



Reg Name: Postbank (SOC) Ltd
Registration number: 2017/177755/30
NPC Building, Jeff Masemola Street, Pretoria, 0002: PO Box 10 000, Pretoria, 0001

REQUEST FOR BIDS/PROPOSALS

RFB/P REF. NO:	RFP 02/12/2023 (Open Tender)
DESCRIPTION	Appointment of a service provider to assume the crucial role of Key Manager, Deputy Key Manager and Administrator, provision of key custodians, effectively mitigating the risks associated with compromised Hardware Security Module (HSM) Keys and ensuring that the furthering management and administrative of key is handled with highest level of confidentiality, integrity and always available for a period of eighteen (18) months.
RFB/P ISSUING DATE	07 December 2023
RFB/P CLOSING DETAILS	Date: 19 January 2024 Time: 11:00am (South African Time)
RFB/P ADDRESS SUBMISSION	South African Post Office SOC Limited Corner James Drive and Moreleta Street SILVERTON PRETORIA
RFB/P VALIDITY PERIOD	180 Days from the Closing Date
ENQUIRIES	Fhatuwani Matshili: Fhatuwani.Matshili@postbank.co.za Lwandle Mgidlana: Lwandle.Mgidlana@postbank.co.za

PROSPECTIVE BIDDERS MUST BE REGISTERED ON THE CENTRAL SUPPLIER DATABASE

PRIOR TO SUBMITTING BIDS/PROPOSALS.

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF DEPARTMENT/ PUBLIC ENTITY)

BID NUMBER:	RFP 02/12/2023	CLOSING DATE:	19 January 2024	CLOSING TIME:	11:00am
DESCRIPTION	Appointment of a service provider to assume the crucial role of Key Manager, Deputy Key Manager and Administrator, provision of key custodians, effectively mitigating the risks associated with compromised Hardware Security Module (HSM) Keys and ensuring that the furthering management and administrative of key is handled with highest level of confidentiality, integrity and always available for a period of eighteen (18) months.				

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

South African Post Office SOC Limited
 Corner James Drive and Moreleta Street
 SILVERTON
 PRETORIA

BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO

CONTACT PERSON	Fhatuwani Matshili
E-MAIL ADDRESS	Fhatuwani.Matshili@postbank.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
1..1.1 ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]		1..1.2 ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]	

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, 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:.....

(Proof of authority must be submitted e.g. company resolution)

DATE:.....

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**SECTION 1
BIDDER'S DETAILS**

1. Bidding structure

Indicate the type of bidding structure by marking with an 'X':	
Individual bidder	
Joint Venture	
Consortium	
Subcontractors	
Other	
If the bid is submitted as a Consortium or Joint Venture or Sub Contracting, list the members of such Consortium or Joint Venture and Sub Contractors below:	
1.	
2.	
3.	
4.	

1.2 Entity Directorship

No.	Director name	Identity number
1.		
2.		
3.		
4.		
5.		
6.		

1.3 Entity Ownership

Ownership Category	% of Ownership
Black or Historically Disadvantage Individual Owned	
Black Women	
Youth	
People Living with Disability	
Military Veteran	
Other Ownership	
Total (100%)	

I certify that the information furnished on this form is true and correct.

I further accept that, in addition to cancellation of a contract, action may be taken against me should this declaration prove to be false.

Name of bidder (duly authorised)

