



## **TABLE OF CONTENTS**

| <b>DOCUMENTS THAT RELATE TO THE TENDER</b> |                                               |
|--------------------------------------------|-----------------------------------------------|
| <b>Doc. Number</b>                         | <b>Document</b>                               |
|                                            |                                               |
| DW106                                      | ADVERT                                        |
| ANNEXURE 7                                 | INSTRUCTION TO BIDDERS: PURCHASES             |
| SBD 1                                      | INVITATION TO TENDER                          |
| SBD 6.1                                    | PREFERENCE POINTS CLAIM FORM I.T.O PPR, 2017: |
| ANNEXURE C                                 | LOCAL CONTENT                                 |
| SBD 4                                      | DECLARATION OF INTEREST                       |
| SBD 3.1                                    | PRICING SCHEDULE – FIRM PRICES (PURCHASES)    |
|                                            | GENERAL CONDITIONS OF CONTRACT                |

| <b>DOCUMENTS THAT RELATE TO THE CONTRACT</b> |                         |
|----------------------------------------------|-------------------------|
| <b>Doc. Number</b>                           | <b>Document</b>         |
|                                              | TECHNICAL SPECIFICATION |
|                                              | EVALUATION CRITERIA     |

## **Tender Notice and Invitation to Tender**

### **SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION OF AIR- CONDITIONING**

Employer Tender Number: WTE-2439ES

cidb Reference Number: 100102792

DEPARTMENT OF WATER AND SANITATION EASTERN OPERATIONS (KZN) INVITES TENDERS FOR SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION OF AIR-CONDITIONING

It is estimated that tenderers should have a cidb contractor grading of 2ME or higher.

NO FEES PAYABLE. DOCUMENTS AVAILABLE ON E-TENDER WEBSITE.

Queries relating to the issues of these documents may be addressed to:

SBU MATHONSI

Tel No. 0828837067

E-mail. [MATHONSIS@DWS.GOV.ZA](mailto:MATHONSIS@DWS.GOV.ZA)

A compulsory clarification meeting with representatives of the Employer will take place at MIDMAR DAM on 19 March 2025 starting at 10h00.

The closing time for receipt of Tenders is 11h00 on Monday, March 31, 2025.

Emailed and Late Tenders will not be accepted.

Tenders may only be submitted on the tender documentation that is issued.

Requirements for sealing, addressing, delivering, opening and assessment of Tenders are stated in the Tender Data.



**DEPARTMENT OF WATER AND SANITATION  
REPUBLIC OF SOUTH AFRICA**

DUE AT 11:00 AM ON

**31 MARCH 2025**

**WTE-2439ES**

**SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION  
OF AIR-CONDITIONING**

SUBMIT TENDER DOCUMENT

TO

POSTAL ADDRESS:  
SUPPLY CHAIN MANAGEMENT OFFICE:  
WATER AND SANITATION  
PRIVATE BAG X 24  
HOWICK, 3290  
NB: PLEASE QUOTE TENDER NUMBER ON  
ENVELOPE!

OR

**TO BE DEPOSITED IN:**  
THE TENDER BOX AT THE  
ENTRANCE  
OF MIDMAR DAM GUARD HUT,  
MIDMAR DAM  
NB: PLEASE COMPLETE REGISTER

**TENDERER:** (Company address and stamp)

**COMPILED BY: DEPARTMENT OF WATER AND SANITATION:**

DEPARTMENT OF WATER AFFAIRS

INSTRUCTIONS TO BIDDERS: PURCHASES

1. The standard bidding forms should not be retyped or redrafted but photocopies may be prepared and used. Additional offers may be made of any item but only on a photocopy of the page in question or on other forms obtainable from the Head of Procurement: Department of Water Affairs, Private Bag X313, Pretoria, 0001, Attention: Supply Chain Management Office. Additional offers made in any other manner may be disregarded.
2. Should standard bid forms not be filled in by means of mechanical devices, for example typewriters, ink, preferably black, must be used to fill in bids.
3. Bidders shall check the numbers of the pages and satisfy themselves that none are missing or duplicated. No liability shall be accepted in regard to claims arising from the fact that pages are missing or duplicated.
4. Where items are specified in detail, the specifications form an integral part of the bid document and bidders shall indicate in the space provided whether the items offered are to specification or not.
5. In respect of the paragraphs where the items offered are strictly to specification, bidders shall insert the words "as specified".
6. In cases where the items are not to specification, the deviations from the specifications shall be indicated.
7. The bid prices shall be given in the units shown.
8. With the exception of basic prices, where required, all prices shall be quoted in South African currency.
9. Delivery basis:
  - (a) Supplies which are held in stock or are in transit or on order from South African manufacturers at the date of bid, shall be offered on a basis of delivery into consignee's store or on his site within the free delivery area of the bidder's centre, or carriage paid consignee's station if the goods are required elsewhere.
  - (b) Notwithstanding the provisions of paragraph 9(a), bid prices for supplies in respect of which installation/erection/assembly is a requirement, shall include ALL costs on a basis of delivered on site as specified.
10. Unless specifically provided for in the bid document, no bids transmitted by telegram, telex, facsimile, e-mail or similar apparatus shall be considered.

## ANNEXURE 7

11. Bids received after the closing date and time are late and will as a rule not be accepted for consideration.
12. Bids will be opened in public, that is, bidders or their representatives may be present. If requested by any bidder, the names of bidders and if practical the total amount of each bid and of any alternative bids, will be read aloud.
13. The period for which offers are to remain valid and binding is indicated in the bid documents and is calculated from the closing date on the understanding that offers are to remain in force and binding until the close of business on the last day of the period calculated and if this day falls on a Saturday, Sunday or public holiday, the bid is to remain valid and binding until the close of business on the following working day.
14. These conditions (Annexure 7) form part of the bid and failure to comply therewith may invalidate a bid.
15. Bidders are requested to promote local content optimally. Bidders who use locally manufactured components, products, equipment and systems, may claim preferences as set out in the Preference Points Claim Form, if attached.
16. After public opening of bids, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards will not be disclosed to bidders or other persons not officially concerned with the process, until the successful bidder is notified of the award. The bid documentation of bidders is considered to be confidential and will under no circumstances be made available to other bidders or other persons.
17. If you are a supplier but not the actual manufacturer and will be sourcing the product(s) from another company, a letter from that company(ies)/supplier(s) confirming firm supply arrangement(s) in this regard, has to accompany your bid and failure to submit the document may invalidate your bid.
- 17.1 The said company/supplier must confirm that it has familiarised itself with the item description, specifications and bid conditions and if the bid consist of more than one item it should be clearly indicated in respect of which item(s) the supportive letter has been issued.
18. The financial standing of bidders and their ability to manufacture or to supply goods or to render a service may be examined before their bids are considered for acceptance.
19. The Department may, where a bid relates to more than one item, accept such bid in respect of any specific item or items and also accept part of the specified quantity of any specific item or items.
20. The Department is not obliged to accept any bid. The evaluation of a bid will be done in accordance with the Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000) and its regulations.

**ANNEXURE 7**

21. After approval of the bid, both parties must sign a written contract. The Contract Form must be filled in duplicate by both the successful bidder and the purchaser. Both Contract 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.
- 21.1 Failure of the successful bidder to sign the Contract Form in ink may result in the invalidation of their bid.

Special Conditions of Bid: Purchases

July 2004



## water & sanitation

Department:  
Water and Sanitation  
**REPUBLIC OF SOUTH AFRICA**

### SITE INSPECTION CERTIFICATE:

**NB-THE SITE INSPECTION AND BRIEFING IS COMPULSORY AND THIS CERTIFICATE MUST ACCOMPANY YOUR BID AS PART OF YOUR MANDATORY RESPONSE DOCUMENTATION. BIDDERS MUST SIGN THE ATTENDANCE REGISTER.**

**WTE-2439ES: SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION OF AIR-CONDITIONING-MIDMAR DAM**

**DATE: 19 MARCH 2025**

**TIME: 10:00**

This is to certify that I, \_\_\_\_\_  
(bidder / representative of the bidder)\*  
of (Company's name & address)

\_\_\_\_\_  
telephone number

\_\_\_\_\_  
cell number

\_\_\_\_\_  
fax number

\_\_\_\_\_  
e-mail address

\_\_\_\_\_  
in the company of (DWS REPRESENTATIVE) **S MATHONSI**  
visited and examined the site on (date) **19 MARCH 2025**

after having previously studied the bid documents.  
I have acquainted myself with all the local conditions likely to influence the work and the cost thereof.  
I further certify that I am satisfied with the description of the works and the explanations given by the  
said  
engineer and that I understand perfectly the work to be done as specifically implied in the execution of  
the  
contract.

**SIGNED BY:**

**COMPANY NAME:** \_\_\_\_\_

**BIDDER / REPRESENTATIVE: \*** \_\_\_\_\_

**DWS REPRESENTATIVE: \*** \_\_\_\_\_

\* Delete if not applicable.



