



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

### REQUEST FOR BID

WP 11414

**APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER TO ASSIST WITH THE  
REVISION INSTITUTIONAL PERFORMANCE ASSESSMENT PROGRAMME (IPAP)  
(FORMER REGULATORY PERFORMANCE MANAGEMENT SYSTEM (RPMS)) AND  
DEVELOP A SUPPORTING ELECTRONIC SYSTEM TO CONDUCT THE ENTIRE  
VALUE CHAIN WATER INSTITUTIONS PERFORMANCE REGULATIONS FOR THE  
PERIOD OF 36 MONTHS**

### ISSUE DATE

23 SEPTEMBER 2022

### CLOSING DATE AND TIME

25 OCTOBER 2022 at 11H00

### SUBMIT TENDER DOCUMENT

**POSTAL ADDRESS:**  
DIRECTOR-GENERAL: WATER AND  
SANITATION  
PRIVATE BAG X 313 PRETORIA, 0001

OR

**TO BE DEPOSITED IN:**  
THE TENDER BOX AT THE  
ENTRANCE OF ZWAMADAKA  
BUILDING 157 FRANCIS BAARD STREET  
(FORMERLY SCHOEMAN STREET)  
PRETORIA

### Compulsory briefing session

N/A

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

COMPILED BY: MAPITSE WINNIE DOLAMO  
DEPARTMENT OF WATER AND SANITATION

Please be aware that the Department of Water and Sanitation SCM officials will never call you and demand bribes in exchange for a tender, if this happens, please notify the Department



## DIRECTIVE TO BIDDERS ON COMPLETION OF SBD FORMS AND PACKAGING OF BID PROPOSAL

The purpose of this document is to guide bidders on the completion of SBD forms and packaging of a Bid Proposals with each document being placed under the correct Annexure.

The last column of the table below (this column must be ticked as an indication that each document and its requirements have been complied with by the bidder

The dates on this all-SBD forms must be a date which is within the bid advert period

TABLE OF CONTENTS FOR BID PROPSALS

DOCUMENT	ANNEXURE	DIRECTIVE	COMPLIED/NOT COMPLIED
SDB 1	A	Bidders are required to complete this document in full and be signed off. The date on this form must be a date which is within the bid advert period	
SBD 3.1/3.3	B	Bidders are required to complete the applicable form in full and ensure that the amounts in the document are properly calculated. The total amount (inclusive of VAT) as reflected herein will be regarded as the Total Bid Price. <b>Bidders who are not VAT Vendors are not allowed to charge VAT</b> Bidders are required to constantly verify their TAX Status on CSD to ensure that their task matters are in order	
SBD 4	C	This document must be completed in full. <b>Bidders attention is drawn particularly to paragraph 2.3 which requires the bidder to disclose if the company or any of its directors have interest in other companies whether they have bided or not. Bidders are required to provide all information. Should a bidder have more companies to declare, such information can be provided on a separate sheet in the format prescribed in the form and be attached to the SBD 4. Information captured must be inline with what is captured in the CSD report</b>	
SBD 6.1	D	This document must be completed in full. Bidders are advised to ensure that information captured in this this form is aligned to information contained in the CSD Reports. Eg. Under subcontracting (par 7.1.1) information on whether a company is QSE or EME must be inline with information in the CSD	
BBBEE Certificate/Sworn affidavit	E	Bidders are required to submit a valid BBBEE Certificate or sworn affidavit.	
CSD Report	F	Bidders are requested to provide copies of reg CSD Report.	
Bid Proposal	G	A detailed bid proposal inline with the Specifications must be attached	

**PART A  
INVITATION TO BID**

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

BID NUMBER:	<b>WP11414</b>	CLOSING DATE:	<b>25 OCTOBER 2022</b>	CLOSING TIME:	<b>11 H00</b>
DESCRIPTION	<b>Appointment of professional service provider to assist with the Revision Institutional Performance Assessment Programme (IPAP) (Former Regulatory Performance Management System (RPMS)) and develop a supporting electronic system to conduct the entire value chain water institutions performance regulations for the period of 36 months</b>				

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

**TENDER BOX SITUATED AT ZWAMADAKA BUILDING, 157 FRANCIS BAARD STREET, PRETORIA, 0002**

CONTACT PERSON	<b>Winnie Dolamo</b>	CONTACT PERSON	<b>Ms Sizani Moshidi</b>
TELEPHONE NUMBER	<b>(012) 336 8974</b>	TELEPHONE NUMBER	<b>(012) 336 6614</b>
CELL PHONE		CELL PHONE	
E-MAIL ADDRESS	<b>dolamow@dws.gov.za</b>	E-MAIL ADDRESS	<b>moshidis@dws.gov.za</b>

**SUPPLIER INFORMATION**

NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
FACSIMILE NUMBER	CODE		NUMBER		
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE SYSTEM PIN:		OR	CENTRAL SUPPLIER DATABASE No:	MAAA
B-BBEE STATUS LEVEL VERIFICATION CERTIFICATE	TICK APPLICABLE BOX]		B-BBEE STATUS LEVEL SWORN AFFIDAVIT		[TICK APPLICABLE BOX]
	<input type="checkbox"/> Yes <input type="checkbox"/> No				<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 [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES /WORKS OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER THE QUESTIONNAIRE BELOW ]
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**QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS**

**PART B**  
**TERMS AND CONDITIONS FOR BIDDING**

**1. BID SUBMISSION:**

- 1.1. BIDS MUST BE DELIVERED BY THE STIPULATED TIME TO THE CORRECT ADDRESS. LATE BIDS WILL NOT BE ACCEPTED FOR CONSIDERATION.
- 1.2. **ALL BIDS MUST BE SUBMITTED ON THE OFFICIAL FORMS PROVIDED-(NOT TO BE RE-TYPED) OR IN THE MANNER PRESCRIBED IN THE BID DOCUMENT.**
- 1.3. THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT, 2000 AND THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017, THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
- 1.4. **THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (SBD7).**

**2. TAX COMPLIANCE REQUIREMENTS**

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

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

SIGNATURE OF BIDDER:

.....