Signature of bidder

Date

Capacity under which this bid is signed

SECTION 2
BID TERMS OF REFERENCE

2. General rules and instructions

2.1 Precedence of documents

- 2.1.1 This RFB/P consists of a number of sections (see list). Where there is a contradiction in terms between the clauses, phrases, words, stipulations or terms and herein referred to generally as stipulations in this RFB/P and the stipulations in any other document attached hereto, or the RFB/P submitted hereto, the relevant stipulations in this RFB/P shall take precedence.
- 2.1.2 Where this RFB/P is silent on any matter, the relevant stipulations addressing such matter and which appear in the PPPFA shall take precedence. Bidders shall refrain from incorporating any additional stipulations in its proposal submitted in terms hereof other than in the form of a clearly marked recommendation that POSTBANK may in its sole discretion elect to import or to ignore. Any such inclusion shall not be used for any purpose of interpretation unless it has been so imported or acknowledged by POSTBANK.
- 2.1.3 It is acknowledged that all stipulations in the PPPFA are not equally applicable to all matters addressed in this RFB/P. It, however, remains the exclusive domain and election of POSTBANK as to which of these stipulations are applicable and to what extent. Bidders are hereby acknowledging that the decision of POSTBANK in this regard is final and binding. The onus to enquire and obtain clarity in this regard rests with the Bidder(s). The Bidder(s) shall take care to restrict its enquiries in this regard to the most reasonable interpretations required to ensure the necessary consensus.

2.2 Preferential procurement reform

- 2.2.1 POSTBANK supports B-BBEE as an essential ingredient of its business. In accordance with government policy, POSTBANK insists that the private sector demonstrates its commitment and track record to B-BBEE in the areas of ownership (shareholding), skills transfer, employment equity and procurement practices (SMME Development) etc.
- 2.2.2 POSTBANK shall apply the principles of the Preferential Procurement Policy Framework Act, (Act No. 5 of 2000) to this proposal read together with the Preferential Regulations, 2017.

2.3 National Industrial Participation Programme

- 2.3.1 The Industrial Participation policy, which was endorsed by Cabinet on 30 April 1997, is applicable to contracts that have an imported content. The NIP is obligatory and therefore must be complied with. Bidders are required to sign and submit the Standard Bidding Document (SBD).

2.4 Local Content and Local Production

2.4.1 POSTBANK promotes the use of local production and content in accordance with the prescribed thresholds in the designated sectors directed by Department of Trade and Industry, and as instructed by the NT, for the acquisition of Goods, Services and Works for all the designated sectors.

2.5 Objection to brand specific requirements

2.5.1 Any bidder who has reasons to believe that the RFB/P specification is based on a specific brand must inform POSTBANK within seven (7) days after the publication of the RFB/P.

2.6 Instructions for submitting bids

2.6.1 Bid responses must be submitted as stipulated on the cover page (page 1: RFP/B Bid Submission Instruction).

SECTION 3

3. Special Conditions of the Bid

3.1 POSTBANK shall not make upfront payment.

The preparation of response shall be made without obligation to acquire any of the items included in any bidder's proposal or to select any proposal.

3.2 POSTBANK may request written clarification regarding any aspect of this proposal. The bidders must supply the requested information in writing within the specified time frames after the request has been made, otherwise the proposal shall be disqualified.

3.3 POSTBANK reserves the right to; cancel or reject any proposal and not to award the proposal to the lowest bidder or award parts of the proposal to different bidders, or not to award the proposal at all.

3.4 By submitting a proposal in response to this RFB/P, the bidders accept the evaluation criteria as it stands.

3.5 Where applicable, POSTBANK reserves the right to conduct benchmarks on product/services offered during and after the evaluation.

3.6 Failure or neglect by either party to (at any time) enforce any of the provisions of this proposal shall not, in any manner, be construed to be a waiver of any of that party's right in that regard and in terms of this proposal. Such failure or neglect shall not, in any manner, affect the continued, unaltered validity of this proposal, or prejudice the right of that party to institute subsequent action.

3.7 Should the bidder change any wording or phrase in this document, the RFB/P shall be evaluated as though no change has been effected and the original wording or phrasing shall be used.

3.8 POSTBANK shall at any time during procurement process require additional information that was not part of the bid as part of due diligence. Similarly bidders may be required to give an oral presentation, which may include, but is not limited to, an equipment/service demonstration of their proposal to POSTBANK. This provides an opportunity for the vendor to clarify or elaborate on the proposal. POSTBANK shall schedule the time and location of these presentations.

