

DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

FREE STATE PROVINCE

Name of the RFP	REQUEST OF PROPOSALS FOR DEVELOPMENT OF FREE STATE ECONOMIC RECONSTRUCTION AND RECOVERY PLAN
RFP Number	02/03/2023/24
Issued date	2023/06/30
Closing date	2023/07/28
Clarification meeting	N/A

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**REQUEST OF PROPOSALS FOR DEVELOPMENT OF FREE STATE ECONOMIC
RECONSTRUCTION AND RECOVERY PLAN**



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SBD 1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT TOURISM AND ENVIRONMENTAL AFFAIRS FREE STATE PROVINCE (DESTEA)					
RFP NUMBER:	01/03/2023/24	CLOSING DATE	2023/07/28	CLOSING TIME	11H00 AM
DESCRIPTION	REQUEST OF PROPOSALS FOR DEVELOPMENT OF FREE STATE ECONOMIC RECONSTRUCTION AND RECOVERY PLAN				
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS)					
TENDER BOX,					
GROUND FLOOR					
113 ST ANDREWS STREET					
BLOEMFONTEIN; 9301					
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO			TECHNICAL ENQUIRIES MAY BE DIRECTED TO		
CONTACT PERSON	MR. PITSO TLHABANELO		CONTACT PERSON	MR TEFO LEKUTLE	
TELEPHONE NUMBER	(051) 400 4740		TELEPHONE NUMBER	(051) 400 4707	
E-MAIL ADDRESS	TLHABANELOP@DESTEA.GOV.ZA		E-MAIL ADDRESS	LEKUTLET@DESTEA.GOV.ZA	
SUPPLIER INFORMATION					
NAME OF BIDDER					
POSTAL ADDRESS					
STREET ADDRESS					
TELEPHONE NUMBER	CODE		NUMBER		
CELLPHONE NUMBER					
E-MAIL ADDRESS					
VAT REGISTRATION NUMBER					
SUPPLIER COMPLIANCE STATUS	TAX COMPLIANCE PIN:		OR	CENTRAL SUPPLIER DATABASE	MAAA
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES WORKS OFFERED?	☐ Yes ☐ No [IF YES ENCLOSE PROOF]		ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES WORKS OFFERED?		☐ Yes ☐ No [IF YES, ANSWER THE QUESTIONNAIRE BELOW]
QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS					
IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)?				☐ YES	☐ NO
DOES THE ENTITY HAVE A BRANCH IN THE RSA?				☐ YES	☐ NO
DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA?				☐ YES	☐ NO
DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA?				☐ YES	☐ NO
IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION?				☐ YES	☐ NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 BELOW.					

SBD 1

PART B

TERMS AND CONDITIONS FOR BIDDING

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

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

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:
(Proof of authority must be submitted e.g. company resolution)

DATE:

SBD 3.3

PRICING SCHEDULE
(Professional Services)

NAME OF BIDDER: BID NO.:
CLOSING TIME: CLOSING DATE:

OFFER TO BE VALID FORDAYS FROM THE CLOSING DATE OF BID.

ITEM NO	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.	PERSONS WHO WILL BE INVOLVED IN THE PROJECT AND RATES APPLICABLE (CERTIFIED INVOICES MUST BE RENDERED IN TERMS HEREOF)		
4.	PERSON AND POSITION	HOURLY RATE	DAILY RATE
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
	.....	R.....	.....
5.	PHASES ACCORDING TO WHICH THE PROJECT WILL BE COMPLETED, COST PER PHASE AND MAN-DAYS TO BE SPENT		
	.....	R.....	days
	.....	R.....	days
	.....	R.....	days
5.1	Travel expenses (specify, for example rate/km and total km, class of airtravel, etc). Only actual costs are recoverable. Proof of the expenses incurred must accompany certified invoices.		
	DESCRIPTION OF EXPENSE TO BE INCURRED	RATE	QUANTITY AMOUNT
			
			
			
	TOTAL: R		

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

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- 5.2 Other expenses, for example accommodation (specify, eg. 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 INCURRED	RATE	QUANTITY	AMOUNT
.....			R.....
.....			R.....
.....			R.....
.....			R.....
TOTAL: R.....			