CAPACITY UNDER WHICH THIS BID IS SIGNED:

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

.....

DATE:

.....

**PRICING SCHEDULE**  
**(Professional Services)**

**Appointment of professional service provider to assist with the Revision Institutional Performance Assessment Programme (IPAP) (Former Regulatory Performance Management System (RPMS)) and develop a supporting electronic system to conduct the entire value chain water institutions performance regulations for the period of 36 months**

NAME OF BIDDER: .....PROJECT NO: **WP11414**

CLOSING TIME: **11:00 AM**

CLOSING DATE: **25 OCTOBER 2022**

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

ITEM DESCRIPTION BID PRICE IN RSA CURRENCY (ALL APPLICABLE TAXES INCLUDED)

1. The accompanying information must be used for the formulation of proposals.
2. Bidders are required to indicate a ceiling price based on the total Estimated time for completion of all phases and including all Expenses inclusive of all applicable taxes for the project.

R.....

3. PHASE ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT

..... R.....  
Days

..... R.....  
Days

..... R.....  
..... Days

- 3.1. Travel expense (specify, for example rate/km and total km, class Of air travel, etc.). Only actual costs are recoverable. Proof of the Expenses incurred must accompany certified invoices.

DESCRIPTION OF EXPENSE TO BE INCURRED AMOUNT	RATE	QUANTITY
..... R.....		R.....
.....	R.....	R.....
.....	R.....	R.....

TOTAL: R.....

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

- 3.2. Other expenses, for examples accommodation (specify, e.g. Three Star hotel, bed and breakfast, telephone cost, reproduction cost, etc.).  
On basis of these particulars, certified invoices will be checked for correctness. Proof of the expenses must accompany invoices.

DESCRIPTION OF EXPENSE TO BE INCURED	RATE	QUANTITY
.....	R.....	.....
.....	R.....	.....
.....	R.....	.....
TOTAL: R.....		

4. Period required for commencement with project after  
Acceptance of bid

.....

5. Estimated man-days for completion of project

.....

6. Are the rates quoted firm for the full period of contract?

\*YES/NO

7. If not firm price period, provide details of the basis on which  
Adjustments will be applied for, for example consumer price index.

.....

.....

.....

.....

**Any enquiries regarding bidding procedures may be directed to:**

Department: Department of Water and Sanitation

Contact Person: Ms Winnie Dolamo

Tel: 012 336 8974

E-mail address: [dolamow@dws.gov.za](mailto:dolamow@dws.gov.za)

**Any enquiries regarding technical information may be directed to:**

Contact Person: Ms Sizani Moshidi

Tel: 012 336 6614

E-mail address: [moshidis@dws.gov.za](mailto:moshidis@dws.gov.za)

## 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 State institution

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

- 2.2.1 If so, furnish particulars:

.....  
 .....

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

- 2.3.1 If so, furnish particulars:

.....  
 .....

### 3 DECLARATION

<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.



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.
- 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

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<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.

## PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2017

This preference form must form part of all bids invited. It contains general information and serves as a claim form for preference points for Broad-Based Black Economic Empowerment (B-BBEE) Status Level of Contribution

**NB: BEFORE COMPLETING THIS FORM, BIDDERS MUST STUDY THE GENERAL CONDITIONS, DEFINITIONS AND DIRECTIVES APPLICABLE IN RESPECT OF B-BBEE, AS PRESCRIBED IN THE PREFERENTIAL PROCUREMENT REGULATIONS, 2017.**

### 1. GENERAL CONDITIONS

- 1.1 The following preference point systems are applicable to all bids:
- the 80/20 system for requirements with a Rand value of up to R50 000 000 (all applicable taxes included)
- 1.2 The value of this bid is estimated to not exceed R50 000 000 (all applicable taxes included) and therefore the 80/20 preference point system shall be applicable.
- 1.3 Points for this bid shall be awarded for:
- (a) Price; and
  - (b) B-BBEE Status Level of Contributor.
- 1.4 The maximum points for this bid are allocated as follows:

	POINTS
PRICE	80
B-BBEE STATUS LEVEL OF CONTRIBUTOR	20
<b>Total points for Price and B-BBEE must not exceed</b>	<b>100</b>

- 1.5 Failure on the part of a bidder to submit proof of B-BBEE Status level of contributor together with the bid, will be interpreted to mean that preference points for B-BBEE status level of contribution are not claimed.
- 1.6 The purchaser reserves the right to require of a bidder, either before a bid is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the purchaser.