3.9 This RFB/P is subject to Government Procurement: General Contract Conditions – July 2011, Special Contract Conditions and any other contract conditions to be finalised during contracting.

3.10 Late bids shall not be accepted.

SECTION 4

SPECIFICATION

1. Background

In today's dynamic and interconnected financial landscape, safeguarding sensitive information stands as an utmost priority. As we navigate the complexities of security in the digital age, ensuring the integrity and confidentiality of our data remains at the core of our operations. Recent incidents have underscored the critical need for robust Key Management/Administration services within Postbank SOC. Recognizing the significance of this aspect, Postbank SOC is initiating a request for proposal (RFP) to procure the services of a highly proficient and trustworthy Key Management and Administration services.

This RFP seeks to identify a partner who will assume the crucial role of Key Manager, Deputy Key Manager, Administrator and provision of key custodians, effectively mitigating the risks associated with compromised Hardware Security Module (HSM) Keys and ensuring that the furthering management and administrative of key is handled with highest level of confidentiality, integrity and always available. The selected service provider will collaborate closely with our Postbank SOC senior management to institute resilient and industry-leading practices in key management and administration. Our aim is to forge a strategic partnership with an entity that not only comprehends the nuances of Key Management but also aligns with our commitment to maintaining the highest standards of security and confidentiality.

We invite qualified and experienced firms to participate in this process and present their proposals detailing their expertise, methodologies, and solutions aimed at fortifying our key management infrastructure.

2. Objectives of the Bid

Postbank SOC Ltd (Postbank) requires the services of a service provider to assume the crucial role of Key Manager/ Administrator, effectively mitigating the risks associated with compromised Hardware Security Module (HSM) Keys and ensuring that the furthering management and administrative of key is handled with highest level of confidentiality, integrity and always available for a period of eighteen (18) months.

3. Scope of Work / Services

3.1. Key Lifecycle Management

- **Secure HSM Key Management Practices:** Implement rigorously secure processes for generating and managing HSM Keys, including the Local Master Key, in strict adherence to established key management best practices, methodologies, and internationally recognized standards such as PCI, DSS, ISO 27001, FIPS 140-2 or higher.
- **Payment Card Key Generation Adherence:** Establish and deploy secure processes for generating and managing Payment Card Keys, specifically aligning with VISA PIN Security Requirements and EMV standards. Ensure the use of certified random number generators and cryptographic modules compliant with industry standards.
- **Establishment and Distribution Protocols:** Define and enforce secure protocols for the establishment and distribution of keys specific to EMV standards within Payment Systems. These protocols will ensure secure and authenticated key exchanges, meeting EMV's stipulated guidelines.
- **Provision of key custodians:** Provision and onboarding of key custodians. Ensure that due diligence is done in the process of appointing the key custodian in line with the industry best practice. Resources should be available as and when required for this service.
- **Secure Key Usage and Rotation:** Institute robust practices for secure key usage, periodic rotation, and the secure disposal of outdated or deprecated keys in accordance with key management best practices and stringent adherence to EMV specifications. Ensure timely and controlled key updates to mitigate security risks.
- **Continuous Compliance Verification:** Conduct periodic reviews and assessments to verify ongoing compliance with key management best practices, EMV standards, and relevant industry guidelines. These assessments will ensure that key lifecycle management processes remain aligned with the latest security requirements.
- **Documentation and Audit Trails:** Maintain detailed documentation of key lifecycle management processes, including key generation, distribution, usage, and disposal. These records will serve as comprehensive audit trails and evidence of compliance during regulatory audits and internal assessments.
- **Key Management Policies and Procedures:** The company must have robust key management policies and procedures in place, including key generation, distribution, storage, rotation, and destruction.