**water & sanitation**

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

## **BRANCH INFRASTRUCTURE MANAGEMENT**

### **WATER RESOURCES INFRASTRUCTURE OPERATIONS AND MAINTENANCE**

#### **OPERATIONS EASTERN**

#### **SUB-DIRECTORATE: MECHANICAL/ ELECTRICAL MAINTENANCE**

#### **TECHNICAL SPECIFICATION**

#### **SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION OF AIR- CONDITIONING**

**February 2025**

**REFERENCE NO: WTE**

*Service, Supply, installation, and commissioning of air-conditioning*

## Contents

|     |                                     |    |
|-----|-------------------------------------|----|
| 1.  | INTRODUCTION .....                  | 3  |
| 2.  | LOCATIONS OF THE DAMS .....         | 3  |
| 3.  | SCOPE OF WORK.....                  | 4  |
| 4.  | SPECIFICATION .....                 | 7  |
| 4.1 | REQUIRED FEATURES .....             | 7  |
| 5.  | BILL OF QAUNTITIES .....            | 8  |
| 6.  | PURCHASE ORDER AND INVOICING. ....  | 10 |
| 7.  | OCCUPATIONAL HEALTH AND SAFETY..... | 11 |
| 7.1 | SECTION 37.2 APPOINTMENT .....      | 12 |
| 7.2 | RISKS IDENTIFIED BY THE DWS .....   | 12 |
| 7.3 | LOCK OUT .....                      | 12 |
| 8.  | INTERPRETATIONS .....               | 13 |

**SERVICE, SUPPLY, DELIVERY, INSTALLATION AND COMMISSION OF AIR-  
CONDITIONING UNITS**

**1. INTRODUCTION**

Operation Eastern is responsible for maintenance and operation of state assets located on the eastern part of the country, mostly within the Province of KwaZulu Natal. Majority of state assets that are operated and maintained by eastern operations are old and need maintenance.

Department of Water and Sanitation, air-conditioning are old need repairs and replacement. In some dams, Department has buildings that does not have air-conditioning units and some buildings has an existing air-conditioning that are no longer operational and need replacement.

Department of Water and Sanitation had intended to replace existing damaged or not operational air-condition and install new air-condition on department building using a term contract. Department of Water and Sanitation had planned to have a term contact with a service provider for supply, delivery, installation, and commission of air-conditioning units.

Arrangements for site access shall need to be in line with the policies of Department of Water and Sanitation.

**2. LOCATIONS OF THE DAMS**

Eastern cluster is responsible for maintenance and operations of the state dam within Pongola – Mtamvuna WMA (Water Management Area), in KwaZulu Natal and easter part of Eastern Cape province. Eastern cluster had divided the state dams into three (3) regions for this project (installation of air conditioner to state buildings within properties owned by the state) operated and maintenance. Table 1 to 3 details location of the state dams, where service, supply, installation and commissioning of air-conditioning is intended.

**Table 1:** Location of midlands dams

| <b>Dam name</b> | <b>Nearest town</b>                              | <b>Co-ordinate</b>                                  | <b>Kilometre from nearest town</b> |
|-----------------|--------------------------------------------------|-----------------------------------------------------|------------------------------------|
| Craigieburn Dam | Between Mooi River and Greytown (Mnyamvubu area) | -29,1634 <sup>0</sup> S<br>30,28714 <sup>0</sup> E  | 42km                               |
| Midmark Dam     | Howick                                           | -29.49904 <sup>0</sup> S<br>30.20974 <sup>0</sup> E | 5km                                |

**Table 2:** Location of Southern dams

| <b>Dam name</b> | <b>Nearest town</b> | <b>Co-ordinate</b>          | <b>Kilometre from nearest town</b> |
|-----------------|---------------------|-----------------------------|------------------------------------|
| Spioenkop Dam   | Winterton           | -28.68100° S<br>29.51700°E  | 24km                               |
| Wagendrift Dam  | Estcourt            | -29,04208° S<br>29,85316° E | 5.8km                              |

**Table 3:** Location of Northern dams

| <b>Dam name</b>  | <b>Nearest town</b>            | <b>Co-ordinate</b>           | <b>Estimated distance from nearest town</b> |
|------------------|--------------------------------|------------------------------|---------------------------------------------|
| Hluhluwe Dam     | Hluhluwe                       | -28,12169° S<br>32,17967° E  | 23km                                        |
| Klipfontein Dam  | Vryheid                        | -27,838944°S<br>30,815472° E | 11km                                        |
| Goedertrouw Dam  | Between Eshowe and Nkwalini    | -28,77285° S<br>31,46921° E  | 30km                                        |
| Ntshingwayo Dam  | Between Durnacol and Newcastle | -27,95423° S<br>29,94882° E  | 26km                                        |
| Pongolapoort Dam | Jozini                         | -27,41883° S<br>32,07088°E   | 2km                                         |

### 3. SCOPE OF WORK

Awarded bidder will be required to install wall mounted air-conditioning units to department buildings. Air Conditioners Specification to be supplied and Installed and

*Service, Supply, installation, and commissioning of air-conditioning*

Commissioned is detailed in table 4 below. Table 4 summarises an estimated type and number of air-conditioning that may be installed.

**Table 4:** Summary and type of air-conditioning to be supplied, Installed and Commissioned

| ITEM | QUANTITY | DESCRIPTION                                                                                                       |
|------|----------|-------------------------------------------------------------------------------------------------------------------|
| 1.   | 13       | The supply; installation and commission of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. |
| 2.   | 25       | The supply; installation and commission of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  |
| 3.   | 90       | Conditional assessment, Service and repair of Air-conditioning.                                                   |

Table 5 to 7 details estimated number and type of air-conditioned that maybe required from contractor for installation per dams. Table 8 details air-condition that need service and repairs at Midmar Dam.

**Table 5:** Unit description for midlands dams (region)

| Dam name        | Unit description                                                                                      | Number of units |
|-----------------|-------------------------------------------------------------------------------------------------------|-----------------|
| Craigieburn Dam | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |
| Midmar Dam      | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per Specification.  | 4               |
|                 | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per Specification. | 4               |

**Table 6:** Unit description for Southern dams (region)

*Service, Supply, installation, and commissioning of air-conditioning*

| <b>Dam name</b> | <b>Unit description</b>                                                                               | <b>Number of units</b> |
|-----------------|-------------------------------------------------------------------------------------------------------|------------------------|
| Spioenkop Dam   | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 4                      |
|                 | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3                      |
| Wagendrift Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 1                      |
|                 | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 2                      |

Table 7: Unit description for Northern dams (region)

| <b>Dam name</b>  | <b>Nearest town</b>                                                                                   | <b>Number of units</b> |
|------------------|-------------------------------------------------------------------------------------------------------|------------------------|
| Klipfontein Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3                      |
|                  | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 1                      |
| Goedertrouw Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 2                      |
| Hluhluwe Dam     | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3                      |
| Ntshingwayo Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3                      |
| Pongolapoort Dam | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3                      |
|                  | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 2                      |

**Table 8:** Details air-condition that need service and repairs at Midmar Dam

| LINE | SERVICE /GOODS DESCRIPTION                               | QUANTITY | SPECIFICATION                                                                          |
|------|----------------------------------------------------------|----------|----------------------------------------------------------------------------------------|
| 1    | Service and repair of about ninety (90) air conditioning | 90       | Conduct condition assessment and service and repair ninety-four (94) air conditioning. |

**4. SPECIFICATION**

Units must be supplied as per order issued and installed as per specification detailed below. For number of units and type to be installed refer to table 4 to 7 above.

**4.1 Required Features**

Type: Mid-Wall split units

- Units must be of non-inverter Type
- The units must employ R410A gas.
- Units must be able heat and cool.
- Units must be able to dehumidify
- The units must have an Auto Clean function
- Units must have at least 3 speed fan plus auto speed selection.
- Units must be supplied with remote control units Wireless LCD
- Units must have timers to stop and start the units at predestined times.
- Units must have air direction control in the vertical plane [Auto up/down] and in the horizontal plane [Manual left/right].
- Units must have an Auto feature so that when the Auto setting the unit must be able to run between the heating or cooling modes while operating to maintain the present inside temperature regardless of changes in outside conditions. [Auto changeover]
- The units must operate on single phase at a voltage of 220V - 240V.
- Power supply for the units is situated indoors.
- The units must be able to auto restart after a power failure. [Auto Restart]

4.2 Mounting: The external units must be wall mounted on galvanized brackets.

4.3 Ducting: All piping and electrical wiring must be enclosed in plastic ducting for neatness and protection both internally and externally of the building.

4.2.1 Electrical Wiring: To be done in accordance with SABS 10142/2 Regulations.

4.2.2 Operating Manuals: Units must be supplied with operating manuals.

## 5. BILL OF QAUNTITIES

Estimated bill of quantities for this project is detailed in table 8 below. Bidders should complete and use table 8 for quotation of this project and total amount or sum amount should be added on the SBD3.1 form for pricing or biding purposes. Bidder should include provisional sum value on the total amount.

