | | 20 | |

Note:

Bidder must ensure supporting evidence submitted with the bid must confirm ownership i.e., CIPC documents indicating ownership, Share certificates / Affidavits or similar confirming ownership, BBEE certificate and Sworn Affidavit within 12 months. Failure to provide the supporting evidence will result in no preference points being awarded.

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:

.....

.....

.....

CONTRACT FORM - PURCHASE OF GOODS/WORKS

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE SUCCESSFUL BIDDER (PART 1) AND THE PURCHASER (PART 2). BOTH FORMS MUST BE SIGNED IN THE ORIGINAL SO THAT THE SUCCESSFUL BIDDER AND THE PURCHASER WOULD BE IN POSSESSION OF ORIGINALLY SIGNED CONTRACTS FOR THEIR RESPECTIVE RECORDS.

PART 1 (TO BE FILLED IN BY THE BIDDER)

1. I hereby undertake to supply all or any of the goods and/or works described in the attached bidding documents to (name of institution)..... in accordance with the requirements and specifications stipulated in bid number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the purchaser during the validity period indicated and calculated from the closing time of bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Tax clearance certificate;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claims for Broad Based Black Economic Empowerment Status Level of Contribution in terms of the Preferential Procurement Regulations 2011;
 - Declaration of interest;
 - Declaration of bidder's past SCM practices;
 - Certificate of Independent Bid Determination
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the goods and/or works specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfilment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

DATE

WITNESSES

1

2.

- . - -

GENERAL CONDITIONS OF CONTRACT

1. Definitions

The following terms shall be interpreted as indicated:

- 1.1 "Closing time" means the date and hour specified in the bidding documents for the receipt of bids.
- 1.2 "Contract" means the written agreement entered into between the purchaser and the supplier, as recorded in the contract form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.3 "Contract price" means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.4 "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.
- 1.5 "Countervailing duties" are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.6 "Country of origin" means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 1.7 "Day" means calendar day.
- 1.8 "Delivery" means delivery in compliance of the conditions of the contract or order.
- 1.9 "Delivery ex stock" means immediate delivery directly from stock actually on hand.
- 1.10 "Delivery into consignees store or to his site" means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 1.12 "Force majeure" means an event beyond the control of the supplier and not involving the supplier's fault or negligence and not foreseeable. Such events may include, but is not restricted to, acts of the purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions and freight embargoes.
- 1.13 "Fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of any bidder, and includes collusive practice among bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the bidder of the benefits of free and open competition.
- 1.14 "GCC" means the General Conditions of Contract.
- 1.15 "Goods" means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.16 "Imported content" means that portion of the bidding price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or his subcontractors) and which costs are inclusive of the costs abroad, plus freight and other direct importation costs such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African place of entry as well as transportation and handling charges to the factory in the Republic where the supplies covered by the bid will be manufactured.
- 1.17 "Local content" means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.18 "Manufacture" means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.19 "Order" means an official written order issued for the supply of goods or works or the rendering of a service.

- 1.20 "Project site," where applicable, means the place indicated in bidding documents.
- 1.21 "Purchaser" means the organization purchasing the goods.
- 1.22 "Republic" means the Republic of South Africa.
- 1.23 "SCC" means the Special Conditions of Contract.
- 1.24 "Services" means those functional services ancillary to the supply of the goods, such as transportation and any other incidental services, such as installation, commissioning, provision of technical assistance, training, catering, gardening, security, maintenance and other such obligations of the supplier covered under the contract.
- 1.25 "Written" or "in writing" means handwritten in ink or any form of electronic or mechanical writing.

2. Application

- 2.1. These general conditions are applicable to all bids, contracts and orders including bids for functional and professional services, sales, hiring, letting and the granting or acquiring of rights, but excluding immovable property, unless otherwise indicated in the bidding documents.
- 2.2. Where applicable, special conditions of contract are also laid down to cover specific supplies, services or works.
- 2.3. Where such special conditions of contract are in conflict with these general conditions, the special conditions shall apply.

3. General

- 1.1. 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.
- 1.2. With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za

4. Standards

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

5. Use of contract documents and information; inspection.

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6. Patent rights

- 1.1. 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.

1.2.