### 2. DEFINITIONS

- (a) **"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act;
- (b) **"B-BBEE status level of contributor"** means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;
- (c) **"bid"** means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of goods or services, through price quotations, advertised competitive bidding processes or proposals;
- (d) **"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- (e) **"EME"** means an Exempted Micro Enterprise in terms of a code of good practice on

black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;

- (f) **“Functionality”** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents.
- (g) **“prices”** includes all applicable taxes less all unconditional discounts;
- (h) **“proof of B-BBEE status level of contributor”** means:
  - 1) B-BBEE Status level certificate issued by an authorized body or person;
  - 2) A sworn affidavit as prescribed by the B-BBEE Codes of Good Practice;
  - 3) Any other requirement prescribed in terms of the B-BBEE Act;
- (i) **“QSE”** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act;
- (j) **“rand value”** means the total estimated value of a contract in Rand, calculated at the time of bid invitation, and includes all applicable taxes;

### 3. POINTS AWARDED FOR PRICE

#### 3.1 THE 80/20 OR 90/10 PREFERENCE POINT SYSTEMS

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

$$P_s = 80 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right) \quad \text{or} \quad P_s = 90 \left( 1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

- $P_s$  = Points scored for price of bid under consideration
- $P_t$  = Price of bid under consideration
- $P_{\min}$  = Price of lowest acceptable bid

### 4. POINTS AWARDED FOR B-BBEE STATUS LEVEL OF CONTRIBUTOR

- 4.1 In terms of Regulation 6 (2) and 7 (2) of the Preferential Procurement Regulations, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

B-BBEE Status Level of Contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	6	14
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

## 5. BID DECLARATION

5.1 Bidders who claim points in respect of B-BBEE Status Level of Contribution must complete the following:

## 6. B-BBEE STATUS LEVEL OF CONTRIBUTOR CLAIMED IN TERMS OF PARAGRAPHS 1.4 AND 4.1

6.1 B-BBEE Status Level of Contributor: . = .....(maximum of 10 or 20 points)  
(Points claimed in respect of paragraph 7.1 must be in accordance with the table reflected in paragraph 4.1 and must be substantiated by relevant proof of B-BBEE status level of contributor.

## 7. SUB-CONTRACTING

7.1 Will any portion of the contract be sub-contracted?

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

7.1.1 If yes, indicate:

- i) What percentage of the contract will be subcontracted.....%
- ii) The name of the sub-contractor.....
- iii) The B-BBEE status level of the sub-contractor.....
- iv) Whether the sub-contractor is an EME or QSE

(***Tick applicable box***)

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
-----	--------------------------	----	--------------------------

- v) Specify, by ticking the appropriate box, if subcontracting with an enterprise in terms of Preferential Procurement Regulations, 2017:

Designated Group: An EME or QSE which is at least 51% owned by:	EME √	QSE √
Black people		
Black people who are youth		
Black people who are women		
Black people with disabilities		
Black people living in rural or underdeveloped areas or townships		
Cooperative owned by black people		
Black people who are military veterans		
OR		
Any EME		
Any QSE		

**8. DECLARATION WITH REGARD TO COMPANY/FIRM**

8.1 Name ..... of  
company/firm:.....

8.2 VAT ..... registration  
number:.....

8.3 Company ..... registration  
number:.....

**8.4 TYPE OF COMPANY/ FIRM**

Partnership/Joint Venture / Consortium

One person business/sole propriety

Close corporation

Company

(Pty) Limited

[TICK APPLICABLE BOX]

**8.5 DESCRIBE PRINCIPAL BUSINESS ACTIVITIES**

.....  
.....  
.....  
.....

**COMPANY CLASSIFICATION**

Manufacturer

Supplier

Professional service provider

Other service providers, e.g. transporter, etc.

[TICK APPLICABLE BOX]

8.6 Total number of years the company/firm has been in business:.....

8.7 I/we, the undersigned, who is / are duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the B-BBE status level of contributor indicated in paragraphs 1.4 and 6.1 of the foregoing certificate, qualifies the company/ firm for the preference(s) shown and I / we 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 6.1, the contractor may be required to furnish documentary proof to the satisfaction of the purchaser that the claims are correct;
- iv) If the B-BBEE status level of contributor has been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the purchaser may, in addition to any other remedy it may have –
  - (a) disqualify the person from the bidding 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 bidder or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted by the National Treasury from obtaining business from any organ of state for a period not exceeding 10 years, after the *audialterampartem* (hear the other side) rule has been applied; and
- (e) forward the matter for criminal prosecution.

**WITNESSES**

- 1. ....
- 2. ....

.....  
SIGNATURE(S) OF BIDDERS(S)

DATE: .....

ADDRESS .....

.....

.....

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

### **NOTES**

**The purpose of this document is to:**

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

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

- ☐ **The General Conditions of Contract will form part of all bid documents and may not be amended.**
- ☐ **Special Conditions of Contract (SCC) relevant to a specific bid, should be compile 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 organization acting on behalf of the Department.

- 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 fulfilment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

## **17. Prices**

- 17.1 Prices charged by the supplier for goods delivered and services performed under the contract shall not vary from the prices quoted by the supplier in his bid, with the exception of any price adjustments 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 contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the supplier from any liability or obligation under the contract.

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

- 21.1 Delivery of the goods and performance of services shall be made by the supplier in accordance with the time schedule prescribed by the purchaser in the contract.
- 21.2 If at any time during performance of the contract, the supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the supplier shall promptly notify the purchaser in writing of the fact of the delay, its likely

duration and its cause(s). As soon as practicable after receipt of the supplier's notice, the purchaser shall evaluate the situation and may at his discretion extend the supplier's time for performance, with or without the imposition of penalties, in which case the extension shall be ratified by the parties by amendment of contract.

