

RATLOU LOCAL MUNICIPALITY



APPOINTMENT OF INSURANCE BROKER TO UNDERWRITE AND MANAGE THE
SHORT-TERM INSURANCE PORTFOLIO OF THE RATLOU LOCAL MUNICIPALITY
FOR A PERIOD OF 36 MONTHS

TENDER NO: NW381/CORPS001/2025/2026

NAME OF TENDERER:

ADDRESS :
.....
.....

CSD MAAA NUMBER:

EMAIL ADDRESS.....

YEAR 1 TENDER PREMIUM AMOUNT (VAT INCLUSIVE) R.....

ISSUED BY:

The Municipal Manager
Ratlou Local Municipality
Private Bag X 209
Madibogo
2772

Tel: (018) 330 7000
Fax: (018) 330 7047



Closing Date : 30 JULY 2026
Closing Time : 11H00 a.m

RATLOU LOCAL MUNICIPALITY

1. BID CHECKLIST

Bidders are to use this checklist to ensure that the bid documentation is complete for administrative compliance. The bidder is to indicate that the document is complete and included in the bid document by completing the table below.

Tick to indicate that the information is included

ITEM	DESCRIPTION	YES	NO	N/A
1.	Is your business registered as accredited prospective supplier on National Treasury Central Supplier Database?			
2.	Is the administration fee paid and a copy of the receipts attached to the bid document? Not applicable if downloaded on etender portal			
3.	Did you read and understand all pages of the bid document?			
4.	Did you complete the bid document in black ink?			
5.	Did you provide a certified copy of your business registration?			
6.	Did you provide a certified copy of the identity document of all the directors?			
7.	Did you provide registration certificate pertaining to the relevant industry e.g. (Electrical Contract Board) if applicable			
8.	Did you provide a covering letter?			
9.	Did you provide an original and valid tax compliance pin? (MBD2)			
10.	Where applicable, is the resolution taken to the Board of Director/Members/Partners completed and signed? (Section 4)			
11.	Where applicable, is the resolution taken to the Board of Directors of a Consortium or Joint Venture completed and Signed?			
12.	Is invitation to Bid completed and signed? (MBD 1)			
13.	Is the Declaration of interest completed and signed? (MBD 4)			
14.	Is the Declaration of Bidder's Past Supply Management Practices completed and signed? (MBD 8)			
15.	Is the Certificate of independent Bid Determination completed and signed? (MBD 9)			
16.	Did you complete and sign the Previous Work experience of a similar Nature section.			
17.	Is the preference Points Claim form in Terms of the preferential Procurement Regulation 2022 completed and signed? (MBD 6.1)			
18.	is the certified copy or original BBEE status level contribution certificate provided in order to claim preferential points in terms of the Preferential Procurement Regulation 2022.			
19.	Does the product/service offered conform to the Bid Specifications?			
20.	Is Pricing Schedule Completed? (MBD 3.1)			
21.	Did you complete the contract Form? (MBD 7.1)			
22.	Where applicable, is the Declaration for Procurement Above R 10 Million (VAT included) completed and signed? (MBD 5)			
23.	Did you attach the annual financial statements as required in MBD? (For Procurements above R 10 million)			

TABLE OF CONTENTS

- 1. LIST OF RETURNABLE DOCUMENTS**
- 2. INVITATION TO BID (MBD1)**
- 3. TAX COMPLIANCE PIN MBD 2**
- 4. TERMS OF REFERENCE (TOR)**
- 5. PRICING SCHEDULE**
- 6. DECLARATION OF INTEREST (MBD 4)**
- 7. PREFERENCE POINTS CLAIM FORM (MBD 6.1)**
- 8. CONTRACT FORM 7.1**
- 9. DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES (MBD 8)**
- 10. CERTIFICATE OF INDEPENDENT BID DETERMINATION (MBD 9)**
- 11. GENERAL CONDITIONS OF A CONTRACT**

RATLOU LOCAL MUNICIPALITY



1. LIST OF RETURNABLE DOCUMENTS/RESPONSIVE

The following documentation must form part of tender submission:-

- Proof of Central Supplier Database (CSD) registration
- Valid Tax Pin Certificates/ Tax Compliance Status will be verified on CSD
- Company Profile
- Registration with statutory bodies
- Proof of residence from Traditional Authorities/municipalities of all Directors of the Company or JV (Not older than three months);
- Proof of residence from Traditional Authorities/ municipalities of the business premises (Not older than three months);
- When the Bidder and Directors are renting, a signed Lease agreement by both parties must be submitted
- Statement as Proof of payment of South African Municipal services for business properties (Not older than three months)
- If business operates in the same address as directors', original affidavit signed by the commissioner of Oath must be submitted for clarity
- Statement as Proof of payment of South African Municipal services for residential properties of all Directors of the company (Not older than three months);
- Original or Certified Copy of BBBEE certificates obtained from accredited agencies by SANAS or registered auditors approved by IRBA (Independent Regulatory Board of Auditors) or in case Exempted Micro Enterprises, the BBBEE certificate may be issued by
- All Copies must be certified

- All prospective suppliers must make sure that they are registered on CSD in line with MFMA Circular 81