3.2. Key Storage and Protection:

- **HSM Compliance with Payment Security Standards:** Ensure the HSM configurations within Payment Systems strictly adhere to EMV security requirements and all pertinent payment security standards. This includes comprehensive compliance checks and configurations tailored specifically to safeguard and manage payment card keys securely.
- **Physical Security Guidelines for Payment Infrastructure:** Develop and implement comprehensive guidelines specifically aligned with EMV standards for physical security measures aimed at fortifying payment card systems and key storage facilities. These guidelines will encompass access controls, surveillance, environmental controls, and intrusion detection systems.
- **Logical Security Measures:** The bidder should detail the logical security measures the company employs to protect the HSM and the keys. This includes data center security, access controls, and network security measures.
- **HSM Configuration Validation:** Conduct regular validation and assessments of HSM configurations to ensure their continuous compliance with evolving EMV and payment security standards. Regular validation will involve configuration audits, firmware updates, and adherence to best practices recommended by industry authorities.
- **Continuous Monitoring and Surveillance:** Implement robust monitoring and surveillance systems within payment infrastructure to ensure ongoing oversight of physical security measures. This includes real-time monitoring, access logs, and incident response protocols as per EMV and related payment security requirements.
- **Training and Awareness:** Provide specialized training and awareness programs to personnel responsible for managing HSM configurations and implementing physical security measures. These programs will emphasize compliance with EMV standards and best practices for securing payment card systems.
- **Documentation and Compliance Reporting:** Maintain detailed documentation outlining HSM configurations, physical security guidelines, compliance audits, and surveillance records. This documentation will serve as evidence of adherence to EMV and related payment security requirements during regulatory assessments and internal audits.

3.3. Key Access Control, Verification and Authorization

- **Access Control Framework:** Develop and enforce a comprehensive access control framework covering all keys, key management devices, and storage facilities, aligning meticulously with industry-recognized key management standards and best practices.
- **Verification Protocols:** Establish and implement robust verification protocols to authenticate the identities of individuals seeking entry into key management facilities. These protocols will strictly adhere to best key management practices, and relevant industry regulations, ensuring stringent identity verification measures.
- **Authorization Procedures:** Implement a meticulous system for access requests that mandate identity checks and, where applicable, access card validation. The process will include real-time

authorization mechanisms specifically designed for authorized personnel, maintaining compliance with industry directives and internal security policies.

- **Continuous Access Monitoring:** Enable continuous monitoring and auditing of access control measures to ensure their effectiveness and compliance with regulatory requirements. This ongoing monitoring will allow for timely adjustments and enhancements to maintain stringent access controls.
- **Regular Security Reviews:** Conduct periodic security reviews and assessments of access control mechanisms to identify any vulnerabilities or areas for improvement. These reviews will be in line with key management's best practices, and industry standards, facilitating a proactive approach to security enhancement.
- **Documentation and Compliance Assurance:** Maintain meticulous documentation of access control policies, procedures, and audits to demonstrate compliance with regulatory standards during internal and external assessments. These documents will serve as evidence of adherence to key management best practices.

3.4. Key Recovery and Backup Procedures

- **Secure Backup Strategy:** Establish and document robust procedures for securely backing up Payment Card Keys, adhering to EMV standards to ensure the integrity and confidentiality of key data.
- **Data Privacy and Compliance:** The company must adhere to data privacy laws and regulations, especially if managing keys for clients in different jurisdictions.
- **Comprehensive Recovery Plans:** Develop and maintain detailed recovery plans and protocols, outlining step-by-step procedures for retrieving Payment Card Keys in emergency scenarios, meeting EMV's requirements for key retrieval.
- **Testing and Validation:** Regularly test and validate the effectiveness of backup systems and recovery procedures to ensure their reliability and efficiency in real-time key retrieval situations, aligning with EMV's stipulations for validation processes.
- **Emergency Response Protocols:** Define clear and actionable protocols to be enacted during key loss or compromise incidents, emphasizing swift and secure recovery methodologies as specified by EMV guidelines.
- **Documentation and Compliance:** Maintain up-to-date documentation of backup and recovery processes, ensuring compliance with EMV standards and facilitating audit readiness regarding key management contingency plans.