2. Performance security

- 2.1. 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.
- 2.2. 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.
- 2.3. 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:
- 2.4. 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
- 2.5. a cashier's or certified cheque
- 2.6. 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.

3. Inspections, tests and analyses

- 3.1. All pre-bidding testing will be for the account of the bidder.
- 3.2. 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.
- 3.3. 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.
- 3.4. 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.
- 3.5. 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.
- 3.6. 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.
- 3.7. 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.
- 3.8. 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.

4. Packing

- 4.1. 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.

- 4.2. 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.

5. Delivery and documents

- 5.1. 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.
- 5.2. Documents to be submitted by the supplier are specified in SCC.

6. Insurance

- 6.1. 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.

7. Transportation

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

8. Incidental Services

- 8.1. 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.
- 8.2. 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.

9. Spare parts

- 9.1. 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.

10. Warranty

- 10.1. 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.
- 10.2. 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.

- 10.3. The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 10.4. 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.
- 10.5. 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.

11. Payment

- 11.1. The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 11.2. 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.
- 11.3. 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.
- 11.4. Payment will be made in Rand unless otherwise stipulated in SCC.

12. Prices

- 12.1. 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.

13. Contract amendments

- 13.1. No variation in or modification of the terms of the contract shall be made except by written amendment signed by the parties concerned.

14. Assignment

- 14.1. 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.

15. Subcontracts

- 15.1. 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.

16. Delays in the supplier's performance

- 16.1. 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.
- 16.2. 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.
- 16.3. 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.

- 16.4. 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.
- 16.5. 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.
- 16.6. Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

17. Penalties

- 17.1. 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.

18. Termination for default

- 18.1. 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.
- 18.2. 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.
- 18.3. 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.
- 18.4. 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.
- 18.5. 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.
- 18.6. 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.
 - 18.6.1. These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 18.7. 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.

19. Anti-dumping and countervailing duties and rights

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

20. Force Majeure

- 20.1. 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.
- 20.2. 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.

21. Termination for insolvency

- 21.1. 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.

22. Settlement of Disputes

- 22.1. 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.
- 22.2. 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.
- 22.3. Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 22.4. Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 22.5. 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.

23. Limitation of liability

- 23.1. 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.

24. Governing language

- 24.1. 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.

25. Applicable law

- 25.1. The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.

26. Notices

- 26.1. 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
- 26.2. 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.

27. Taxes and duties

- 27.1. A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 27.2. A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 27.3. 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.

28. National Industrial Participation (NIP) Programme

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

29. Prohibition of Restrictive practices

- 29.1. In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder (s) is / are or a contractor(s) was / were involved in collusive bidding (or bid rigging).
- 29.2. If a bidder(s) or contractor(s), based on reasonable grounds or evidence obtained by the purchaser, has / have engaged in the restrictive practice referred to above, the purchaser may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in the Competition Act No. 89 of 1998.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder



REQUEST MEMO FOR GOODS/SERVICES

1. The goods/services, as reflected in the attached Annexure A, are required by this office for:

Description : Internal Audit Services
(When) : 15 May 2023

(Where) : 1st Floor The Marine Building, KZN Liquor Authority

The estimated price for the goods/services is

| NB: Allocation codes | User Section | Requisition number |
|----------------------|--------------|--------------------|
| | | |
| | | |
| | | |

Motivation / Reason:

Signed by: Phumelele Ngongo
Signed at: 2023-03-20 10:39:53 +02:00
Reason: Witnessing Phumelele Ngongo

Compiler /End user

Signature

Signed by: Bhekani Richman Mncwango
Signed at: 2023-03-20 11:04:31 +02:00
Reason: Witnessing Bhekani Richman Mn

____/____/2023
Date

SCMP

Signature

Signed by: Ongeziwe Cingo
Signed at: 2023-03-20 11:50:02 +02:00
Reason: Witnessing Ongeziwe Cingo

____/____/2023
Date

Approved (CCM)

Signature

Signed by: Bheki Mbanjwa
Signed at: 2023-03-20 18:14:41 +02:00
Reason: Witnessing Bheki Mbanjwa

____/____/2023
Date

Authorized (CEO)