**Table 8:** Bill of quantities for supply, installation, service, repair and commission of air-conditioning

| Dam name        | BTU unit                                                                                              | Number of units | Unit price (Rands) | Price (Rands) |
|-----------------|-------------------------------------------------------------------------------------------------------|-----------------|--------------------|---------------|
| Craigieburn Dam | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
| Midmar Dam      | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per Specification.  | 4               |                    |               |
|                 | The supply and installation of 18 000BTU Heating/Cooling Air-conditioning Units as per Specification. | 4               |                    |               |
| Spioenkop Dam   | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 4               |                    |               |
|                 | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
| Wagendrift Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 1               |                    |               |

*Service, Supply, installation, and commissioning of air-conditioning*

| Dam name         | BTU unit                                                                                              | Number of units | Unit price (Rands) | Price (Rands) |
|------------------|-------------------------------------------------------------------------------------------------------|-----------------|--------------------|---------------|
|                  | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 2               |                    |               |
| Klipfontein Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
|                  | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. | 1               |                    |               |
| Goedertrouw Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 2               |                    |               |
| Hluhluwe Dam     | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
| Ntshingwayo Dam  | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
| Pongolapoort Dam | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  | 3               |                    |               |
|                  | The supply and installation of 12 000BTU Heating/Cooling Air-                                         | 2               |                    |               |

| Dam name                                                | BTU unit                                                                         | Number of units | Unit price (Rands) | Price (Rands) |
|---------------------------------------------------------|----------------------------------------------------------------------------------|-----------------|--------------------|---------------|
|                                                         | conditioning Units as per specification.                                         |                 |                    |               |
| Midmar Dam                                              | Service and repair of ninety-four (90) air conditioning                          | 90              |                    |               |
| OHS<br>[Section<br>OHSA 193<br>safety<br>specification] | Provide a Health and Safety Plan                                                 | 1               |                    |               |
|                                                         | Conduct a Risk assessment by contractor in terms of construction regulation 2003 | 1               |                    |               |
|                                                         | Appointments Health and Safety Representative for the duration of the project    | 1               |                    |               |
|                                                         | Keep all records and registers for the duration of the project                   | 1               |                    |               |
|                                                         | Maintain Health and Safety File for the duration of the project                  | 1               |                    |               |
| <b>Provisional sum</b>                                  |                                                                                  |                 |                    |               |
| <b>Subtotal (rands), VAT exclusive</b>                  |                                                                                  |                 |                    |               |
| <b>Subtotal (rands), VAT inclusive</b>                  |                                                                                  |                 |                    |               |

## 6. PURCHASE ORDER AND INVOICING.

- 6.1 The hired contractor or successful bidder will be issued with an order for supply and delivery, installation, service, repair and commissioning of air-conditioning by the project manager or department representative conjunction with project manager, this exercise will be done when required by project manager.

- 6.2 Invoice will be done based on the capacity and number of air-conditioning installed or order created and issued to a contractor. See Table 8 above.
- 6.3 The contractor must report to project manager or delegated person by project manager on arrival and security entrance book must be signed. Contractor must ensure that photos are taken before, during and after service and or installation and submit as a proof or evidence.
- 6.4 The contractor should have allowance of other work which may be not covered by the specified work, this may include extension of electrical cables, electricity brakers... etc, to connect air-conditioning to electrical supply within buildings and estimated cost must be added as a separate item i.e., provisional sum on bill of quantities.

## **7. OCCUPATIONAL HEALTH AND SAFETY**

The state dams, building and related infrastructures is owned and operated by Department of Water and Sanitation and site access as well as Occupational Health and safety will need to be in line with Department of Water and Sanitation policies and procedures.

The Occupational Health and Safety and Regulations (Act number 85 of 1993) is applicable. Construction Regulations, Electrical Installation Regulation, Noise-induced Hearing Loss Regulation, and Confined Areas have particular reference. The contractor shall notify the Department of Labour, prior to commencing with the project. The DWS shall ensure that the provisions of the OHS are complied with for the duration of the project. The contractor prior to commencing on with the project shall submit:

- A comprehensive OHS file in accordance with the OHS Act.
- A detailed site-specific risk assessment for review and acceptance.
- A detailed method statement for approval by the Project Manager.

All work shall be done in accordance with relevant legislation(s) and regulation(s). The DWS reserves the right to stop the contractor from executing work, which is not in accordance with the contractor's OHS plan for the site or which poses a threat to the health and safety of persons.

The contractor may not appoint a subcontractor unless the contractor is reasonable satisfied that the subcontractor has necessary competencies and resources to perform work safely. The contractor remains fully responsible for the OHS of the subcontractor and its personnel whilst on site. Any subcontractor appointment shall be approved by the Project Manager. Where a contractor appoints a subcontractor, all OHS Act requirements shall be applicable to the subcontractor. The contractor shall appoint a full-time competent employee in writing as the project supervisor, with the duty of supervising the project.

When the contractor and employees is found contravening OHS Act, the DWS shall stop the work until such time that the contractor implemented corrective measures to the satisfaction of the DWS.

### 7.1 Section 37.2 Appointment

In accordance with the provisions of Section 37(2) of the Occupational Health and Safety Act 85 of 1993 wherein the Department of Water and Sanitation as Employer has entered into a contract with the Contractor, in terms of which the Contractor is to perform certain work and services for and on behalf of the Employer, subject to the terms and conditions as contained in such contract.

Then parties have agreed that in respect of performance of the work the Contractor shall be responsible for compliance with the Occupational Health & Safety Act and its Regulations. The Employer and Mandatory accordingly enter in this agreement in terms of Section 37(2) of the OHS Act, the terms, and conditions of which are set out in The Occupational Health and Safety Specification.

### 7.2 Risks Identified by the DWS

The following are the risks associated with this project as identified by the DWS:

- Confined Spaces
- Electrocutation or electrical shock and burns
- Scaffold and climbing equipment collapse
- Working at height
- Falling due to slippery surfaces
- Noise due to grinding
- Injury due to hand tools
- Back injuries from carrying heavy loads
- Dehydration
- Attack and theft (secluded site)
- Sun burn
- Insects and snake bite

Notwithstanding the abovementioned risks the contractor shall formulate a risk management plan which will include additional risks identified by the contractor. The cost for OHS shall be included in the Tendered rates

### 7.3 Lock out

The Contractor shall conduct a risk assessment prior to all tasks.

Prior to decommissioning and commencement of any work, the contractor in conjunction with the Project Manager shall isolate and lock out electrical supply relevant to the scope of work in accordance with the Occupational Health and Safety Act (OHSA). A work permit shall be issued Department of Water and Sanitation before any work commence. The lockout shall be maintained until it is removed by the contractor in conjunction with the Project Manager.

**8. INTERPRETATIONS**

The Standard Specification: DWS 1601 Paragraph 2 refers.

This Technical Specification shall be read in conjunction with the following:

- Standard Specification: DWS 1601: GENERAL MECHANICAL SPECIFICATION
- Standard Specification: DWS 2020: QUALITY CONTROL SPECIFICATION
- Standard Specification: DWS 9900: CORROSION PROTECTION SPECIFICATION

The convention in terms of naming and numbering gates are as follows:

Facing downstream, in the direction of water flow, reference is made to left hand and right hand.

**Definitions**

**Contractor:**

The Party to whom the Tender comprising this Technical Specification is awarded.

**Installation:**

This shall include, as applicable, all handling and transport from storage, all erection and setting to work. All installation shall be done by the Contractor.

**Specification:**

This Technical Specification together with any references therein to other documents.

**Supply:**

This shall include, as applicable, the purchase of materials or goods, manufacture and fabrication, any specified corrosion protection measures and any off-site inspection or testing.

## 1. EVALUATION CRITERIA

DWS will evaluate all proposals according to the preferential Procurement regulations 2022 and submissions will be adjudicated on 80/20 system and the evaluation criteria. Three phase evaluation will be considered in evaluating the bid. Upon receipt of the proposals, the evaluation criteria shown below will be used to select a suitable bidder

The evaluation process includes the following phases:

- Phase 1: Administrative Compliance
- Phase 2: Technical Compliance
- Phase 3: Price and Specific Goals (80/20) preferential system)

### **Phase 1: Administrative Compliance**

Bidders are required to comply with the following listed below.

| No | Criteria                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes | No |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1. | Companies must be registered with National Treasury's Central Supplier database must submit CSD report. Provide MAAA number on SBD1.                                                                                                                                                                                                                                                                                                                                                                               |     |    |
| 2. | Tax compliant with SARS (to be verified through CSD and SARS). Attach Tax Compliant status PIN page.                                                                                                                                                                                                                                                                                                                                                                                                               |     |    |
| 3  | Active registration with Company Intellectual Property Commission (to be verified through CSD and CIPC). Attach copy of Bidder's CIPC/CIPRO certificate.                                                                                                                                                                                                                                                                                                                                                           |     |    |
| 4  | A valid copy of B-BBEE Status Level Verification Certificate or a valid original sworn affidavit (failure to submit, the Bidder will forfeit the relevant points allocated for B-BBEE under specific goals).                                                                                                                                                                                                                                                                                                       |     |    |
| 5  | Letter of appointment of duly authorized person to sign bid. Proof of such authority must be submitted with the bid. If by an individual, must be signed by that individual or by someone on his behalf duly authorised thereto and proof of such authority must be produced. If the bid is by a company, it must be signed by a person duly authorised thereto by a Resolution of a board of Directors a copy of which Resolution, duly certified by the Chairman of the Company is to be submitted with the bid. |     |    |
| 6  | Complete, sign, submit SBD1, SBD3.1, SBD4, SBD6.1, annexure C (100% Local Content)                                                                                                                                                                                                                                                                                                                                                                                                                                 |     |    |

## **Phase 2: Technical Compliance**

Compliance requirements:

- Full compliance to the Technical requirements by indicating compliance or non-compliance as per specification spread sheets (table). Bidders must indicate compliance by means a (Yes) and non-compliance by means of a (No).
- A bidder who fails to comply with the below requirements in full will be considered non-responsive and may be disqualified from further evaluation.