- 21.3 No provision in a contract shall be deemed to prohibit the obtaining of supplies or services from a national department, provincial department, or a local authority.
- 21.4 The right is reserved to procure outside of the contract small quantities or to have minor essential services executed if an emergency arises, the supplier's point of supply is not situated at or near the place where the supplies are required, or the supplier's services are not readily available.
- 21.5 Except as provided under GCC Clause 25, a delay by the supplier in the performance of its delivery obligations shall render the supplier liable to the imposition of penalties, pursuant to GCC Clause 22, unless an extension of time is agreed upon pursuant to GCC Clause 21.2 without the application of penalties.
- 21.6 Upon any delay beyond the delivery period in the case of a supplies contract, the purchaser shall, without cancelling the contract, be entitled to purchase supplies of a similar quality and up to the same quantity in substitution of the goods not supplied in conformity with the contract and to return any goods delivered later at the supplier's expense and risk, or to cancel the contract and buy such goods as may be required to complete the contract and without prejudice to his other rights, be entitled to claim damages from the supplier.

## **22. Penalties**

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

## **23. Termination for default**

- 23.1 The purchaser, without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier, may terminate this contract in whole or in part:
  - (a) If the supplier fails to deliver any or all of the goods within the period(s) specified in the contract, or within any extension thereof granted by the purchaser pursuant to GCC Clause 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 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 antidumping or countervailing duties are imposed, or the amount of a provisional payment or anti-dumping or countervailing right is increased in respect of any dumped or subsidized import, the State is not liable for any amount so required or imposed, or for the amount of any such increase. When, after the said date, such a provisional payment is no longer required or any such anti-dumping or countervailing right is abolished, or where the amount of such provisional payment or any such right is reduced, any such favourable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

## **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 wilful 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 exchanged by the parties shall also be written in English.

## **30. Applicable law**

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

## **31. Notices**

- 31.1 Every written acceptance of a bid shall be posted to the supplier concerned by registered or certified mail and any other notice to him shall be posted by ordinary mail to the address

furnished in his bid or to the address notified later by him in writing and such posting shall be deemed to be proper service of such notice.

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

## **32. Taxes and duties**

- 32.1 A foreign supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the purchaser's country.
- 32.2 A local supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted goods to the purchaser.
- 32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid the Department must be in possession of a tax clearance certificate, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services.

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

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

## **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 GCC (revised July 2010)

# **DEPARTMENT OF WATER AND SANITATION**



**TERMS OF REFERENCE FOR PROFESSIONAL SERVICE PROVIDER TO ASSIST THE CHIEF DIRECTORATE: ECONOMIC AND SOCIAL REGULATION WITH THE REVISION OF THE INSTITUTIONAL PERFORMANCE ASSESSMENT PROGRAMME (IPAP) (FORMER-REGULATORY PERFORMANCE MANAGEMENT SYSTEM (RPMS)) AND DEVELOP A SUPPORTING ELECTRONIC SYSTEM TO CONDUCT THE ENTIRE VALUE CHAIN WATER INSTITUTIONS' PERFORMANCE REGULATION FOR THE PERIOD OF 36 MONTHS.**

**(DRAFT V1, 2021)**

**WP**

## **1. Background**

The Department of Water and Sanitation(DWS) has a mandate to regulate Water Services Institutions as provided for in Section 155(7) of the Constitution of the Republic of South Africa (Constitution of South Africa, 1996) ) to see the effective performance in respect of water and sanitation services (schedule 4). The establishment of the unit dealing with economic regulation in 2014 consolidated the water services functions of economic regulation with the water resources functions. The assessment of the performance of institutions as primary in economic regulation is expanded to cover the water resources institutions to constitute the water sector Institutional Performance Assessment (IPAP).

Section 62 of the Water Services Act empowers the Minister to monitor compliance of Water Services Institutions (as defined in the Act) against the norms and standards published under this Act, and adopted development plans, policy statements or business plans.

The Strategic Framework for Water Services (2003) sets out a vision for the post-1994 water sector with specific goals and targets including roles for the various stakeholders in the sector which the DWS leads. The National Water Services Regulation Strategy (NWSRS) focused on the measurement and revealing the performance of water services institutions. The strategy brought with incentives based and risk based regulation to encourage participation and good performance of WSIs during the infancy period of water services regulation. The implementation of the NWSRS gave birth to the two prominent water services technical regulation programmes namely Blue Drop and Green Drop certification programmes including a whole performance regulation programme the Regulatory Performance Measurement System (RPMS). The three programmes have been running together for years and had achieved enormous improvements in the performance of the WSIs with overwhelming interest from participants. The exercise has set up a competitive environment within an industry which is a natural monopoly which is the key reason why regulation of services must be conducted.

The purpose of the IPAP project (former RPMS) on initiation was to measure the performance of Water Services Institutions against Key Performance Indicators (KPIs) outlined in the Strategic Framework for Water Services (SFWS) and the National Water Services Regulatory Strategy (NWSRS). The main distinction between IPAP and the Green and Blue drops is that the former RPMS project reported on eleven (11) key performance indicators while the latter two monitored specifically two of the 11 technical indicators of the WSIs. The former conducts assessment on financial, institutional effectiveness and consumer relations management indicators but reports on the whole performance. The IPAP project also determines performance trends with the intention of promoting best practice in the sector. In instances where non-compliance is identified, the Regulatory Action is issued to the WSIs in question with the intention of getting the resolution of the identified anomalies.

Whilst the Blue and Green Drop certification programmes are on revival it will be an advantage for the Institutional Performance Assessment Programme not to be left far behind since there are more areas of common interests that can be cost-effective and achieve coherence of the regulatory programmes through simultaneous roll-out. An expanded scope of IPAP (Former known as RPMS) will help unify the sector in the understanding of the regulator with emphasis on the interdependence of the various institutions in the water sector space.