3.5. Auditing and Compliance Support

- **Information Accessibility:** Facilitate comprehensive access to all pertinent key management information required by audit and compliance teams, ensuring availability and accessibility of relevant documentation, logs, and reports.
- **Collaborative Assistance:** Provide active support and cooperation to audit and compliance teams, offering necessary insights, explanations, and context regarding key management processes, procedures, and security measures.

- **Comprehensive Reporting:** Generate and furnish detailed reports encompassing key management activities, access logs, security incidents, and adherence to regulatory standards and best practices.
- **Customized Guidance:** Offer tailored guidance and assistance during audit reviews, ensuring clarity and transparency in presenting key management practices aligned with PCI, EMV, and industry-specific requirements.
- **Continuous Monitoring Facilitation:** Enable tools and systems for ongoing monitoring of key management operations, allowing audit and compliance teams to conduct real-time or periodic assessments as needed.
- **Adherence Verification:** Support verification processes to confirm alignment with audit and compliance recommendations, addressing identified gaps or discrepancies promptly and effectively.

3.6. Continuous Improvement and Training

- **Ongoing Training Programs for Personnel:** Establish a structured and continuous training regimen tailored for key management personnel. These programs will focus on the evolving PCI, EMV, and other relevant standards, aiming to enhance awareness, technical expertise, and compliance with the latest regulatory requirements and industry best practices.
- **Training Content and Methodologies:** Develop comprehensive training content encompassing key management principles, encryption technologies, compliance guidelines, and emerging threats. Utilize diverse training methodologies, including workshops, seminars, online courses, and simulations, to cater to varied learning styles and preferences.
- **Regular Skill Assessments and Certification:** Conduct regular skill assessments to evaluate the proficiency of key management personnel. Encourage and support certifications such as Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), or other relevant certifications to validate expertise and encourage continuous learning.
- **Adaptive Security Measures and Continuous Evaluation:** Establish a systematic process for continuously evaluating, updating, and enhancing key management practices. This process will incorporate insights from emerging threats, technological advancements, evolving EMV, and industry standards. Implement a feedback loop that fosters a culture of continuous improvement in response to changing security landscapes.

3.7. Key management and administration services

The Service Provider shall deliver comprehensive key management and administration services, encompassing critical components such as:

- **HSM Key Management:** Implement and manage Hardware Security Modules to securely store and manage cryptographic keys.
- **Payment Card Key Generation:** Generate and oversee Payment Card Keys, ensuring compliance with VISA PIN Security Requirements, PCI and EMV standards.
- **Provision of Key Custodians:** Provision and Onboarding of Key Custodians. Ensure that due diligence is done in the process of appointing the key custodians in line with industry best practice. Resources should be available as and when required for this service.
- **Key Establishment and Distribution:** Define and execute secure protocols for key establishment and distribution aligned with EMV standards within Payment Systems.
- **Access Control:** Enforce stringent access controls to safeguard keys, key management devices, and storage facilities, adhering to industry best practices and compliance requirements.
- **Audits and Compliance Monitoring:** Conduct regular audits and compliance assessments, ensuring adherence to PCI, EMV, and other relevant security guidelines and standards.

3.8. Service Objectives

For each service provided, the service provider commits to achieving the following measurable objectives:

- **Performance Expectations:** Maintain consistent and reliable service performance, ensuring system availability, and uptime within predefined thresholds.
- **Responsiveness:** Demonstrate promptness in addressing incidents or service requests, adhering to agreed-upon response times for query resolution or issue escalation.
- **Availability and Security Compliance:** Ensure continuous availability of key management systems while maintaining stringent security compliance with PCI, EMV, and industry standards.
- **Documentation and Reporting:** Provide comprehensive documentation and regular reports detailing service activities, compliance adherence, and security measures implemented.