Complete technical compliance schedule below:

**Table:** Evaluation criteria for supply, delivery, installation, and commission of wall mounted air conditioning

| <b>Required</b>                                                                                            | <b>Comply</b> | <b>Not Comply</b> | <b>Comment</b> |
|------------------------------------------------------------------------------------------------------------|---------------|-------------------|----------------|
| Attendance of compulsory site briefing.<br>(must attach a signed site briefing certificate)                |               |                   |                |
| COIDA - Letter of good standing<br>(must attached proof of document)                                       |               |                   |                |
| Company performance CV or track record of previous relevant experience.<br>(must attach proof of document) |               |                   |                |
| CIDB certificate: Grade 2ME CIDB grading<br>(must attach proof of document)                                |               |                   |                |
| Comprehensive brochure provided for both 9 000BTU and 12 000BTU units<br>(must attach brochure)            |               |                   |                |
| <b>Required features for both 9 000BTU and 12 000BTU air-conditioning units:</b>                           |               |                   |                |
| Units must be of non-inverter type and must employ R410A gas.                                              |               |                   |                |
| Units must be able heat and cool.                                                                          |               |                   |                |
| Units must be able to dehumidify and must have an Auto Clean function.                                     |               |                   |                |

| <b>Required</b>                                                                                                                                                                                                                                          | <b>Comply</b> | <b>Not Comply</b> | <b>Comment</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|----------------|
| Units must have at least 3 speed fan plus auto speed selection.                                                                                                                                                                                          |               |                   |                |
| Units must be supplied with remote control units Wireless LCD.                                                                                                                                                                                           |               |                   |                |
| Units must have timers to stop and start the units at predestined times.                                                                                                                                                                                 |               |                   |                |
| Units must have air direction control in the vertical plane [Auto up/down] and in the horizontal plane [Manual left/right].                                                                                                                              |               |                   |                |
| Units must have an Auto feature so that when the Auto setting the unit must be able to run between the heating or cooling modes while operating to maintain the preset inside temperature regardless of changes in outside conditions. [Auto changeover] |               |                   |                |
| The units must operate on single phase at a voltage of 220V - 240V.                                                                                                                                                                                      |               |                   |                |
| Power supply for the units is situated indoors.                                                                                                                                                                                                          |               |                   |                |
| The units must be able to auto restart after a power failure. [Auto Restart]                                                                                                                                                                             |               |                   |                |
| Mounting: The external units must be wall mounted on galvanized brackets.                                                                                                                                                                                |               |                   |                |
| Ducting: All piping and electrical wiring must be enclosed in plastic ducting for neatness and protection both internally and externally of the building.                                                                                                |               |                   |                |
| Electrical Wiring: To be done in accordance with SABS 10142/2 Regulations.                                                                                                                                                                               |               |                   |                |
| Operating Manuals: Units must be supplied with operating manuals.                                                                                                                                                                                        |               |                   |                |
| The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification [25 items].                                                                                                                                          |               |                   |                |

| Required                                                                                                         | Comply | Not Comply | Comment |
|------------------------------------------------------------------------------------------------------------------|--------|------------|---------|
| The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. [13 items] |        |            |         |
| Conditional assessment, service and repair of wall mounted air conditioning [90 items]                           |        |            |         |

### Phase 3: Price and Specific Goals

The 80/20-point system will be used in evaluating all proposals.

|                |     |  |  |
|----------------|-----|--|--|
|                |     |  |  |
| SPECIFIC GOALS | 20  |  |  |
| PRICE          | 80  |  |  |
| Total          | 100 |  |  |

### Price

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

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where:

$P_s$  = Points scored for comparative price of bid under consideration

$P_t$  = Comparative price of bid under consideration

$P_{\min}$  = Comparative price of lowest acceptable bid

### Preference Point System (Specific Goals)

| SPECIFIC GOALS                                                          | NUMBER OF POINTS TO BE ALLOCATED |
|-------------------------------------------------------------------------|----------------------------------|
| Women                                                                   | 5                                |
| People with disability                                                  | 5                                |
| Youth (35 and below)                                                    | 5                                |
| Location of enterprise (Province)                                       | 2                                |
| B-BBEE status level contributors from level 1 to 2 which are QSE or EME | 3                                |

|                                 |    |
|---------------------------------|----|
| Total points for SPECIFIC GOALS | 20 |
|---------------------------------|----|

Documents requirement for verification of points allocation:

| Procurement Requirement                                                 | Required Proof Documents                               |
|-------------------------------------------------------------------------|--------------------------------------------------------|
| Women                                                                   | Full CSD Report                                        |
| Disability                                                              | Full CSD Report                                        |
| Youth                                                                   | Full CSD Report                                        |
| Location                                                                | Full CSD Report                                        |
| B-BBEE status level contributors from level 1 to 2 which are QSE or EME | Valid BBBEE certificate/sworn affidavit                |
|                                                                         | Consolidated BEE certificate in cases of Joint Venture |
|                                                                         | Full CSD Report                                        |

The definition and measurement of the goals above is as follows:

**Women, disability, and youth:**

This will be measured by calculating the pro-rata percentage of ownership of the bidding company which meets this criterion. E.g., Company A has five shareholders each of whom own 20% of the company. Three of the five shareholders meet the criterion, i.e. they are women/disability/youth. Therefore, this bidder will obtain 60% of the points allowable for this goal.

**Location of enterprise**

Local equals province. Where a project cuts across more than one province, the bidder may be located in any of the relevant provinces to obtain the points.

**B-BBEE status level contributors from level 1 to 2 which are QSE or EME**

Measured in terms of normal BBBEE requirements.

**Note:** Formula for calculating points for specific goals

Preference points for entities are calculated on their percentage shareholding in a business, provided that they are actively involved in and exercise control over the enterprise. The following formula is prescribed:

$$PC= Mpa \times \frac{P-own}{100}$$

Where

**PC= Points awarded for specific goal**

**Mpa= The maximum number of points awarded for ownership in that specific category**

**P-own = The percentage of equity ownership by the enterprise or business**

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

BID NUMBER: CLOSING DATE: 31 MARCH 2025 CLOSING TIME: 11:00

DESCRIPTION SERVICE, REPAIR, SUPPLY, DELIVERY, AND INSTALLATION OF AIR-CONDITIONING

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

MIDMAR DAM WALL ENTRANCE

SECURITY GUARDHUT

| BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO |                   | TECHNICAL ENQUIRIES MAY BE DIRECTED TO: |                     |
|------------------------------------------------|-------------------|-----------------------------------------|---------------------|
| CONTACT PERSON                                 | NISHAN SINGH      | CONTACT PERSON                          | SBU MATHONSI        |
| TELEPHONE NUMBER                               | 033-2391900       | TELEPHONE NUMBER                        | 0828837067          |
| FACSIMILE NUMBER                               |                   | FACSIMILE NUMBER                        |                     |
| E-MAIL ADDRESS                                 | SINGHN@DWS.GOV.ZA | E-MAIL ADDRESS                          | MATHONSI@DWS.GOV.ZA |

**SUPPLIER INFORMATION**

|                         |             |
|-------------------------|-------------|
| NAME OF BIDDER          |             |
| POSTAL ADDRESS          |             |
| STREET ADDRESS          |             |
| TELEPHONE NUMBER        | CODE NUMBER |
| CELLPHONE NUMBER        |             |
| FACSIMILE NUMBER        | CODE NUMBER |
| E-MAIL ADDRESS          |             |
| VAT REGISTRATION NUMBER |             |

|                                              |                                                                                  |                                     |                                                                                   |      |
|----------------------------------------------|----------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|------|
| SUPPLIER COMPLIANCE STATUS                   | TAX COMPLIANCE SYSTEM PIN:                                                       | OR                                  | CENTRAL SUPPLIER DATABASE No.                                                     | MAAA |
| B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE | TICK APPLICABLE BOX]<br><input type="checkbox"/> Yes <input type="checkbox"/> No | B-BBEE STATUS LEVEL SWORN AFFIDAVIT | [TICK APPLICABLE BOX]<br><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 PREFERENCE POINTS FOR B-BBEE]**

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

**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?<br>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. | <input type="checkbox"/> YES <input type="checkbox"/> NO |

## PART B TERMS AND CONDITIONS FOR BIDDING

|                                       |                                                                                                                                                                                                                                           |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. BID SUBMISSION:</b>             |                                                                                                                                                                                                                                           |
| 1.1.                                  | BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.                                                                                                                   |
| 1.2.                                  | ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.                                                                                                           |
| 1.3.                                  | THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2022, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT. |
| 1.4.                                  | THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).                                                                                                                                                |
| <b>2. TAX COMPLIANCE REQUIREMENTS</b> |                                                                                                                                                                                                                                           |
| 2.1                                   | BIDDERS MUST ENSURE COMPLIANCE WITH THEIR TAX OBLIGATIONS.                                                                                                                                                                                |
| 2.2                                   | BIDDERS ARE REQUIRED TO SUBMIT THEIR UNIQUE PERSONAL IDENTIFICATION NUMBER (PIN) ISSUED BY SARS TO ENABLE THE ORGAN OF STATE TO VERIFY THE TAXPAYER'S PROFILE AND TAX STATUS.                                                             |
| 2.3                                   | APPLICATION FOR TAX COMPLIANCE STATUS (TCS) PIN MAY BE MADE VIA E-FILED THROUGH THE SARS WEBSITE <a href="http://WWW.SARS.GOV.ZA">WWW.SARS.GOV.ZA</a> .                                                                                   |
| 2.4                                   | BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.                                                                                                                                                                  |
| 2.5                                   | IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.                                                                                            |
| 2.6                                   | WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.                                                                                                             |
| 2.7                                   | NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE, COMPANIES WITH DIRECTORS WHO ARE PERSONS IN THE SERVICE OF THE STATE, OR CLOSE CORPORATIONS WITH MEMBERS PERSONS IN THE SERVICE OF THE STATE."                       |

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

.....