## **2. Business Needs Analysis**

The purpose of economic regulation is to ensure sustainable water supply and sanitation in an economic, transparent and affordable manner. The Minister has powers in terms of section 62 of the Water Services Act to monitor compliance of the water services institutions with the norms and standards that has been prescribed. One of the responsibilities of the regulator is to ascertain that the provider entities are able to supply water in a sustainable manner through the monitoring of the performance of the institutions.

In 2014 the department established the Branch: Water Sector Regulation of which the Chief Directorate: Economic and Social Regulation forms part. These developments brought with it the expansion of the economic regulation mandate from focusing on water services to cover the whole water sector value chain. The relevance of IPAP/RPMS remained despite the developments which included all water sector institutions that are responsible for water provision (i.e. Water Boards, Water Intermediaries, Catchment Management Agencies, Water Trading Entity, Water User Associations and Water Services Authorities) although there are challenges that require immediate attention.

DWS as a National Regulator has the legislative and executive authority to ensure that water is provided within the premise of legislation, policies and prescribed minimum standards. The provisions of the legislation, policies, norms and standards create baseline information against which the performance of the water institutions is measured.

The IPAP (former RPMS) was inceptioned in 2007/08 and contained a tool which assisted with processing of the data gathered from Water Services Authorities (WSAs) in order to reveal the performance of the institutions. Reports were published during the period 2008 – 2012 when RPMS was effectively running. The reports also provided an opportunity for WSIs bench-marking and rewards were offered to incentivise good performance.

The IPAP was revised in 2012/13 into a risk-based assessment with the system left unchanged. The support system utilised to process data could no longer be compatible due to the data format that changed drastically. The initial system was able to process the data and generate reports; generate Regulatory Actions to WSAs on the non-compliance identified and producing various reports which all got lost with the revision.

The scope of the performance assessment has expanded with the addition of other institutions which were not subject to assessment before. The establishment of CD: Economic and Social Regulation necessitated the assessment of performance of all water sector institutions. It is found proper to revise the RPMS and develop a new programme IPAP which accommodates the changes that has taken place which includes indicators for the new institutions and the system to run the programme.

The consolidation of the performance regulation for the water institutions within the currently expanded mandate requires new thinking and innovation to achieve the objectives set for regulation and need for efficiency gains:-

- A new effective and efficient approach should be employed in the gathering of information from all the water institutions in the country. The manual approach as employed during the days of RPMS has been costly and inefficient which needs to be transformed.
- To enhance efficiency and reliability of the outcome there is need to have a dedicated system compatible with IRIS which links up with information gathering and can process the data with speed, something which the former RPMS suffered in the latter years. The system should be integrated and compatible with IRIS.
- For reasons that the other institutions do not have indicators readily available like in the WSRS and the SFWS, innovative and expert concepts are necessary for the development of new indicators with room to revise the water services measurement indicators that already exist.
- Transparency of the institutions can be achieved through the revealing of the performance which can only be realised if the performance is effectively assessed.
- During tariff assessment institutions are given areas that require remedial action over time for which progress need to be measured appropriately and it requires a dedicated programme in view of the number of institutions in the sector.
- Benchmarking of institutions is continuously required of a regulator for the setting of trends that are utilised as baselines during tariff review and creating a competitive environment within the sector.

- The Municipal Strategic Self- Assessment (MuSSA) focuses on self-assessment by Water Services Authorities and limited to water services within the municipal sector. It is distinct from the IPAP whose assessment of performance is regulatory which can play a major role in assigning amongst others the status of WSAs for the municipalities. The assessment is conducted by the regulator against regulatory performance indicators. The two are parallel processes which may be synergised on the confirmation of performance status quo of water institutions. The IPAP should also be able to audit the assessed results produced by the MuSSA in the water services authorities space.

The strengthening of the IPAP in the water sector and ensuring that the full potential of the system is realized will have positive benefits for the regulation function of the department thereby:-

- Enabling accurate reporting to reveal the true performance of the water services institutions over time.
- Improving on current inefficient practices, thereby promoting best practices
- Facilitating the design of regulatory and support interventions where required
- Ensuring that appropriate corrective measures are implemented to turn around the non-compliance make the required impact to improve the sector performance.
- Ensuring that WSI's meet their legal obligations, protect consumers' interests; and ensure environmentally sustainable services into the future.
- Providing accurate information to utilise in preparing of publications, conference papers and workshops for public consumption which enhance on the transparency of institutions and their performance.
- With transparency in performance revealed through publications, incentives, feed-back and remedial action access to water will improve with reduced unaccounted for water in the systems.

### 3. Project Scope

The objective of the appointment will be to assist the Department in the revision of the Institutional Performance Assessment Programme (IPAP) (Former-Regulatory Performance Measurement System) and implementation of the expanded institutional performance regulation programme in a risk management- approach as outlined but not limited to the following:-

#### 3.1 Revision of IPAP project (former RPMS)

- Revise the 11 Key Performance Indicators (KPI) in the NWSRS and SFWS to comply with the latest developments in the water sector.
- Develop the Key Performance Indicators for the measure of Water Boards and intermediaries' performance and align them with those prescribed in the NWSRS.
- Develop the KPIs for the measuring of raw water performance (CMAs and WTE institutions) and align them with those prescribed for the water services institutions in the NWSRS.
- Develop appropriate data collection tool suitable for each of the Water Institutions: WSAs, Water Intermediaries; Water Boards, and Catchment Management Agencies.
- Design and develop appropriate score cards suitable for each institution mentioned above.

#### 3.2 Develop an electronic IPAP component for the existing IRIS (Integrated Regulatory Information System: The system needs to make provision for:

- Integrate the system into the Integrated Regulatory Information System that is already existing for Regulation.
- Develop a seamless composite business processes that connect with internal and external data sources, applications, services, and microservices. The role-based human workflow engine supports manual interactions in business processes, automating the distribution of tasks among users and incorporating their decisions and actions.