Signature

____/____/2023
Date



TERMS OF REFERENCE

APPOINTMENT OF A SERVICE PROVIDER FOR INTERNAL AUDIT SERVICES

1. BACKGROUND INFORMATION

1.1. Abbreviation, Acronyms and Definitions

| | |
|--------|---|
| TOR | Terms of Reference |
| KZNLA | Kwa Zulu-Natal Liquor Authority |
| KZN | Province of KwaZulu-Natal |
| SP | Service Provider |
| SCM | Supply Chain Management |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| PFMA | Public Finance Management Act. 1999 (Act No 29 of 1999) as amended |
| B-BBEE | Broad-Based Black Economic Empowerment |
| SLA | Service Level Agreement |
| PPPFA | Preferential Procurement Policy Framework Act. 2000 (Act No 5 of 2000) as amended |

1.2. Background to the project being tendered for

The KwaZulu-Natal Liquor Authority was established on 1 August 2012 with a legislative mandate to control and regulate the retail sale and micro manufacture of liquor in the province of KwaZulu-Natal. The liquor regulatory function in the past resided directly with the Department of Economic Development, Tourism and Environmental Affairs. However, all matters pertaining to liquor policy and legislation remain with the Department, whilst the Liquor Authority is the implementing agency.

In this regard the Department is the only shareholder of the Authority. The MEC for Economic Development, Tourism and Environmental Affairs appointed new members of the Board of Directors as of 1 April 2017. Ms. Mbali Myeni is the chairperson of the Governance Board of the Liquor Authority and the deputy chairperson is Prof Bonke Dumisa. The other members are Brigadier MV Keshwa representing the SAPS. Mr. Mfundo Thango and Inkosi Mabhudu Tembe.



In order to execute their mandate as the Accounting Authority, the Board is tasked with ensuring that the Authority is well-structured, well-resourced in terms of human and financial capital and its well-developed plans to execute its function as the liquor regulator in the province. In the main Their oversight function includes, amongst others, to secure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of the Entity are managed efficiently and effectively.

The staff complement of the Authority currently sits at +-100 permanent staff. Thirty-three staff members are deployed to run and manage the district offices providing easy access to clients and stakeholders and the public seeking our advice and service. In each of the districts, and in the Durban Metro, there are three personnel - a local committee secretary, a social responsibility practitioner and a compliance inspector.

There are five business units within the Authority responsible for the following portfolios:

- Liquor Licensing and Administration.
- Social Responsibility.
- Compliance and Enforcement.
- Corporate Services.
- Office of the CEO and the Board.

The functional areas of responsibility for each of the business units are fully described in the website.

The KZNLA's priorities are:

- To optimise our Liquor License Management System and Call Centre in a manner that will become more receptive and responsive to our client needs.
- Ensuring that our Local Committees provide on effective and efficient service to our stakeholders, both internal and external.
- Implementing a stakeholder relationship management strategy.
- Improving the turnaround times for all types of liquor license applications and
- Improving the range and quality of our service throughout the province

1.3. Purpose of the Terms of Reference

The purpose of the TOR is to call for proposals from Service providers to provide internal audit Services to the KZNLA

2. CONTRACT OBJECTIVES, SCOPE OF WORK AND DELIVERABLES

2.1. Introduction

In terms of Treasury Regulation 27.2.5, the Board must have an internal audit function that must in consultation with the Board be formally defined in an audit charter and must be consistent with the Institute of Internal Auditors (IIA).

2.2. Overall objective of the contract

The overall objective of this contract is to appoint a Service provider to provide Internal Audit Services in terms of Treasury Regulations 27.2.5 for the provision of Internal Audit Services for a period of 12 months.