DATE:

.....

## 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

*(delete whichever is not applicable for this tender).*

- a) The applicable preference point system for this tender is the **90/10** preference point system.

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

- c) 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:

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ P_s = 80 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right) & \text{or} & P_s = 90 \left( 1 - \frac{P_t - P_{min}}{P_{min}} \right) \end{array}$$

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:

$$\begin{array}{ccc} 80/20 & \text{or} & 90/10 \\ P_s = 80 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right) & \text{or} & P_s = 90 \left( 1 + \frac{P_t - P_{max}}{P_{max}} \right) \end{array}$$

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 organs of state: Where either the 90/10 or 80/20 preference point system is applicable, corresponding points must also be indicated as such.)*

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

| The specific goals allocated points in terms of this tender             | Number of points allocated (90/10 system) (To be completed by the organ of state) | Number of points allocated (80/20 system) (To be completed by the organ of state) | Number of points claimed (90/10 system) (To be completed by the tenderer) | Number of points claimed (80/20 system) (To be completed by the tenderer) |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| TENDERERS THAT ARE FEMALE                                               |                                                                                   | 5                                                                                 |                                                                           |                                                                           |
| TENDERERS THAT HAVE A DISABILITY                                        |                                                                                   | 5                                                                                 |                                                                           |                                                                           |
| TENDERERS THAT ARE YOUTH                                                |                                                                                   | 5                                                                                 |                                                                           |                                                                           |
| LOCATION OF ENTERPRISE (LOCAL EQUALS PROVINCE)                          |                                                                                   | 2                                                                                 |                                                                           |                                                                           |
| B-BBEE STATUS LEVEL CONTRIBUTORS FROM LEVEL 1 TO 2 WHICH ARE QSE OR EME |                                                                                   | 3                                                                                 |                                                                           |                                                                           |

#### 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:                    | ..... |
|                             | ..... |
|                             | ..... |
|                             | ..... |

## Industrial Procurement

### Industrial Procurement

The revised Preferential Procurement Policy Framework Act (PPPFA) regulations which came into effect on the 7 December 2011 empower the Department of Trade, Industry and Competition (**the dtic**) to designate industries, sectors and sub-sectors for local production at a specified level of local content.

The following industries, sectors and sub-sectors have so far been designated for local production with minimum local content thresholds.

| Industry/sector/sub-sector                                                                                                                     | Minimum threshold for local content                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Buses (Bus Body)                                                                                                                               | 80%                                                                                    |
| Textile, Clothing, Leather and Footwear                                                                                                        | 100%                                                                                   |
| Steel Power Pylons, Monopole Pylons, Steel Substation Structures, Powerline Hardware, Street Light Steel Poles, Steel Lattice Towers           | 100%                                                                                   |
| Canned / Processed Vegetables                                                                                                                  | 80%                                                                                    |
| <b>Pharmaceutical Products:</b>                                                                                                                |                                                                                        |
| <ul style="list-style-type: none"> <li>• OSD Tender</li> <li>• Family Planning Tender</li> </ul>                                               | <ul style="list-style-type: none"> <li>• 70% (volumes)</li> <li>• 50% value</li> </ul> |
| Rail Rolling Stock                                                                                                                             | 65%                                                                                    |
| Set Top Boxes (STB)                                                                                                                            | 30%                                                                                    |
| <b>Furniture Products:</b>                                                                                                                     |                                                                                        |
| <ul style="list-style-type: none"> <li>• Office Furniture</li> <li>• School Furniture</li> <li>• Base and Mattress</li> </ul>                  | <ul style="list-style-type: none"> <li>• 85%</li> <li>• 100%</li> <li>• 90%</li> </ul> |
| Solar Water Heater Components                                                                                                                  | 70%                                                                                    |
| Electrical and telecom cables                                                                                                                  | 90%                                                                                    |
| Valves products and actuators                                                                                                                  | 70%                                                                                    |
| <b>Residential Electricity Meter :</b>                                                                                                         |                                                                                        |
| <ul style="list-style-type: none"> <li>• Prepaid Electricity Meters</li> <li>• Post Paid Electricity Meters</li> <li>• SMART Meters</li> </ul> | <ul style="list-style-type: none"> <li>• 70%</li> <li>• 70%</li> <li>• 50%</li> </ul>  |
| <b>Working Vessels/Boats (All types):</b>                                                                                                      | 60%                                                                                    |
| <ul style="list-style-type: none"> <li>• Components</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>• 10% – 100%</li> </ul>                         |

|                                                                    |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    | <ul style="list-style-type: none"> <li>• Class 3</li> <li>• Class 4</li> </ul>                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 45%</li> <li>• 10%</li> </ul>                                                                                                                                                                                                                   |
|                                                                    | <ul style="list-style-type: none"> <li>• Components and conversion activities</li> </ul>                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• 50% – 100%</li> </ul>                                                                                                                                                                                                                           |
| <b>Solar PV Components:</b>                                        |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Laminated PV Modules</li> <li>• Module Frame</li> <li>• DC Combiner Boxes</li> <li>• Mounting Structure</li> <li>• Inverter</li> </ul>                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• 15%</li> <li>• 65%</li> <li>• 65%</li> <li>• 90%</li> <li>• 40%</li> </ul>                                                                                                                                                                      |
| <b>Two Way Radio Terminals and Associated Equipment:</b>           |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Portable Radio</li> <li>• Mobile Radio</li> <li>• Repeater</li> </ul>                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 60%</li> <li>• 60%</li> <li>• 60%</li> </ul>                                                                                                                                                                                                    |
|                                                                    | <ul style="list-style-type: none"> <li>• Components</li> </ul>                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 20% – 100%</li> </ul>                                                                                                                                                                                                                           |
| <b>Rail Signaling:</b>                                             |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Components</li> </ul>                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• 65%</li> </ul>                                                                                                                                                                                                                                  |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• 40% – 100%</li> </ul>                                                                                                                                                                                                                           |
| <b>Wheely Bins:</b>                                                |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                          | 100%                                                                                                                                                                                                                                                                                     |
| <b>Fire Fighting Vehicle</b>                                       |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                          | 30%                                                                                                                                                                                                                                                                                      |
|                                                                    | <ul style="list-style-type: none"> <li>• Crew Cabin</li> <li>• Super Structure</li> <li>• Assembly</li> </ul>                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul>                                                                                                                                                                                                 |
| <b>Steel Products and Component for Construction</b>               |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
| <b>Steel Value-added Products</b>                                  |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Fabricated Structural Steel</li> <li>• Joining/Connecting Components</li> <li>• Frames</li> <li>• Roof and Cladding</li> <li>• Fasteners</li> <li>• Wire Products</li> <li>• Ducting and Structural pipework</li> <li>• Gutters, downpipes &amp; launders</li> <li>•</li> </ul>                                 | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul> |
| <b>Steel Value-added Products</b>                                  |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Plates</li> <li>• Sheets</li> <li>• Galvanised and Colour Coated Coils</li> <li>• Wire Rod and Drawn Wire</li> <li>• Sections</li> <li>• Reinforcing bars</li> <li>•</li> </ul>                                                                                                                                 |                                                                                                                                                                                                                                                                                          |
| <b>Pumps, Medium Voltage (MV) Motor and Associated Accessories</b> |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Casting or Frame Fabrication</li> <li>• Fabrication and winding of the Rotor Core</li> <li>• Accessories</li> <li>• Assembly and testing of the fully-built unit</li> </ul>                                                                                                                                     | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul>                                                                                                                                                                                 |
| <b>Rail Permanent Way</b>                                          |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    | <ul style="list-style-type: none"> <li>• Rails and rail joints</li> <li>• Ballasts</li> <li>• Ballastless</li> <li>• Turnouts/switches and crossings</li> <li>• Railway sleepers</li> <li>• Rail fastening and accessories</li> <li>• Railway maintenance of way plant &amp; equipment</li> <li>• Assembly and testing of fully build unitist</li> </ul> | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 70%</li> <li>• 100%</li> </ul>                                                                                                                  |
| <b>Plastic Pipes</b>                                               |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                          | 100%                                                                                                                                                                                                                                                                                     |
|                                                                    | <ul style="list-style-type: none"> <li>• Polyvinyl chloride (PVC) pipes</li> <li>• High density polyethylene (HDPE) pipes</li> <li>• Polypropylene (PP) pipes</li> <li>• Glass reinforced plastic (GRP) pipes</li> </ul>                                                                                                                                 | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul>                                                                                                                                                                                 |
| <b>Air insulated MV Switchgear</b>                                 |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                          |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                          | 50%                                                                                                                                                                                                                                                                                      |

|                                                                                                                                                                    |                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Structural Steel</li> <li>• Rubber</li> <li>• Conveyor Belt</li> <li>• Pulleys</li> </ul>                                 | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 60%</li> </ul>                                  |
| <b>Industrial lead Acid Batteries</b>                                                                                                                              | 50%                                                                                                                                      |
| <b>Cement</b>                                                                                                                                                      | 100%                                                                                                                                     |
| <ul style="list-style-type: none"> <li>• Cem I</li> <li>• Cem II</li> <li>• Cem III</li> <li>• Cem IV</li> <li>• Cem V</li> <li>• <b>Masonry Cement</b></li> </ul> | <ul style="list-style-type: none"> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> <li>• 100%</li> </ul> |

To access the practice notes to the above designated sectors, please go to [www.treasury.gov.za](http://www.treasury.gov.za)

Other industries, sectors and sub-sectors are still being considered for designation. Once a thorough research and consultations have been concluded a decision to designate will be communicated to the public.