- An automated data collection component aligned to the tool mentioned above to source required data from Water Institutions.
- Data collection from other existing systems in the department from which certain information can be imported while exporting other information.
- A data processing component that is aligned with the scorecards mentioned under 3.1 and able to generate reports in various forms including illustrations.
- A support component that is able to produce individual institutions' performance report and generate regulatory actions for the Water Institution
- Various forms of Benchmarking within the Water Institutions assessed.

Development will include the preparation of a SOP for the new system, training for maximum of 5 DWS officials. Once tested and signed off – technical support must be provided for the duration of the contract?

System to be housed in the Integrated Regulatory Information System with handover to DWS maintenance service provider once tested and signed-off

### 3.3. Implementation of IPAP project

- Design an implementation plan and assist with pilot implementation of the revised programme to cover a third within each group of the regulated institutions the sector.
- Formulate an implementation support plan for the duration of the contract to address the reporting of key matrices.
- Plan and assist the DWS in the roll-out process of IPAP to all groups of regulated institutions.

#### **4. Deliverables from the Project**

The service provider is expected to deliver within the project scope as outlines under paragraph 3 of the Terms of Reference to the satisfaction of the client (DWS) the following specific deliverables but not limited to the listed. The service provide must also ensure that the deliverables are completed on time and within the budget provided for the project: -

- Project inception report which will include the Project Execution Plan (PEP) and the status quo analyses. The report must also define the deliverables, the tasks and the time frames in each of the deliverables that will be undertaken
- Revised performance indicators (KPIs) for the retail water institutions relative to the SFWS and NWSRS. (WSAs, WSPs and Water Services Intermediaries)
- Performance indicators (KPIs) for the potable bulk water institutions (WB, Intermediaries and other Bulk Water Services Providers)
- Performance indicators for water resources institutions in terms of the current institutional arrangements.
- Data Collection tools for each of the group of institutions listed above.
- Score cards that are appropriate for the respective groups of institutions and compatible with the respective data collection tools.
- Suitable automated system for the electronic implementation of the data collection tool and the score cards and able to process the data and generate performance reports thereof.
- Standard operating procedure for the system (SOP)
- Skills transfer plan for end-user (ESR personnel)
- Skills transfer plan for technical support (DWS IT personnel)
- Programme implementation plan which includes the Pilot and support plan
- Project hand over report which is part of the project comprehensive report 1-month
- Project close out report be submitted after the completion of the project

The above deliverables have not been ordered in any specific sequence but randomly listed. The PSP may arrange them in chronological order if it is deemed fit to follow a particular sequence on condition that it is done on inception and brought to the attention of the Steering Committee for consent.

#### **5. Financial implications and Timeframe**

- 5.1 The duration of this project is 36 months from the date of signing of contract with the Professional Service Provider.

The project will be managed by the Chief Directorate: Economic and Social Regulation and funds are available on the budgets of the Chief Directorate. All rates will be within the Department's agreed norms and standards. Consultants are to prepare a detailed work plan and related budget for the 36 months.



5.2 All invoices from the service provider will be approved and paid on the PSP's successful submission of the deliverables as outlined above within the expected quality and not only time bound. Each deliverable shall have a budget attached to it for proper budget management against the milestones.

The approach is that:

- The project will be deliverable based
- Each deliverable will have its budget
- The claims will be based on the completion of milestones that have been approved and accepted by ESR
- The project will be cost centre driven; i.e. the delivery of the project hinges on the following cost centres:
  - a. Project Delivery
  - b. Project Management and Administration
  - c. Travel and Accommodation
  - d. Disbursements

## **6. Competencies required**

The appointed professional service provider (PSP) will be required to have at least a Bachelor degree qualification and (proven) extensive experience of at least 5 years in:

- Relevant IT qualifications with Systems development or programming and Project management.
- Organizational Development.
- Relevant qualification with Performance Development and Evaluation
- Knowledge and experience in utility regulation.
- Qualifications and experience in Business and Finance
- Qualifications and experience in Social Sciences
- Experience and exposure in the policy environment
- Qualifications and experience in the legal field
- Experience in and exposure to utility industry.
- Experience in business process development; and
- Proficiency in English (both writing and speaking)
- Knowledge of the water sector.

The staff from the Chief Directorate Economic and Social Regulation will form part of the project team.

## **7. Project Management and Reporting**

The project will be managed by the Chief Directorate Economic and Social. PSP are to indicate who from their team will take overall responsibility as Project Leader. The overall Project Leader must have extensive project management experience as well as be able to allocate sufficient time for the management of this project. PSP should appoint a project co-ordinator (administrator) who will be a full-time resource in the project and may be based within DWS premises performing administrative task related to the project.

The central point of contact with the Department will be the Chief Directorate Economic and Social where the PSP will report to on a regular basis. Quarterly written progress that indicate objectives, verifiable indicators, outputs and progress towards achieving these must be submitted. A final close out report must be submitted at the end of the consulting assignment.

- The Chief Directorate: Economic and Social Regulation will nominate the Project Manager to manage the project on behalf of the Client (DWS). The PSP will nominate a Project Leader for this project.
- Submission of work plans and regular review of progress will be standard practice.
- Background work will be done to gather relevant information, including consultative processes and identification of similar work that has been undertaken to ensure linkages in place are strengthened.
- All outputs will be developed in consultation with the Department, primarily the Economic and Social Regulation Chief Directorate.
- Documentation and relevant system developments will be finalized to the satisfaction of the Director: Raw Water, Director: Bulk Water, Director: Retail Water and Chief Director: Economic Regulation
- Project Steering Committee meetings will be held regularly on the presentation of deliverables by the PSP, the plan will be finalised on the finalisation of the timelines on the execution plan of the project.