2.3. Scope of work

2.3.1. Purpose/ Function of the Internal Auditors

The Internal Audit function must in consultation with the Audit Committee, prepare

- a) An annual internal audit plan
- b) Plans indicating the scope of each audit in the annual internal audit plan;
- c) Reports to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary including copies of the internal audit reports.
- d) The areas of audit will include the following areas of operations of KZNLA but not limited to:
 - Supply Chain Management
 - Interim Financial Statements and Annual Financial Statements Review as at 30 September and 31st March respectively with Revenue, Grants Management - Total average revenue R85 million)
 - Asset Management
 - Licensing Processes
 - Performance Information
 - Risk Management (annual assessment at strategic and operational level - 5 business units), and review of actions.
 - Human Resources Management and performance management of 95 positions.
 - Information Technology
 - Auditor-General Follow Up Reviews
 - Validation of quarterly performance reports
 - Validation of audit action plan reports

2.3.2. Competence Requirements

The service provider should meet the following competency requirements:

- a) Be independent of the entity;
- b) Be competent in the professional practice of internal auditing;
- c) Be certified audit professional. e.g. CIA, SAICA or CISA. who possesses current knowledge of the Standards
- d) Be well versed in the best practices of the profession:



- e) Have at least ten (5) years of recent experience in the practice of internal auditing at public sector institutions (specifically PFMA).
- f) Has provided internal audit services to a minimum of 3 public entities.

2.3.3. Special Conditions

- a) The period of the contract will be for a period of one year covering from May 2023 to May 2023.
- b) The final Internal Audit Plan for 2022/23 must be approved by May 2023 for implementation with effect from 15 May 2023.
- c) The Internal Auditors appointed will be bound to the Code of Conduct and Confidentiality as per the IIA Standards and the KZNLA policies in the course of their duties.
- d) The KZNLA reserves the right to reject any proposal found to be inadequate or non-compliant to the Terms of Reference.
- e) The bidder should demonstrate knowledge of the public entity's activities.
- f) The successful bidder(s) must sign a Service Level Agreement (SLA) with the Chief Executive Officer (CEO) and reporting on the progress and completion of the contract will be made to the Audit and Risk Committee.
- g) The bidder may not intend to assign in whole or in part any of its obligations to perform in terms of the contract to any third party, unless the Chief Executive Officer has prior to the assignment, consented in writing to the assignment.
- h) A bidder may not intend to cede his right to payment in terms of a contract to a third party without the prior written consent of the CEO. A bidder may not by means of cession, cede any of his obligations to perform in terms of a contract to any third party.
- i) The bidder(s) must formally indicate any objection the bidder(s) may have in making available, on request by the KZNLA, all working papers, data, documents, reports and evidence collected or prepared during the planning, execution and reporting of the internal audit function.

3. TIME FRAMES

The term of the contract will be for the period of one year where the KZNLA will contract for a year, with a further year optional for renewal based on operational requirements and budget availability.

4. REPORTING

The consultant will be directly accountable to the Acting Chief Financial Officer: Miss Ongeziwe Cingo.

The following deliverables must be achieved by the Internal Auditors:

- a) Facilitate the risk assessment based on the entity's current operations as outlined in the annual performance plan;
- b) Prepare a final risk assessment report for approval by the Audit and Risk Committee;
- c) Prepare an annual internal audit plan;

- d) Prepare plans indicating the scope of each audit in the annual Internal audit plan;
- e) Prepare internal audit reports in line with the approved Internal Audit Plan;
- f) Prepare a close-off progress report at the end of each Quarter in line with the Annual Internal Audit Plan for presentation to the Audit and Risk Committee.
- g) Perform any other audit work as might be deemed necessary / required by the KZNLA that could be outside the rolling plan.
- h) The Bidding Company is also requested to provide its experience in assisting entities with performance management (POE, Annual Performance Report AND Reviewing/ Audit Quarterly Reports)

5. BID REQUIREMENT

5.1. Standard quotation documentation

All bidders are required to complete the Standard Bid Documentation.

5.2. Project/ Technical Proposal

Bidders will be required to submit a **SEPARATE technical and financial** proposal.

- **Technical proposal**

The technical proposal should comprise the following elements:

- Understanding of the assignment and scope of work.
- Experience of the service provider including relevant track record, reputation, references letters on letterhead of clients, record of affiliation and experience of conducting similar work.
- Proposed Audit Manager Profile and other key members of the team.
- Detailed project execution plan including task definition and allocation project timeframes / timetable and milestones as well as feedback and reporting plan to KZNLA.

The CV of the key expert(s) must be provided in the required format (see annexure C). The key expert must also sign statements of availability (annexure D).