Regulation 8(4) of the 2017 Preferential Procurement Regulations provides that if there is no designated sector, an organ of state may include, as a specific condition of the tender, that only locally produced services or goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered. The per the standard issued by National Treasury designated sectors circular number 11 of 2019/2020.

Please note that the Minister of Finance has approved the following instructions relating to the amendment of:

- Declaration Certificates for Local Production and Content for designated sectors (SBD 6.2 and MBD6.2); and
- National Treasury Instruction on: Invitation and evaluation of bids based on a stipulated minimum threshold for local production and content for Valve Products and Actuators

These instructions will be effective from the date of issue and can be accessed on the [National Treasury website](http://National Treasury website)

The standard bidding documents (SBD 6.2 or MBD 6.2) must be completed in line with the requirements of the SABS approved technical specification number [SABS approved standard SANS 1286:2017](#) and the [Guidance Document for the Calculation of Local Content](#) together with the Local Content Declaration Templates

- [Annexure C](#): Local Content Declaration – Summary Schedule,
- [Annexure D](#): Imported Content Declaration – Supporting Schedule to [Annexure C](#) and
- [Annexure E](#): Local Content Declaration – Supporting Schedule to [Annexure C](#).

All these documents are important for the calculation, measurement and verification of local content.

- [SABS approved standard SANS 1286:2017](#)
- [Guidance Document for the Calculation of Local Content](#)
  - Annexures C, D and E – Download in [PDF] or [XLS] format.
  - Examples of completed annexures
    - Buses
    - Canned vegetables
  - [Preferential Procurement Regulations, 2017](#)
  - [Process when requesting exemption letters](#)

For local content related enquiries, please call the helpline on +27 (12) 394 1435.

For technical enquiries please contact Ms Cathrine Matidza:

Director: Fleet Procurement

Tel: +27 (12) 394 5598

E-mail: [cmatidza@thedtic.gov.za](mailto:cmatidza@thedtic.gov.za)

For local content enquiries or complaints, please send an e-mail to [localcontent@thedtic.gov.za](mailto:localcontent@thedtic.gov.za)



Email



Sectors

National Industrial Policy Framework

National Industrial Policy Framework

National Industrial Policy Framework



Links:



the dtic

Department,  
Trade, Industry and Competitions  
REPUBLIC OF SOUTH AFRICA

**together, growing the economy**

the dtic Customer Contact Centre: 0861 843 384



We use cookies on our website to give you the most relevant experience by remembering your preferences and repeat visits. By clicking [Accept](#), you consent to our use of cookies. For more information on how we use cookies, visit our [Privacy Policy](#).

## **Guidance Document for the Calculation of Local Content**

### **1. DEFINITIONS**

Unless explicitly provided in this guideline, the definitions given in SATS 1286:2011 apply.

### **2. GENERAL**

#### **2.1. Introduction**

This guideline provides tenderers with a detailed description of how to calculate local content of products (goods, services and works) by components/material/services and enables them to keep an updated record for verification requirements as per the SATS 1286:2011 Annexure A and B.

The guideline consists of two parts, namely:

- a written guideline; and
- three declarations that must be completed:
  - Declaration C: “Local Content Declaration – Summary Schedule” (see Annexure C);
  - Declaration D: “Imported Content Declaration – Supporting Schedule to Annex C” (see Annexure D); and
  - Declaration E: “Local Content Declaration – Supporting Schedule to Annex C” (see Annexure E).

The guidelines and declarations should be used by tenderers when preparing a tender. A tenderer must complete Declarations D and E, and consolidate the information on Declaration C.

Annexure C must be submitted with the tender by the closing date and time as determined by the Tender Authority. The Tender Authority reserves the right to request that Declarations D and E also be submitted.

If the tender is successful, the tenderer must continuously update Declarations C, D and E with actual values for the duration of the contract.

**NOTE:**

Annexure A is a note to the purchaser in SATS 1286:2011; and  
Annexure B is the Local Content Declaration IN SATS 1286:2011.

**2.2. What is local content?**

According to SATS 1286:2011, the local content of a product is the tender price less the value of imported content, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product.

**2.3. Categories: Imported and Local Content**

The tenderer must differentiate between imported content and local content.

Imported content of a product by components/material/services is separated into two categories, namely:

- products imported directly by the tenderer; and
- products imported by a third party and supplied to the tenderer.

**2.3.1. Imported Content**

Identify the imported content, if any, by value for products by component/material/services. In the case of components/materials/services sourced from a South African manufacturer, agent, supplier or subcontractor (i.e. third party), obtain that information and Declaration D from the third party.

Calculate the imported content of components/materials/services to be used in the manufacture of the total quantity of the products for which the tender is to be submitted.

As stated in clause 3.2.4 of SATS 1286:2011: "If information on the origin of components, parts or materials is not available, it will be deemed to be imported content."

#### 2.3.1.1. Imported directly by the tenderer:

When the tenderer import products directly, the onus is on the tenderer to provide evidence of any components/materials/services that were procured from a non-domestic source. The evidence should be verifiable and pertain to the tender as a whole. Typical evidence will include commercial invoices, bills of entry, etc.

When the tenderer procures imported services such as project management, design, testing, marketing, etc and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

#### 2.3.1.2. Imported by a third party and supplied to the tenderer:

When the tenderer supplies components/material/services that are imported by any third party (for example, a domestic manufacturer, agent, supplier or subcontractor in the supply chain), the onus is on the tenderer to obtain verifiable evidence from the third party.

The tenderer must obtain Declaration D from all third parties for the related tender. The third party must be requested by the tenderer to continuously update Declaration D. Typical evidence of imported content will include commercial invoices, bills of entry etc.

When a third party procures imported services such as project management, design, testing, marketing etc. and makes royalty and lease payments, such payments relating to the tender must be included when calculating imported content.

#### 2.3.1.3. Exempt Imported Content:

Exemptions, if any, are granted by the Department of Trade and Industry (**the dti**). Evidence of the exemptions must be provided and included in Annexure D.

#### **2.3.2. Local Content**

Identify and calculate the local content, by value for products by components/materials/services to be used in the manufacture of the total quantity of the products.

### 3. ANNEXURE C

#### 3.1. Guidelines for completing Annexure C: Local Content Declaration – Summary Schedule

*Note: The paragraph numbers correspond to the numbers in Annexure C.*

- |                                      |                                                                                                                                                                         |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>C1. Tender Number</b>             | Supply the tender number that is specified on the specific tender documentation.                                                                                        |
| <b>C2. Tender description</b>        | Supply the tender description that is specified on the specific tender documentation.                                                                                   |
| <b>C3. Designated products</b>       | Supply the details of the products that are designated in terms of this tender (i.e. buses).                                                                            |
| <b>C4. Tender Authority</b>          | Supply the name of the tender authority.                                                                                                                                |
| <b>C5. Tendering Entity name</b>     | Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd).                                                                                        |
| <b>C6. Tender Exchange Rate</b>      | Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.                                    |
| <b>C7. Specified local content %</b> | Provide the specified minimum local content requirement for the tender (i.e. 80%), as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MDB) 6.2. |
| <b>C8. Tender item number</b>        | Provide the tender item number(s) of the products that have a local content requirement as per the tender specification.                                                |

**C9. List of items**

Provide a list of the item(s) corresponding with the tender item number.  
This may be a short description or a brand name.

**Calculation of local content**

**C10. Tender price**

Provide the unit tender price of each item excluding VAT.

**C11. Exempted imported content**

Provide the ZAR value of the exempted imported content for each item, if applicable. These value(s) must correspond with the value(s) of column D16 on Annexure D.

**C12. Tender value net of exempted imported content**

Provide the net tender value of the item, if applicable, by deducting the exempted imported content (C11) from the tender price (C10).

**C13. Imported value**

Provide the ZAR value of the items' imported content.

**C14. Local value**

Provide the local value of the item by deducting the Imported value (C13) from the net tender value (C12).

**C15. Local content percentage (per item)**

Provide the local content percentage of the item(s) by dividing the local value (C14) by the net tender value (C12) as per the local content formula in SATS 1286.

**Tender Summary**

**C16. Tender quantity**

Provide the tender quantity for each item number as per the tender specification.

**C17. Total tender value**

Provide the total tender value by multiplying the tender quantity (C16) by the tender price (C10).

**C18. Total exempted imported content**

Provide the total exempted imported content by multiplying the tender quantity (C16) by the exempted imported content (C11). These values must correspond with the values of column D18 on Annexure D.

**C19. Total imported content**

Provide the total imported content of each item by multiplying the tender quantity (C16) by the imported value (C13).

**C20. Total tender value**

Total tender value is the sum of the values in column C17.