6. Period required for commencement with project after acceptance of bid
7. Estimated man-days for completion of project
8. Are the rates quoted firm for the full period of contract?
9. If not firm for the full period, provide details of the basis on which adjustments will be applied for, for example consumer price index.

.....

.....

*YES/NO

.....

.....

.....

.....

***[DELETE IF NOT APPLICABLE]**

Any enquiries regarding bidding procedures may be directed to the –
(INSERT NAME AND ADDRESS OF DEPARTMENT/ENTITY)

Tel:

Or for technical information –

(INSERT NAME OF CONTACT PERSON)

Tel:

SBD 4

BIDDER'S DISCLOSURE

1. PURPOSE OF THE FORM

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

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.

2. Bidder's declaration

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

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

Full Name	Identity Number	Name of State institution

2.2 **YES/NO**

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

Do you, or any person connected with the bidder, have a relationship with any person who is employed by the procuring institution?

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 consortium² will not be construed as collusive bidding.
- 3.4 In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications, prices, including methods, factors or formulas used to calculate prices, market allocation, the intention or decision to submit or not to submit the bid, bidding with the intention not to win the bid and conditions or delivery particulars of the products or services to which this bid invitation relates.

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

- 3.5 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.
- 3.6 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.
- 3.7 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

SBD 6.1

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

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

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

1. GENERAL CONDITIONS

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

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

1.2 To be completed by the organ of state

- a) The applicable preference point system for this tender is the 80/20 preference point system.
- b) 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:

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

Where

- P_s = Points scored for price of 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

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)
EME or QSE		6		
Woman		4		
Youth		4		
People with disability		2		
Free State based company		4		

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:

.....

.....

.....

SBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

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

PART 1 (TO BE FILLED IN BY THE SERVICE PROVIDER)

1. I hereby undertake to render services described in the attached bidding documents to (name of the institution)..... in accordance with the requirements and task directives / proposals specifications stipulated in Bid Number..... at the price/s quoted. My offer/s remain binding upon me and open for acceptance by the Purchaser during the validity period indicated and calculated from the closing date of the bid.
2. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (i) Bidding documents, viz
 - Invitation to bid;
 - Proof of tax compliance status;
 - Pricing schedule(s);
 - Filled in task directive/proposal;
 - Preference claim form for Preferential Procurement in terms of the Preferential Procurement Regulations;
 - Bidder's Disclosure form;
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (ii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the services specified in the bidding documents; that the price(s) and rate(s) cover all my obligations and I accept that any mistakes regarding price(s) and rate(s) and calculations will be at my own risk.
4. I accept full responsibility for the proper execution and fulfilment of all obligations and conditions devolving on me under this agreement as the principal liable for the due fulfillment of this contract.
5. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
6. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

WITNESSES	
1.	.....
2.	.....
DATE:	.....

SBD 7.2

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

- I..... in my capacity
as.....accept your bid under reference number
.....dated.....for the rendering of services indicated
hereunder and/or further specified in the annexure(s).
- An official order indicating service delivery instructions is forthcoming.
- I undertake to make payment for the services rendered in accordance with the terms and conditions of the
contract, within 30 (thirty) days after receipt of an invoice.

DESCRIPTION OF SERVICE	PRICE (ALL APPLICABLE TAXES INCLUDED)	COMPLETION DATE	TOTAL PREFERENCE POINTS CLAIMED	POINTS CLAIMED FOR EACH SPECIFIC GOAL

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1.

2.

DATE:

Annexure A

GOVERNMENT PROCUREMENT

GENERAL CONDITIONS OF CONTRACT

NOTES

The purpose of this document is to:

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

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

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

TABLE OF CLAUSES

1. Definitions
2. Application
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)

General Conditions of Contract

1. Definitions

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

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

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| 3. | General | <p>3.1 Unless otherwise indicated in the bidding documents, the purchaser shall not be liable for any expense incurred in the preparation and submission of a bid. Where applicable a non-refundable fee for documents may be charged</p> <p>3.2 With certain exceptions, invitations to bid are only published in the Government Tender Bulletin. The Government Tender Bulletin may be obtained directly from the Government Printer, Private Bag X85, Pretoria 0001, or accessed electronically from www.treasury.gov.za</p> <p>4.1 The goods supplied shall conform to the standards mentioned in the bidding documents and specifications.</p> |
| 5. | Use of contract documents and information; inspection. | <p>5.1 The supplier shall not, without the purchaser's prior written consent, disclose the contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the purchaser in connection therewith, to any person other than a person employed by the supplier in the performance of the contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.</p> <p>5.2 The supplier shall not, without the purchaser's prior written consent, make use of any document or information mentioned in GCC clause 5.1 except for purposes of performing the contract.</p> <p>5.3 Any document, other than the contract itself mentioned in GCC clause 5.1 shall remain the property of the purchaser and shall be returned (all copies) to the purchaser on completion of the supplier's performance under the contract if so required by the purchaser.</p> <p>5.4 The supplier shall permit the purchaser to inspect the supplier's records relating to the performance of the supplier and to have them audited by auditors appointed by the purchaser, if so required by the purchaser.</p> |
| 6. | Patent rights | <p>6.1 The supplier shall indemnify the purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods or any part thereof by the purchaser.</p> |
| 7. | Performance security | <p>7.1 Within thirty (30) days of receipt of the notification of contract award, the successful bidder shall furnish to the purchaser the performance security of the amount specified in SCC.</p> <p>7.2 The proceeds of the performance security shall be payable to the purchaser as compensation for any loss resulting from the supplier's failure to complete his obligations under the contract.</p> <p>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:</p> <ul style="list-style-type: none"> (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 |

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| | <p>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.</p> |
| <p>8. Inspections, tests and analyses</p> | <p>8.1 All pre-bidding testing will be for the account of the bidder.</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <p>9. Packing</p> | <p>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.</p> |

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| | | 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: <ul style="list-style-type: none"> (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
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 |

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| 14. | Spare parts | 14.1 | <p>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:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 | <p>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.</p> |
| | | 15.2 | <p>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.</p> |
| | | 15.3 | <p>The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.</p> |
| | | 15.4 | <p>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.</p> |
| | | 15.5 | <p>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.</p> |
| 16. | Payment | 16.1 | <p>The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.</p> |
| | | 16.2 | <p>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.</p> |
| | | 16.3 | <p>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.</p> |
| | | 16.4 | <p>Payment will be made in Rand unless otherwise stipulated in SCC.</p> |

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| 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.

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| 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 |

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| 28. | Limitation of liability | <p>28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;</p> <p>(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</p> <p>(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.</p> |
| 29. | Governing language | <p>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.</p> |
| 30. | Applicable law | <p>30.1 The contract shall be interpreted in accordance with South African laws, unless otherwise specified in SCC.</p> |
| 31. | Notices | <p>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</p> <p>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.</p> |
| 32. | Taxes and duties | <p>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.</p> <p>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.</p> <p>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.</p> |
| 33. | National Industrial Participation (NIP) Programme | <p>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.</p> |

General Conditions of Contract (revised February 2008)

1. INTRODUCTION

The DESTEA's constitutional mandates have been derived from Schedules 4 and 5 of the Constitution of the Republic of South Africa, which requires the Department to oversee and administer the following: Trade and Investment promotion, Tourism development and marketing, Regulation of Casinos, racing, gambling and wagering as well as liquor licensing, Consumer protection, Environment and biodiversity protection, Industrialization promotion and small business development.

- 1.1 "A transformed economy and a prosperous society that is living in harmony with its natural resources
- 1.2 "To be a leading and developmental institution that drives economic transformation, environmental sustainability, system change and adaptation to the ever-changing dynamics for the benefit of the Free State"

DESTEA is positioned at the centre of transforming the Free State economy through economic transformation, entrepreneurship and cooperative development, and industrialization in the province. Over the past three (3) years, the Department and its agency, the Free State Development Corporation, have increased their efforts in growing the critical sectors of the economy in all economic corridors of the province. Increased public awareness of the activities and products offered by the department and its agencies has remained a key focal area.

The Free State's economic development and growth prospects depend on its ability to maximise the growth potential of Small, Medium and Micro-sized Enterprises (SMME's) and Cooperatives (Co-ops) through the creation of a conducive environment that will propel them into the mainstream economy, encourage investment in township economies and accelerate the creation of sustainable jobs across all priority economic sectors.