## **8. Transfer of Skills**

The Department's policy requires that the use of PSP must benefit the human resource within the department itself. Hence, the PSP will be expected to work in close co-operation with the Project Manager and other DWS officials as part of the transfer of skills. Further to this, the consultant must in the proposal take this requirement into consideration.

## **9. Project Proposal**

The following must be contained and adhered to in the submission of a proposal: -

- Interpretation of the task at hand [not exceeding 6 A4 pages]
- Introduction of your organization [not exceeding 1 A4 page]
- Introduction of your proposed team with specific reference to appropriate qualifications and experience [not exceeding 1 A4 page per individual]
- A separate financial proposal for the execution of the project
- Required bidding documents as indicated below

## **10. Evaluation Criteria**

Department of Water and Sanitation will evaluate all proposals in terms of the Preferential Procurement Regulations 2017. A copy of the Preferential Procurement Regulations 2017 can be downloaded from [www.treasury.gov.za](http://www.treasury.gov.za). In accordance with the Preferential Procurement Regulations 2017, submissions will be adjudicated on 80/20 points system and the evaluation criteria. criteria five phase evaluation criterion will be considered in evaluating the bid. On the receipt of the proposals, the evaluation criteria shown below will be used for the selection of the most suitable bidder to undertake the assignment.

### **Phase 1: Pre-Qualification Criteria**

The following bidders will be considered for this bid:

- Bidders with a BBBEE status level of contributor, Level 1,2, 3 or 4
- Bidders who are Exempted Micro Enterprises (EMEs) or Qualifying Small Enterprises (QSEs)
- Bidders subcontracting a minimum of 30% to EMEs or QSEs

NB: Bidders who do not qualify with the prequalification criteria will be disqualified and not considered for Phase 2.

## **Phase 2: Mandatory Compliance**

**Please note that all bidders must comply with the following mandatory compliance. Failure to submit any of the listed documents below, will render your bid non-responsive and will therefore be disqualified.**

<b>No</b>	<b>Criteria</b>	<b>Yes</b>	<b>No</b>
<b>1.</b>	<b><u>Proof of registration with Engineering Council of South Africa (ECSA) (Attach certified copies of certificates)</u></b>		
<b>2.</b>	<b><u>Proof of registration with South African Council of Natural Scientific Professions (SACNASP) (Attach certified copies of certificates)</u></b>		

## **Phase 3: Administrative Compliance.**

Bidders are required to comply with all of the following listed below:

<b>No</b>	<b>Criteria</b>	<b>Yes</b>	<b>No</b>
<b>1</b>	<b>Companies must be registered with National Treasury's Central Supplier Database. Provide proof of print out from CSD.</b>		
<b>2</b>	<b>Tax compliant with SARS (to be verified through CSD and SARS).</b>		
<b>3</b>	<b>Complete, sign and submit SBD1, SBD3.3, SBD4, SBD6.1,</b>		
<b>4</b>	<b>General Conditions of Contract (GCC)</b>		

## **Phase 4: Functionality Compliance.**

Bidders must score a minimum score of 70 out of 100 in respect of functionality in order to qualify for advancement to phase 4. A bidder that scores less than 70 out of 100 will be regarded as submitting a non-responsive bid and will be disqualified. Bidders who fail to obtain the minimum score will be disqualified.

EVALUATION CRITERIA		WEIGH TING POINT S
<b>Organizational experience</b>	<p>The bidder must possess knowledge and experience in the below with three years of schedule of similar work with at least 3 contactable references</p> <p>:</p> <ol style="list-style-type: none"> <li>1. Water and Sanitation sector environment at National, Provincial and local level;</li> <li>2. Regulatory environment</li> <li>3. Developed and implemented an IT system,</li> <li>4. Development and implementation of business process;</li> <li>5. Possess a multi-disciplinarily experience, ability to produce strategic documents, report writing and presentation skills, facilitation and consultation skills, business and strategic planning skills, project management, competency in legal, economic and institutional management and social expertise</li> </ol> <p>Experience in all of the mentioned aspects above 5  Experience in any 4 of the mentioned aspects above 4  Experience in any 3 of the mentioned aspects above 3  Experience in any 2 of the mentioned aspects above 2  Experience in any 1 of the mentioned aspects above 1</p>	35
<b>Methodology</b>	<p>The bidder must demonstrate an understanding of the ToR, clarity and conceptualization of methodology, appropriateness of approach within the current water and sanitation sector context</p> <p>Project plan and broad methodologies in line with the task descriptions outlined under project scope/ task description, with clear milestones and timeframes for each tasked to be completed.</p> <p>The following items must be clearly indicated in detail:</p> <ul style="list-style-type: none"> <li>• Project Control Plan</li> <li>• Project Execution Plan</li> <li>• Broad methodologies in line with the task descriptions outlined under project scope/ task description.</li> <li>• Clear milestones, and timeframes for each task to be completed.</li> <li>• Evaluation and supervision of work</li> </ul> <p>All 5 items above should be included. 5  Item 2, 3, 4 and 5 should be included. 4  Item 1, 2, 3 and 4 should be included. 3  Item 1, 2 and 3 should be included 2  Any 2 items above should be included 1</p>	30