**C21. Total exempted imported content**

Total exempted imported content is the sum of the values in column C18. This value must correspond with the value of D19 on Annexure D.

**C22. Total tender value net of exempted imported content**

The total tender value net of exempt imported content is the total tender value (C20) less the total exempted imported content (C21).

**C23. Total imported content**

Total imported content is the sum of the values in column C19. This value must correspond with the value of D53 on Annexure D.

**C24. Total local content**

Total local content is the total tender value net of exempted imported content (C22) less the total imported content (C23). This value must correspond with the value of E13 on Annexure E.

**C25. Average local content percentage of tender**

The average local content percentage of tender is calculated by dividing total local content (C24) by the total tender value net of exempted imported content (C22).

#### 4. ANNEXURE D

##### 4.1. Guidelines for completing Annexure D: “Imported Content Declaration – Supporting Schedule to Annexure C”

*Note: The paragraph numbers correspond to the numbers in Annexure D.*

- |                                  |                                                                                                                                      |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>D1. Tender number</b>         | Supply the tender number that is specified on the specific tender documentation.                                                     |
| <b>D2. Tender description</b>    | Supply the tender description that is specified on the specific tender documentation.                                                |
| <b>D3. Designated products</b>   | Supply the details of the products that are designated in terms of this tender (i.e. buses).                                         |
| <b>D4. Tender authority</b>      | Supply the name of the tender authority.                                                                                             |
| <b>D5. Tendering entity name</b> | Provide the tendering entity name (i.e. Unibody Bus Builders (Pty) Ltd).                                                             |
| <b>D6. Tender exchange rate</b>  | Provide the exchange rate used for this tender, as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2. |

##### Table A. Exempted Imported Content

- |                                            |                                                                                         |
|--------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>D7. Tender item number</b>              | Provide the tender item number(s) of the product(s) that have imported content.         |
| <b>D8. Description of imported content</b> | Provide a list of the exempted imported product(s), if any, as specified in the tender. |

**D9. Local supplier**

Provide the name of the local supplier(s) supplying the imported product(s).

**D10. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the exempted imported product(s).

**D11. Imported value as per commercial invoice**

Provide the foreign currency value of the exempted imported product(s) disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

**D12. Tender exchange rate**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D13. Local value of imports**

Convert the value of the exempted imported content as per commercial invoice (D11) into the ZAR value by using the tender exchange rate (D12) disclosed in the tender documentation.

**D14. Freight costs to port of entry**

Provide the freight costs to the South African Port of the exempted imported item.

**D15. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the exempted imported product(s) as stipulated in the SATS 1286:2011.

**D16. Total landed costs excl VAT**

Provide the total landed costs (excluding VAT) for each item imported by adding the corresponding item values in columns D13, D14 and D15. These values must be transferred to column C11 on Annexure C.

**D17. Tender quantity**

Provide the tender quantity of the exempted imported products as per the tender specification.

**D18. Exempted imported value**

Provide the imported value for each of the exempted imported product(s) by multiplying the total landed cost (excl. VAT) (D16) by the

tender quantity (D17). The values in column D18 must correspond with the values of column C18 of Annexure C.

**D19. Total exempted imported value**

The total exempted imported value is the sum of the values in column D18. This total must correspond with the value of C21 on Annexure C.

**Table B. Imported Directly By Tenderer**

**D20. Tender item numbers**

Provide the tender item number(s) of the product(s) that have imported content.

**D21. Description of imported content:**

Provide a list of the product(s) imported directly by tender as specified in the tender documentation.

**D22. Unit of measure**

Provide the unit of measure for the product(s) imported directly by the tenderer.

**D23. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the imported product(s).

**D24. Imported value as per commercial Invoice**

Provide the foreign currency value of the product(s) imported directly by tenderer disclosed in the commercial invoice accepted by the South African Revenue Service (SARS).

**D25. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D26. Local value of imports**

Convert the value of the product(s) imported directly by the tenderer as per commercial invoice (D24) into the ZAR value by using the tender exchange rate (D25) disclosed in the tender documentation.

**D27. Freight costs to port of entry**

Provide the freight costs to the South African Port of the product(s) imported directly by the tenderer.

**D28. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the product(s) imported directly by the tenderer as stipulated in the SATS 1286:2011.

**D29. Total landed costs excl VAT**

Provide the total landed costs (excluding VAT) for each item imported directly by the tenderer by adding the corresponding item values in columns D26, D27 and D28.

**D30. Tender quantity**

Provide the tender quantity of the product(s) imported directly by the tenderer as per the tender specification.

**D31. Total imported value**

Provide the total imported value for each of the product(s) imported directly by the tenderer by multiplying the total landed cost (excl. VAT) (D29) by the tender quantity (D30).

**D32. Total imported value by tenderer**

The total value of imports by the tenderer is the sum of the values in column D31.

**Table C. Imported by Third Party and Supplied to the Tenderer**

**D33. Description of imported content**

Provide a list of the product(s) imported by the third party and supplied to the tenderer as specified in the tender documentation.

**D34. Unit of measure**

Provide the unit of measure for the product(s) imported by the third party and supplied to tenderer as disclosed in the commercial invoice.

**D35. Local supplier**

Provide the name of the local supplier(s) supplying the imported product(s).

**D36. Overseas supplier**

Provide the name(s) of the overseas supplier(s) supplying the imported products.

**D37. Imported value as per commercial invoice**

Provide the foreign currency value of the product(s) imported by the third party and supplied to the tenderer disclosed in the commercial invoice accepted by SARS.

**D38. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D39. Local value of imports**

Convert the value of the product(s) imported by the third party as per commercial invoice (D37) into the ZAR value by using the tender exchange rate (D38) disclosed in the tender documentation.

**D40. Freight costs to port of entry**

Provide the freight costs to the South African Port of the product(s) imported by third party and supplied to the tenderer.

**D41. All locally incurred landing costs and duties**

Provide all landing costs including customs and excise duty for the product(s) imported by third party and supplied to the tenderer as stipulated in the SATS 1286:2011.

**D42. Total landed costs excluding VAT**

Provide the total landed costs (excluding VAT) for each product imported by third party and supplied to the tenderer by adding the corresponding item values in columns D39, D40 and D41.

**D43. Quantity imported**

Provide the quantity of each product(s) imported by third party and supplied to the tenderer for the tender.

**D44. Total imported value**

Provide the total imported value of the product(s) imported by third party and supplied to the tenderer by multiplying the total landed cost (D42) by the quantity imported (D43).

**D45. Total imported value by third party**

The total imported value from the third party is the sum of the values in column D44.

**Table D. Other Foreign Currency Payments**

**D46. Type of payment**

Provide the type of foreign currency payment. (i.e. royalty payment for use of patent, annual licence fee, etc).

**D47. Local supplier making the payment**

Provide the name of the local supplier making the payment.

**D48. Overseas beneficiary**

Provide the name of the overseas beneficiary.

**D49. Foreign currency value paid**

Provide the value of the listed payment(s) in their foreign currency.

**D50. Tender rate of exchange**

Provide the exchange rate used for this tender as per the Standard Bidding Document (SBD) and Municipal Bidding Document (MBD) 6.2.

**D51. Local value of payments**

Provide the local value of each payment by multiplying the foreign currency value paid (D49) by the tender rate of exchange (D50).

**D52. Total of foreign currency payments declared by tenderer and/or third party**

The total of foreign currency payments declared by tenderer and/or a third party is the sum of the values in column D51.

**D53. Total of imported content and foreign currency payment**

The total imported content and foreign currency payment is the sum of the values in column D32, D45 and D52. This value must correspond with the value of C23 on Annexure C.

5. ANNEXURE E

5.1. Guidelines to completing Annexure E: “Local Content Declaration-Supporting Schedule to Annexure C”

*The paragraph numbers correspond to the numbers in Annexure E*

- E1. Tender number**  
Supply the tender number that is specified on the specific tender documentation.
- E2. Tender description**  
Supply the tender description that is specified on the specific tender documentation.
- E3. Designated products**  
Supply the details of the products that are designated in terms of this tender (for example, buses/canned vegetables).
- E4. Tender authority**  
Supply the name of the tender authority.
- E5. Tendering entity name**  
Provide the tendering entity name (for example, Unibody Bus Builders (Pty) Ltd) Ltd).

**Local Goods, Services and Works**

- E6. Description of items purchased**  
Provide a description of the items purchased locally in the space provided.
- E7. Local supplier**  
Provide the name of the local supplier that corresponds to the item listed in column E6.
- E8. Value**  
Provide the total value of the item purchased in column E6.

**E9. Total local products (Goods, Services and Works)**

Total local products (goods, services and works) is the sum of the values in E8.

**E10. Manpower costs:**

Provide the total of all the labour costs accruing only to the tenderer (i.e. not the suppliers to tenderer).

**E11. Factory overheads:**

Provide the total of all the factory overheads including rental, depreciation and amortisation for local and imported capital goods, utility costs and consumables. (Consumables are goods used by individuals and businesses that must be replaced regularly because they wear out or are used up. Consumables can also be defined as the components of an end product that are used up or permanently altered in the process of manufacturing, such as basic chemicals.)

**E12. Administration overheads and mark-up:**

Provide the total of all the administration overheads, including marketing, insurance, financing, interest and mark-up costs.

**E13. Total local content:**

The total local content is the sum of the values of E9, E10, E11 and E12. This total must correspond with C24 of Annexure C.