2. PROBLEM STATEMENT

The economy of the Free State has not been growing at a faster rate over a period of more than ten years since the late 2000s global economic recession. The Covid-19 pandemic in 2020 only served to exacerbate the sluggish economic growth, which was punctuated by technical recession in 2019. For first over this period, the economy grew at a rate of nearly 4% in 2021. It would seem like that growth momentum has had a positive spill-over effect on the labour market with the official unemployment rate decreasing by 4% in the second quarter of 2022 compared with the second quarter of 2021. Whilst the Free State Province has moved from being one of the top provinces with highest unemployment rate and it is now number six at 32.4% official rate in the second quarter of 2022, this rate is still very high and it is affecting young people the most. The expanded unemployment rate in the same period was at 40%. At the same time, the Province's GDP is expected to grow at an average annual rate of a mere 1.26% by 2026.

The modest economic growth that the Free State Province has been able to achieve has been anchored in the main by the three sectors of the economy: community services, finance and trade. The community services sector was the largest in 2021 within Free State accounting for R 77.1 billion or 27.8% of the total GVA in the province's economy. Finance contributed the second most to the GVA of the province at 20.3% (R56.3 billion), followed by the trade sector with 12.6% (R34.9 billion).

There is therefore an urgent need to develop a plan to grow the economy of the Free State and create jobs on a large scale. Accordingly, the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEa) is inviting qualified and experienced researchers from public and private sectors to submit proposals to develop the Free State Provincial Economy Recovery Plan that will focus on the following sectors and sub-sectors:

3. PROJECT SCOPE AND REQUIREMENTS

The Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEa), require the services of service providers to develop the Free State Economic Recovery Plan. The primary objective of the Free State Economic Recovery Plan project is to develop an agreed-upon set of actions, which integrate the District Development Model (DDM) and DESTEa Sector Masterplans below.

The scope of this project includes the following:

- (i) To provide a comprehensive assessment of the state of the Free State economy;
- (ii) Develop the Free State Economic Recovery and Reconstruction Plan
- (iii) The plan should incorporate the following:
 - ✓ DESTEa Sector masterplans
 - ✓ District Development Model (DDM) and Clustering
 - ✓ Economic Recovery and Sector masterplans with implementation plans to grow economic sector below;
 - ✓ Present different scenarios to grow economy of the Free State

The provincial priority sectors/sub-sectors for the plan should include the following that are based on DESTEa's sector Masterplans:

- i. Automotive;
- ii. Tourism;
- iii. Agro-processing;
- iv. Financial sector;
- v. Steel and metals fabrications;
- vi. Mining and mineral beneficiation;
- vii. Clothing, Textiles, Leather and Footwear;
- viii. Chemicals, Energy and Green industries;
- ix. Communications and Digital economy
- x. Land and Property development and
- xi. Biodiversity

Service providers should ensure that they submit a proposal that includes all the priority sectors listed above.

4. SERVICE PROVIDER

Interested parties will be required to provide a methodology and process they are going to follow in developing Free State Economic Recovery Plan. The plan should include all the sectors as outlined above with a clear implementation plan. The proposal must include the cost breakdown. The plan should be time bound, show clear achievable targets within defined timelines and demonstrated by relevant stakeholders to ensure its implement ability.

The following submission guidelines and requirements apply to this Request for Proposal

- 4.1 Letter of authority to sign documents on behalf of the company or joint venture or consortium; The potential supplier must demonstrate at least a minimum of two to three similar projects that have been conducted.

Clear understanding of business management and good practice of different industries will serve as added advantage.

It is recommended that two or more recommendation letters be submitted as proof of the above.

Proven Research skills

Good understanding of the Free State Provincial economy, national and global economy

Report writing and Strategy drafting skills

The following documents must be submitted with the tender application:

- A Valid Original Tax Clearance Certificate or Tax PIN issued by SARS;
- Entity Registration Certificate;
- Central Supplier Database (CSD) registration certificate;
- Project Plan and Work Break Down Structure
- Deliver Recovery Plan and Implementation Plan
- Knowledge of District Development Model (DDM) and Clustering of sectors
- A Project Plan that states the methodology and approach for accomplishing the task, project phases, time frames and outputs (excluding cost for the project);
- Profile of the company and description of similar work undertaken
- Stakeholder engagements.
- Agreement between service providers in the case of a joint venture or consortium;

5. CONDITIONS OF THE CONTRACT

The performance measures for the successful bidder will be closely monitored by DESTEA, and any deviations shall be discussed with the service provider to ensure that corrective measures are implemented.