3.9. Special condition of contract

- Postbank shall not provide upfront payment
- Postbank reserves the right not to make any award

3.10. Submission of documents

Bidders must submit the following supporting documents with their bid responses. Bidders who fail to submit the supporting documents will be given an opportunity to do so within a period to be determined by Postbank. Failure to submit the supporting documents within the stipulated period will lead to disqualification.

Required supporting documents:	Submitted (Yes or No)
<p>3.10.1. Security Compliance and Certifications: The company should comply with relevant security standards like ISO/IEC 27001, PCI DSS and FIPS140-2 or higher. These certifications indicate that the company adheres to stringent security protocols.</p>	
<p><u>3.10.2. Confirmation Letter</u> Bidders must submit a signed confirmation letter on their company letterhead confirming that:</p> <ul style="list-style-type: none"> • they will comply with the specifications; and <p>they have the capacity, capability and experience in Key Lifecycle management, Key Storage and Protection, Key access control, verification and authorization, Key Recovery and Backup Procedures, Auditing and compliance support and the ability to provide continuous improvement and training.</p>	
<p><u>3.10.3 Project Plan</u> Provide a project plan detailing how they are going to assume the services/role of Key Manager, Deputy Key Manager, Key Custodians and Administrator, within six (6) weeks.</p>	
<p><u>3.10.4 Reference letters</u> Provide a minimum of two (2) reference letters from banks where similar services were provided in the past five (5) years. The reference letters should be on the letterhead of the referees.</p>	

3.11. Compliance statement:

Bidders must indicate by ticking (√) in the correct box indicating Yes or No. Failure to comply with the following will result in disqualification of the bid.

Services	Specification Requirements: Bidders to indicate their capacity, capability, and experience on requirements below	Comply (Yes or No)	Do not comply (Yes or No)
Key Lifecycle Management	<ul style="list-style-type: none"> Secure HSM Key Management Practices 		
	<ul style="list-style-type: none"> Appointment and Onboarding of Key Custodians in line with industry best practice 		
	<ul style="list-style-type: none"> Payment Card Key Generation Adherence 		
	<ul style="list-style-type: none"> Establishment and Distribution Protocols 		
	<ul style="list-style-type: none"> Ensure seamless and secure migration from current HSMs to next generation HSMs 		
	<ul style="list-style-type: none"> Secure Key Usage and Rotation 		
	<ul style="list-style-type: none"> Continuous Compliance Verification Documentation and Audit Trails 		
Key Storage and Protection	<ul style="list-style-type: none"> HSM Compliance with Payment Security Standards 		
	<ul style="list-style-type: none"> Physical Security Guidelines for Payment Infrastructure 		
	<ul style="list-style-type: none"> HSM Configuration Validation 		
	<ul style="list-style-type: none"> Continuous Monitoring and Surveillance 		
	<ul style="list-style-type: none"> Training and Awareness 		
	<ul style="list-style-type: none"> Documentation and Compliance Reporting 		
Key Access Control, Verification and Authorisation	<ul style="list-style-type: none"> Access Control Framework 		
	<ul style="list-style-type: none"> Verification Protocols 		
	<ul style="list-style-type: none"> Authorization Procedures 		
	<ul style="list-style-type: none"> Continuous Access Monitoring 		
	<ul style="list-style-type: none"> Regular Security Reviews: 		
	<ul style="list-style-type: none"> Documentation and Compliance Assurance 		
Key Recovery and Backup Procedures	<ul style="list-style-type: none"> Secure Backup Strategy 		
	<ul style="list-style-type: none"> Comprehensive Recovery Plans 		
	<ul style="list-style-type: none"> Testing and Validation 		
	<ul style="list-style-type: none"> Emergency Response Protocols 		
	<ul style="list-style-type: none"> Documentation and Compliance 		
Audit and Compliance Support	<ul style="list-style-type: none"> Information Accessibility 		
	<ul style="list-style-type: none"> Collaborative Assistance 		
	<ul style="list-style-type: none"> Comprehensive Reporting 		
	<ul style="list-style-type: none"> Customized Guidance 		
	<ul style="list-style-type: none"> Continuous Monitoring Facilitation 		
	<ul style="list-style-type: none"> Adherence Verification 		
Continuous Improvement	<ul style="list-style-type: none"> Ongoing Training Programs for Personnel 		
	<ul style="list-style-type: none"> Training Content and Methodologies 		