<b>Team capability</b>	<p>The bidder must provide certified copies of qualifications including curricula vitae of individual team members who will be directly involved in the project.</p> <p>The anticipated Degree qualifications of key personnel are</p> <p><b>Legal</b></p> <ul style="list-style-type: none"> <li>• LLB</li> <li>• Commercial Law</li> </ul> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>• Information Technology</li> <li>• Computer Science</li> <li>• Programming</li> </ul> <p><b>Social sciences</b></p> <ul style="list-style-type: none"> <li>• Business/ Public Administrative</li> <li>• Economic Development and Development Studies</li> </ul> <p><b>Financial</b></p> <ul style="list-style-type: none"> <li>• Accountancy</li> <li>• Auditing</li> <li>• Management Accounting</li> </ul> <p><b>Natural sciences</b></p> <ul style="list-style-type: none"> <li>• BSC (Water and Sanitation related)</li> </ul> <p><b>Engineering and Built Environment</b></p> <ul style="list-style-type: none"> <li>• Engineering (Water and Sanitation related)</li> </ul> <p>A schedule should be attached including full time and part time employees. Each team member to have minimum 5 years in relevant field of expertise.</p> <p>Team members with a minimum of 5 years' experience and all qualifications in the key aspects (Legal, Technical, Social Science, Financial, Natural sciences and Engineering and Built Environment) are attached 5</p> <p>Team members with a minimum of 5 years' experience and at least 5 qualifications in the key aspects (Legal, Technical, Social Science, Financial, Natural sciences and Engineering and Built Environment) are attached 4</p> <p>Team members with a minimum of 5 years' experience and at least 4 qualifications in the key aspects which must include (Legal, Technical, Natural sciences or Engineering and Built Environment) are attached 3</p> <p>Team members with a minimum of 5 years' experience and any 2 qualifications in the key aspects (Legal, Technical, Social Science, Financial, Natural sciences and Engineering and Built Environment) are attached 2</p> <p>Team members with a minimum of 5 years' experience and only 1 qualification in the key aspects (Legal, Technical, Social Science, Financial, Natural sciences and Engineering and Built Environment) are attached 1</p>	25
<b>Skills transfer</b>	<p>A skills transfer plan with tangible outputs, involving DWS staff during the implementation of the project needs to be detailed. In terms of building capacity and ensuring skills transfer in the DWS, the PSP will be responsible for establishing a capacity building programme aligned to</p>	10

	<p>the skills developmental needs of identified officials. Capacity building is realised through the following:</p> <ol style="list-style-type: none"> <li>1. Hand on practical training including field work;</li> <li>2. Inclusion of internal DWS officials in all phases of the project;</li> <li>3. Develop a capacity building programme with quantifiable measures;</li> <li>4. Relevant software training and training manuals; and</li> <li>5. Inclusion of Water and Sanitation Sector entities such as water boards, CMAs, MISA, SALGA etc</li> </ol> <p>All 5 items above included. 5  Item 2, 3, 4 and 5 included. 4  Item 1, 2, 3 and 4 included. 3  Item 1, 2 and 3 included. 2  Any 2 items above included. 1</p>	
<b>Total</b>		<b>100</b>

#### **Phase 5: THE 80/20 PRINCIPLE BASED ON PRICE AND BBBEE STATUS LEVEL CONTRIBUTOR.**

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

##### **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 (B-BBEE Status Level of Contribution)**

In terms of the Preferential Procurement Regulations 2017, preference points must be awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

<b>B-BBEE Status Level of Contributor</b>	<b>Number of points (80/20 system)</b>
1	20
2	18
3	14
4	12
5	8

6	6
7	4
8	2
Non-compliant contributor	0

In order to claim the B-BBEE Status Level of Contributor points, bidders must submit original and valid B-BBEE Status Level Verification Certificates or copies thereof, issued by accredited Verification Agency/s by SANAS or Registered Auditor approved by Independent Regulatory Board of Auditor (IRBA), together with their bids to substantiate their B-BBEE rating claims. The Exempted Micro Enterprise must submit a letter from the Accounting Officer who is appointed in terms of Close Corporation Act. EMEs are allowed to submit a sworn affidavit obtainable from the Department of Trade and Industry website.

Bidders who do not submit B-BBEE Status Level Verification Certificates or are non-compliant contributors to B-BBEE do not qualify for preference points for B-BBEE. They will score points out of 80 for price only and zero (0) points out of 20 for B-BBEE.

#### **Other Conditions**

- Bidders are kindly requested to submit two (2) copies of the BID proposal plus the original proposal.
- Bidders are further requested to provide separate financial and technical proposals
- The Client shall provide all the available documentation and information related to the project that may be needed by the PSP in pursuing the tasks under this TOR.
- Bidders who will bid based on the subcontracting prequalification criteria are required to attach proof of subcontracting agreement between the main bidder and the subcontractor.
- It is the responsibility of the bidder to select competent subcontractors that meet all requirements of the tender so that their tender is not jeopardised by the subcontractor when evaluated. Bidders are responsible for all due diligence on their subcontractors

#### **11. Ownership and Confidentiality**

The DWS will become the owner of all documentation and the deliverables produced within the context of this tender. All information should be treated with confidentiality and may not be communicated or made available to any person outside DWS and may not be published, either during the currency of the agreement or thereafter without the prior consent of DWS.

#### **12. Further information**

For further information, please contact Ms S Moshidi; Chief Director: Economic and Social Regulation on +27 12 336 6614 or e-mail at moshidis@dws.gov.za

For Supply Chain Management related enquiries, contact Nokubonga Mkhize on the following number 012 336 7571 or email: MkhizeN6@dwa.gov.za