Annex C

SATS 1286.2011

Local Content Declaration - Summary Schedule

(C1) Tender No. WTE-242ES

(C2) Tender description: THE SUPPLY AND DELIVERY OF AIRCONDITIONING

(C3) Designated product(s): CABLES/STEEL/CEMENT

(C4) Tender Authority: DWS

(C5) Tendering Entity name:

(C6) Tender Exchange Rate:

(C7) Specified local content %

AS INDICATED PER ITEM

Pula

EU

GBP

Note: VAT to be excluded from all calculations

| AS INDICATED PER ITEM                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Specified local content %            |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ASPER TECHNICAL SPECIFICATION        |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ELECTRICAL CABLES: 90%               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C8)                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tender item no's                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C9)                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| List of items                        |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C10)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C11)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tender price - each (excl VAT)       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tender value net of imported content |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C12)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Imported value                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C13)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Local value                          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C14)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C15)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Calculation of local content         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tender Qty                           |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C16)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total tender value                   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C17)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total exempted imported content      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C18)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total imported content               |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (C19)                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tender summary                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Signature of tenderer from Annex B

Date:

|                                                         |     |
|---------------------------------------------------------|-----|
| (C20) Total tender value                                | R 0 |
| (C21) Total Exempt imported content                     | R 0 |
| (C22) Total Tender value net of exempt imported content | R 0 |
| (C23) Total Imported content                            | R 0 |
| (C24) Total local content                               | R 0 |
| (C25) Average local content % of tender                 | R 0 |

Imported Content Declaration - Supporting Schedule to Annex C

|      |  |
|------|--|
| Pula |  |
|------|--|

### Calculation of imported content

Annex C - C21

## Calculation of imported content

| (D32) Total imported value by tenderer | R 0 |
|----------------------------------------|-----|
|----------------------------------------|-----|

Calculation of imported content

| (D45) Total imported value by 3rd party | R O |
|-----------------------------------------|-----|
|-----------------------------------------|-----|

**Calculation of foreign currency payments**

Signature of tenderer from Annex B

(D53) Total of imported content & foreign currency payments - (D32), (D45) & (D52) above

Annex C - C 23





## BIDDER'S DISCLOSURE

### 1. PURPOSE OF THE FORM

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

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

### 2. Bidder's declaration

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

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

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

---

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

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

2.2.1 If so, furnish particulars:

.....  
 .....

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

2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

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

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

---

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

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



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

SBD 3.1

### 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

Name of bidder.....

Bid number: **WTE-24394ES**

Closing Time **11:00**

Closing date: **31 MARCH 2025**

OFFER TO BE VALID FOR **120 DAYS** FROM THE CLOSING DATE OF BID.

| ITEM NO. | DESCRIPTION                                                                                           | OF GOODS                                                                         | QTY | UNIT PRICE (TO BE FILLED BY THE BIDDER) | BID PRICE (TO BE FILLED BY THE BIDDER) |
|----------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-----|-----------------------------------------|----------------------------------------|
| 1        | The supply and installation of 9 000BTU Heating/Cooling Air-conditioning Units as per specification.  |                                                                                  | 25  |                                         |                                        |
| 2        | The supply and installation of 12 000BTU Heating/Cooling Air-conditioning Units as per specification. |                                                                                  | 13  |                                         |                                        |
| 3        | Condition assessment, Service and repair of Air-conditioning.                                         |                                                                                  | 90  |                                         |                                        |
| 4        | OHS [Section OHSA 193 safety specification]                                                           | Provide a Health and Safety Plan                                                 | 1   |                                         |                                        |
|          |                                                                                                       | Conduct a Risk assessment by contractor in terms of construction regulation 2003 | 1   |                                         |                                        |

|   |                                                                               |   |                        |  |
|---|-------------------------------------------------------------------------------|---|------------------------|--|
|   | Appointments Health and Safety Representative for the duration of the project | 1 |                        |  |
|   | Keep all records and registers for the duration of the project                | 1 |                        |  |
|   | Maintain Health and Safety File for the duration of the project               | 1 |                        |  |
| 5 | Provisional sum                                                               | 1 |                        |  |
|   |                                                                               |   | <b>TOTAL</b>           |  |
|   |                                                                               |   | <b>15% VAT</b>         |  |
|   |                                                                               |   | <b>TOTAL BID PRICE</b> |  |

- Required by:

OPERATIONS EASTERN

- Attention:

SUPPLY CHAIN MANAGEMENT

.....

- Brand and model

.....

- Country of origin

.....

- 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.

\*Delete if not applicable

# **THE NATIONAL TREASURY**

**Republic of South Africa**



---

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

**July 2010**

# **GOVERNMENT PROCUREMENT**

## **GENERAL CONDITIONS OF CONTRACT**

### **July 2010**

#### **NOTES**

The purpose of this document is to:

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

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

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

## TABLE OF CLAUSES

|     |                                                       |
|-----|-------------------------------------------------------|
| 1.  | Definitions                                           |
| 2.  | Application                                           |
| 3.  | General                                               |
| 4.  | Standards                                             |
| 5.  | Use of contract documents and information; inspection |
| 6.  | Patent rights                                         |
| 7.  | Performance security                                  |
| 8.  | Inspections, tests and analysis                       |
| 9.  | Packing                                               |
| 10. | Delivery and documents                                |
| 11. | Insurance                                             |
| 12. | Transportation                                        |
| 13. | Incidental services                                   |
| 14. | Spare parts                                           |
| 15. | Warranty                                              |
| 16. | Payment                                               |
| 17. | Prices                                                |
| 18. | Contract amendments                                   |
| 19. | Assignment                                            |
| 20. | Subcontracts                                          |
| 21. | Delays in the supplier's performance                  |
| 22. | Penalties                                             |
| 23. | Termination for default                               |
| 24. | Dumping and countervailing duties                     |
| 25. | Force Majeure                                         |
| 26. | Termination for insolvency                            |
| 27. | Settlement of disputes                                |
| 28. | Limitation of liability                               |
| 29. | Governing language                                    |
| 30. | Applicable law                                        |
| 31. | Notices                                               |
| 32. | Taxes and duties                                      |
| 33. | National Industrial Participation Programme (NIPP)    |
| 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 any thing of value to influence the action of a public official in the procurement process or in contract execution.
  - 1.5 “Countervailing duties” are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
  - 1.6 “Country of origin” means the place where the goods were mined, grown or produced or from which the services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembly of components, a commercially recognized new product results that is substantially different in basic characteristics or in purpose or utility from its components.
  - 1.7 “Day” means calendar day.
  - 1.8 “Delivery” means delivery in compliance of the conditions of the contract or order.
  - 1.9 “Delivery ex stock” means immediate delivery directly from stock actually on hand.
  - 1.10 “Delivery into consignees store or to his site” means delivered and unloaded in the specified store or depot or on the specified site in compliance with the conditions of the contract or order, the supplier bearing all risks and charges involved until the supplies are so delivered and a valid receipt is obtained.
  - 1.11 “Dumping” occurs when a private enterprise abroad market its goods on own initiative in the RSA at lower prices than that of the country of origin and which have the potential to harm the local industries in the

RSA.

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

obligations of the supplier covered under the contract.

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

## **2. Application**

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

## **3. General**

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

## **4. Standards**

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

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

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

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

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

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

## **6. Patent rights**

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

## **7. Performance security**

- 7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.
- 7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.
- 7.3 The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the purchaser and shall be in one of the following forms:
- (a) a bank guarantee or an irrevocable letter of credit issued by a reputable bank located in the purchaser's country or abroad, acceptable to the purchaser, in the form provided in the bidding documents or another form acceptable to the purchaser; or
  - (b) a cashier's or certified cheque

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

## **8. Inspections, tests and analyses**

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

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

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

## **9. Packing**

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

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

## **10. Delivery and documents**

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

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

## **11. Insurance**

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

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

## **13. Incidental services**

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

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

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

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

#### **14. Spare parts**

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

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

#### **15. Warranty**

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

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

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

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

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

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

## **16. Payment**

16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.

16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.

16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.

16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

## **17. Prices**

17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments authorized in SCC or in the purchaser's request for bid validity extension, as the case may be.

## **18. Contract amendments**

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

## **19. Assignment**

19.1 The supplier shall not assign, in whole or in part, its obligations to perform under the contract, except with the purchaser's prior written consent.

## **20. Subcontracts**

20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this contracts if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

## **21. Delays in the supplier's performance**

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

21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.

21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the

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

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

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

## **22. Penalties**

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

## **23. Termination for default**

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

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

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

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

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

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

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

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

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

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

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

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

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

may be due to him

**25. Force  
Majeure**

25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.

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

**26. Termination  
for insolvency**

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

**27. Settlement of  
Disputes**

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

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

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

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

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

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

**28. Limitation of  
liability**

28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;

- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and

- (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

**29. Governing language**

- 29.1 The contract shall be written in English. All correspondence and other documents pertaining to the contract that is exchanged by the parties shall also be written in English.

**30. Applicable law**

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

**31. Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice

- 31.2 The time mentioned in the contract documents for performing any act after such aforesaid notice has been given, shall be reckoned from the date of posting of such notice.

**32. Taxes and duties**

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.

- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.

- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

**33. National Industrial Participation Programme (NIP)**

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

**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.

Js General Conditions of Contract (revised July 2010)