5.4. Financial proposal

The financial *offer* must contain a budget breakdown.

The budget breakdown will include a cost estimate for the contract period of one year. which must include

- Related assumptions and detail make up.
- Fees must be quoted at an all-inclusive rate for the different levels of proposed resources to be utilized; and
- All administration cost such as accommodation. travel. subsistence. etc. for the duration of the audit.
- To show the total cost per deliverable
- To give final totals per annum.



6. EVALUATION CRITERIA

All bids will be assessed in terms of functionality (quality) and cost. In order to be deemed technically compliant bidders must achieve a minimum score of 60 % on the functionality points available as per the Evaluation Grid attached as Annexure 3.

Those bidder/s who are deemed to be technically compliant will thereafter be assessed in terms of price and preference points on an 80/20 preference points system. Financial proposals will also be assessed in terms of reasonableness of costs in relation to prevailing fee guidelines, consistency with the technical bid submitted and value for money.

7. NON-APPOINTMENT

The KZNLA reserves its rights either NOT to make an appointment and/or appoint the bidder with the lowest price. The KZNLA also reserves its right to negotiate the final price of those bids deemed technically compliant.

For Technical Enquiries Contact: Ongeziwe Cingo

Email: Ongeziwe.cingo@kznla.co.za



ANNEXURE A: CURRICULUM VITAE (max 5 pages)

Proposed role in the project:

1. **Surname:**
2. **First name:**
3. **Date of birth:**
4. **Nationality:**
5. **Marital status:**
6. **Education:**

| Institution (Date from-Date to) | Degree(s) or Diploma(s) obtained |
|---------------------------------|----------------------------------|
| | |
| | |

7. Language skills: indicate competence on a scale of 1 to 5 (1 excellent; 5 basic)

| Language | Reading | Speaking | Writing |
|----------|---------|----------|---------|
| English | | | |
| Zulu | | | |
| | | | |

8. Membership of professional bodies:

| Body | Membership no. | Date of Membership |
|------|----------------|--------------------|
| | | |
| | | |
| | | |

9. Other skills: (e.g. Computer literacy, etc.)
10. Present position :



11. Years within the firm :

12. Professional Experience

| Date from-date to | Location | Company | Position | Description of projects/ responsibilities etc. |
|-------------------|----------|---------|----------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |



ANNEXURE B: STATEMENT OF AVAILABILITY

TENDER REF: _____

I, the undersigned, hereby declare that I agree to participate exclusively with the tender <tender name> in the above mentioned service tender procedure, I further declare that I am able and willing to work for the period(s) foreseen for the position for which my CV has been included.

| From | To |
|---------------------|--------------------|
| <start of period 1> | <end of period 1 > |
| <start of period 2> | <end of period 2> |
| <etc.> | |

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

ANNEXURE C- EVALUATION GRID FOR FUNCTIONALITY

To be completed for each bid by each evaluator

| Name of project: KZNLA Internal Audit Services for three years. | Score | Weight | Total Score | assessment |
|---|------------|--------|-------------|------------|
| Understanding of Assignment | 5 | | 5 | |
| Approach and Methodology to the Internal Audit Function covering the KZNLA Areas of Operations | 25 | | 25 | |
| Minimum number of years (Ten years) of relevant experience providing service to a PFMA public sector | 5 | | 5 | |
| Number (minimum 5 public entities) and value of similar projects managed | 5 | | 5 | |
| Experience in assisting entities in managing and also reporting on Performance Management (POE, Quarterly Reports and APR) | 5 | | 5 | |
| Affiliation of the company to professional bodies | 10 | | 10 | |
| Sub-Total | | | | |
| Key Expert 1: Audit Manager | | | | |
| Proof of level of training and accreditation with professional body | 15 | | 15 | |
| General professional experience- internal audit services | 10 | | 10 | |
| Specific professional experience-public sector | 10 | | 10 | |
| Experience of additional team members relating to the internal audit services in public sector | 10 | | 10 | |
| Total Score | 100 | | 100 | |

Score

Minimum Required
= 60 % will be
required to go
through
functionality

Evaluator Summary Comments

| | |
|-------------------|--|
| Strengths | |
| Weaknesses | |

Evaluation performed by:

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