Failure to deliver the required deliverables on time will result in penalties, and/or suspension or termination of the contract.

The DESTEA Project Manager shall be responsible for ongoing management of the contract, Director Economic Planning will oversee the project.

All the conditions specified in the document will be verbally articulated to the potential service provider after the tender has been allocated.

All the conditions specified in the RFQ document shall apply. DESTEA reserves the right not to award the bid to any Service Provider, and if necessary, to re-advertise the RFQ. DESTEA is not obliged to award the contract to the lowest bidding price.

The evaluation of bids can only be done on the basis of information required by the department, DESTEA in this instance.

6. RFQ AND PROJECT TIMELINE

The development of the Free State Growth and Economic Recovery Plan should be concluded within 90 days of signing of the Service Level Agreement. (SLA)

7. PROJECT DELIVERABLES

- Recovery Plan integrating the District Development Model (DDM) and the Sector Masterplans
- Summary of DESTEA Sector Masterplans
- Recovery Plan integrating the District Development Model (DDM) and clusterin
- Recovery Plan implementation plan with specific actions to grow the Free State economy
- DESTEA Sector Masterplan Implementation plan
- Stakeholder engagements.
- Free State Economic Recovery Plan /Strategy incorporating the above.

8. STEERING COMMITTEE RESPONSIBILITIES

- Monitor progress on all deliverables submitted by the successful service provider;
- Check compliance of deliverables with tender specifications;
- Ensure that the money is spent according to budget agreed upon between service provider and DESTEA;
- Consider and approve deliverables submitted by the successful bidder;
- Ensure that the Recovery Plan and Implementation Plan are completed per specifications.
- The frequency of meetings bi-weekly;
- The Service Provider will be required to provide a bi-weekly progress report to be assessed by the Steering Committee.

9. COSTING OF THE PROJECT

DESTEA will rate proposal based on the following factors, with cost being the most important factor:

- The prospective Service Provider should submit a comprehensive budget proposal related to the project.
- The hourly fee rates as of 1 July 2019 from the DPSA will be applicable to this RFP.

How to determine the appropriate fee rate

- Determine the consultancy option/ model by applying the following criteria:
- “Short-Term” means less than 60 consulting days
- “Long-Term” means more than 60 consulting days

- “All Overheads” means consultant provides all overheads e.g. office, parking, telephone
- “Partial Overheads” means the department provides some overheads e.g. office, parking, telephone
- “Mark-Up” Provides for company profit margin – service normally provided by consulting company
- “No Mark-Up” service normally provided by individuals or NGOs.
- Value Added Tax is excluded from calculating hourly fee rates.
- The hourly rate fee should be read where the consultancy option/model intersects with the salary band.

10. BID EVALUATION PROCESS

10.1 PHASE 1: Administrative Evaluation Process

At this phase bidder's response are reviewed to check if bidders have responded according to DESTEA tender document

Required documents	Non –submission may result in disqualification	
SBD 1 – Invitation to Bid	Yes	Needs to be completed and signed
SBD 3.3 Pricing Schedule – Professional Services	Yes	Submit Pricing Proposal covering contents on the SBD form
Central Supplier Database (CSD) Registration Summary.	No	The service provider must be registered on the CSD. If not registered visit https://secure.csd.gov.za to complete the process prior to submission of proposal
Valid Tax Compliance Status (TCS) Pin or printed TCS report	No	DESTEA will not award any bid to a bidder who is not tax compliant.
Company profile (with appropriate relevant expertise highlighted)	Yes	Needs to be submitted
Project Plan and Work Break Down Structure	Yes	Needs to be submitted
Knowledge of District Development Model (DDM) and Clustering of sectors	No	Submission serve as added advantage
Deliver Recovery Plan and Implementation Plan	Yes	Needs to be submitted
Letter of authority to sign documents on behalf of the company or joint venture or consortium; The potential supplier must demonstrate at least a minimum of two to three similar projects that have been conducted.	Yes	Needs to be submitted
Recommendation letters clear understanding of business management and good practice of different industries	No	Submission serve as added advantage
Proof of Research skills	No	Submission serve as added advantage
SBD 4 – Declaration of Interest	Yes	Needs to be completed and signed