Services	Specification Requirements: Bidders to indicate their capacity, capability, and experience on requirements below	Comply (Yes or No)	Do not comply (Yes or No)
and Training	<ul style="list-style-type: none"> Regular Skill Assessments and Certification 		
	<ul style="list-style-type: none"> Adaptive Security Measures and Continuous Evaluation 		
Provision of resources	<p>The bidder shall be able to provide the following expertise required for the project:</p> <ul style="list-style-type: none"> Key Manager, Cryptography, Key Custodian Deputy Key Manager Administrator Any additional resource/s that may be required to execute the project. 		
Project Lead	<ul style="list-style-type: none"> The bidder shall be able to assume the role of Key Manager/ Administrator, within six (6) weeks. 		
Experience and Expertise:	<p>The company should have a proven track record in managing HSMs and cryptographic keys. Experience in similar projects and a team with expertise in cryptography and security are crucial.</p>		

Note: The bidder/s will be disqualified from further evaluation should they:

- Indicate non-compliance with any of the above requirements.

SECTION 5

EVALUATION PROCESS

5.1 INTRODUCTION

To ensure that all respondents are afforded the opportunity to compete on an equal footing and also to enable Postbank to evaluate the bids received on an equal basis, the bid evaluation process described below will be followed.

5.2 METHODOLOGY AND EVALUATION PROCESS

- The evaluation of bids will be divided into ONE (1) phase:

5.2.1 PHASE 1: PRICE AND SPECIFIC GOALS

EVALUATION CRITERIA		POINTS
5.2.1.1	PRICE	80
5.2.1.2	SPECIFIC GOALS	20
	Specific Goals points allocation:	
	<ul style="list-style-type: none">• Historically Disadvantaged Individuals/Company (51% and above)	8
	<ul style="list-style-type: none">• Women (above 51% and above)	7
	<ul style="list-style-type: none">• Disability (above 51% and above)	5
	NB: it is upon the bidder to provide supporting document for the points claimed.	

SECTION 6

PRICING SCHEDULE/COSTING MODEL

This annexure should be completed and signed by the bidder's authorized personnel as Indicated below:

- Note: All prices must be VAT inclusive and must be quoted in South African Rand (ZAR)

Item #	Description	Quantity	Year 1	Year 2	Year 3
1.	Setup cost				
2.	Hourly rate for ongoing key management costs				
3.	Additional costs				
4.	Total (Excl. VAT)				
5.	VAT 15%				
6.	Total Price (Incl. VAT)				

6.1 WARRANTIES BY SERVICE PROVIDER:

The service provider warrants that the pricing quoted above is free of any errors and omissions and that shall be able to deliver on the price quoted.

SIGNATURE:.....

NAME OF DELEGATED SIGNATORY:.....

(PRINT) in his capacity of

DESIGNATION OF SIGNATORY :.....

(PRINT)who warrants his authority to sign on behalf of

NAME OF BIDDER (COMPANY) :.....

DATE :.....

DECLARATION

I, _____, hereby declare that the information provided above is correct and that there is no misrepresentation of facts.

.....
SIGNATURE OF BIDDER

SECTION 7

STANDARD BID DOCUMENTS (SBDs)

**SBD 4
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.

SECTION 8

GOVERNMENT PROCUREMENT: GENERAL CONDITIONS OF CONTRACT – JULY 2011

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 GCC 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 GCC. Whenever there is a conflict, the provisions in the SCC shall prevail.

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
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13. Incidental services
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21. Delays in the supplier's performance
22. Penalties
23. Termination for default
24. Dumping and countervailing duties
25. Force Majeure
26. Termination for insolvency
27. Settlement of disputes
28. Limitation of liability
29. Governing language
30. Applicable law
31. Notices
32. Taxes and duties
33. National Industrial Participation Programme (NIPP)
34. Prohibition of restrictive practices

General conditions of contract

1. Definitions

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

supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.

- 1.11 "Dumping" occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the RSA.
- 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 organisation purchasing the goods.
- 1.22 "Republic" means the RSA.
- 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, SCC are also laid down to cover specific supplies, services or works.
- 2.3 Where such SCC are in conflict with these general conditions, the special conditions shall apply.

3 General

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

4 Standards

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

5 Use of contract documents and information; inspection

- 5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.
- 5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.
- 5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.
- 5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.

6 Patent rights

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

7 Performance security

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

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

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

7.3.1 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

7.3.2 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 organisation 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:

13.1.1 performance or supervision of on-site assembly and/or commissioning of the supplied goods;

13.1.2 furnishing of tools required for assembly and/or maintenance of the supplied goods;

- 13.1.3 furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied goods;
 - 13.1.4 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
 - 13.1.5 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:
- 14.1.1 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
 - 14.1.2 in the event of termination of production of the spare parts:
 - 14.1.2.1 Advance notification to the purchaser of the pending termination, in sufficient time to permit the purchaser to procure needed requirements; and
 - 14.1.2.2 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 fulfilment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the 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 authorised 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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

21 Delays in the supplier's performance

21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.

- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.
- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

22 Penalties

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

23 Termination for default

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
- 23.1.1 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;
- 23.1.2 if the Supplier fails to perform any other obligation(s) under the contract; or

- 23.1.3 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:
- 23.6.1 the name and address of the supplier and / or person restricted by the purchaser;
- 23.6.2 the date of commencement of the restriction
- 23.6.3 the period of restriction; and
- 23.6.4 the reasons for the restriction.
- 23.7 These details will be loaded in the National Treasury's central database of suppliers or persons prohibited from doing business with the public sector.
- 23.8 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,
- 27.5.1 the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
- 27.5.2 the purchaser shall pay the supplier any monies due the supplier.

28 Limitation of liability

- 28.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to Clause 6;
- 28.1.1 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
- 28.1.2 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 SARSs.

33 National Industrial Participation (NIP) Programme

33.1 The NIP Programme administered by the DTI shall be applicable to all contracts that are subject to the NIP obligation.

34 Prohibition of restrictive practices

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

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

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

The above General Conditions of Contract (GCC) are accepted by:

Name:	
Designation:	
Bidder:	
Signature:	
Date:	

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;
 - Proof of tax compliance status;
 - Pricing schedule(s);
 - Technical Specification(s);
 - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
 - Bidder's Disclosure form;
 - 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 fulfillment 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.....

NAME OF FIRM.....

DATE.....

WITNESSES	
1.....	
2.	

CONTRACT FORM - PURCHASE OF GOODS/WORKS

PART 2 (TO BE FILLED IN BY THE PURCHASER)

1. I.....in my capacity as.....accept your bid under reference numberdated.....for the supply of goods/works indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating delivery instructions is forthcoming.
3. I undertake to make payment for the goods/works delivered in accordance with the terms and conditions of the contract, within 30 (thirty) days after receipt of an invoice accompanied by the delivery note.

6	ITEM NO.	PRICE (ALL APPLICABLE TAXES INCLUDED)	BRAND	DELIVERY PERIOD	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

4.I confirm that I am duly authorised to sign this contract.

SIGNED ATON.....

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1.

2.