Required documents	Non –submission may result in disqualification	
SBD 6.1 - PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022	No	Needs to be completed and signed. The tenderer must indicate how they claim points for each preference point system.)
Sworn affidavit signed by the EME or QSE representative and attested by a Commissioner of Oaths/ A certified copy of a BB-BEE certificate issued by the verification agency accredited by SANAS/ Proof of B-BBEE issued by DTIC	No	DESTEA will not award points to bidders who cannot substantiate with sufficient evidence under specific goals
RSA identity document/ Valid RSA driver's license issued by the relevant authority	No	DESTEA will not award points to bidders who cannot substantiate with sufficient evidence under specific goals
Sworn affidavit signed by the company representative and attested by the Commission of oaths on People with Disability	No	DESTEA will not award points to bidders who cannot substantiate with sufficient evidence under specific goals
Entity proof of address (Municipal Account/ Lease agreement/ Title deeds/ Permission to occupy land signed by the traditional authority/ A letter of confirmation of the address signed by the ward councilor)	No	DESTEA will not award points on Free State Based Entities to bidders who cannot substantiate with sufficient evidence under specific goals
SBD 7.2 - CONTRACT FORM - RENDERING OF SERVICES	Yes	Needs to be completed and signed

10.2 PHASE II: FUNCTIONALITY EVALUATION CRITERIA

The quotations will be evaluated on functionality, whereby potential service providers are expected to score minimum points of 75 out of 100 for functionality. Failure to score the required minimum requirements then the bidder will be disqualified.

CRITERIA	EVALUATION CRITERIA	POINTS
Capacity	Capability and experience in delivering project : Experience, profile and registration with professional bodies • Registration with 4 or more professional bodies • 2-3 Professional bodies • 1 Professional body <i>Attach registration certificate/s with professional bodies and CVs of project members.</i>	30 30 20 10
Experience	Experience in undertaking similar projects • 4-5 projects undertaken • 2-3 projects undertaken • 1 project undertaken <i>Reference letter/s and proof of payment be attached for each project undertaken</i>	30 30 20 10
Skills and competencies	Within the Service Provider team, one or more of the following skills/competencies should be clearly identifiable per team member: • Strategy drafting skills/competencies • Report writing skills/competencies • Research skills/competencies 100 % of team meet qualification criteria 80-99 % of team meet qualification criteria 70-79 % of team meet qualification criteria Below 70 % of team meet qualification criteria <i>Documented examples of skills/competencies should be attached for each team member.</i>	20 20 15 10 0
Methodology	Work breakdown structure, including timeframes; and Phase of project Cost break down of the project	20 15 5
FUNCTIONALITY		100

Bids that fail to achieve the minimum qualifying score of 75 points for functionality (75 of 100 points allocated) will be eliminated from further consideration in Phase III

9. Phase III: 80/20 principle as per Preferential Procurement Regulation 2022.

Bidders who met or exceeded the minimum threshold of 75 points threshold will be evaluated further on Specific goals, utilising the 80/20 principle as per Preferential Procurement Regulation 2022.

9.1 Price and Specific goals

Evaluation Criteria	Weighted Scores
Price	80
Specific goals	20
Total Score	100

9.2 Specific goals and points that may be claimed are indicated as follows

Specific goal	Applicable weight	Evidence to be submitted by the supplier to substantiate the points claimed/allocated per specific goal (NB: Any of the evidence indicated below per specific goal should be regarded as sufficient)
EME or QSE	6	- Sworn affidavit signed by the EME or QSE representative and attested by a Commissioner of Oaths - A certified copy of a BB-BEE certificate issued by the verification agency accredited by SANAS - Proof of B-BBEE issued by DTIC
Woman	4	- RSA identity document - Valid RSA driver's license issued by the relevant authority
Youth	4	Valid RSA driver's license issued by the relevant authority (NB: Youth is defined as any south African citizen with the age between 18 and 35 years)
People with disability	2	Sworn affidavit signed by the company representative and attested by the Commission of oaths
Free State based company	4	- Municipal Account - Lease agreement - Title deeds - Permission to occupy land signed by the traditional authority - A letter of confirmation of the address signed by the ward councilor