MBD 1

**PART A
INVITATION TO BID**

YOU ARE HEREBY INVITED TO BID FOR REQUIREMENTS OF THE (NAME OF MUNICIPALITY/ MUNICIPAL ENTITY)			
BID NUMBER:		CLOSING DATE:	CLOSING TIME:
DESCRIPTION			
THE SUCCESSFUL BIDDER WILL BE REQUIRED TO FILL IN AND SIGN A WRITTEN CONTRACT FORM (MBD7).			
BID RESPONSE DOCUMENTS MAY BE DEPOSITED IN THE BID BOX SITUATED AT (STREET ADDRESS			
SUPPLIER INFORMATION			
NAME OF BIDDER			
POSTAL ADDRESS			
STREET ADDRESS			
TELEPHONE NUMBER	CODE	NUMBER	
CELLPHONE NUMBER			
FACSIMILE NUMBER	CODE	NUMBER	
E-MAIL ADDRESS			
VAT REGISTRATION NUMBER			
TAX COMPLIANCE STATUS	TCS PIN:	OR	CSD No:
ARE YOU THE ACCREDITED REPRESENTATIVE IN SOUTH AFRICA FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES ENCLOSE PROOF]	ARE YOU A FOREIGN BASED SUPPLIER FOR THE GOODS /SERVICES OFFERED?	<input type="checkbox"/> Yes <input type="checkbox"/> No [IF YES, ANSWER PART B:3]
TOTAL NUMBER OF ITEMS OFFERED		TOTAL BID PRICE	R
SIGNATURE OF BIDDER	.....	DATE	
CAPACITY UNDER WHICH THIS BID IS SIGNED			
BIDDING PROCEDURE ENQUIRIES MAY BE DIRECTED TO:		TECHNICAL INFORMATION MAY BE DIRECTED TO:	
DEPARTMENT		CONTACT PERSON	
CONTACT PERSON		TELEPHONE NUMBER	
TELEPHONE NUMBER		FACSIMILE NUMBER	
FACSIMILE NUMBER		E-MAIL ADDRESS	

E-MAIL ADDRESS		
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**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 ONLINE
1.3.	THIS BID IS SUBJECT TO THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT AND THE PREFERENTIAL PROCUREMENT REGULATIONS THE GENERAL CONDITIONS OF CONTRACT (GCC) AND, IF APPLICABLE, ANY OTHER SPECIAL CONDITIONS OF CONTRACT.
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 VIEW THE TAXPAYER'S PROFILE AND TAX STATUS.
2.3	APPLICATION FOR THE TAX COMPLIANCE STATUS (TCS) CERTIFICATE OR PIN MAY ALSO BE MADE VIA E-FILING. IN ORDER TO USE THIS PROVISION, TAXPAYERS WILL NEED TO REGISTER WITH SARS AS E-FILERS THROUGH THE WEBSITE WWW.SARS.GOV.ZA.
2.4	FOREIGN SUPPLIERS MUST COMPLETE THE PRE-AWARD QUESTIONNAIRE IN PART B:3.
2.5	BIDDERS MAY ALSO SUBMIT A PRINTED TCS CERTIFICATE TOGETHER WITH THE BID.
2.6	IN BIDS WHERE CONSORTIA / JOINT VENTURES / SUB-CONTRACTORS ARE INVOLVED, EACH PARTY MUST SUBMIT A SEPARATE TCS CERTIFICATE / PIN / CSD NUMBER.
2.7	WHERE NO TCS IS AVAILABLE BUT THE BIDDER IS REGISTERED ON THE CENTRAL SUPPLIER DATABASE (CSD), A CSD NUMBER MUST BE PROVIDED.
3. QUESTIONNAIRE TO BIDDING FOREIGN SUPPLIERS	
3.1.	IS THE ENTITY A RESIDENT OF THE REPUBLIC OF SOUTH AFRICA (RSA)? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.2.	DOES THE ENTITY HAVE A BRANCH IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.3.	DOES THE ENTITY HAVE A PERMANENT ESTABLISHMENT IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.4.	DOES THE ENTITY HAVE ANY SOURCE OF INCOME IN THE RSA? <input type="checkbox"/> YES <input type="checkbox"/> NO
3.5.	IS THE ENTITY LIABLE IN THE RSA FOR ANY FORM OF TAXATION? <input type="checkbox"/> YES <input type="checkbox"/> NO
IF THE ANSWER IS "NO" TO ALL OF THE ABOVE, THEN IT IS NOT A REQUIREMENT TO REGISTER FOR A TAX COMPLIANCE STATUS SYSTEM PIN CODE FROM THE SOUTH AFRICAN REVENUE SERVICE (SARS) AND IF NOT REGISTER AS PER 2.3 ABOVE.	

**NB: FAILURE TO PROVIDE ANY OF THE ABOVE PARTICULARS MAY RENDER THE BID INVALID.
NO BIDS WILL BE CONSIDERED FROM PERSONS IN THE SERVICE OF THE STATE.**

SIGNATURE OF BIDDER:

CAPACITY UNDER WHICH THIS BID IS SIGNED:

DATE:

ANY ENQUIRIES REGARDING THE BIDDING PROCEDURE MAY BE DIRECTED TO:

Ratlou Local Municipality.

Department: Budget and Treasury: Supply Chain Management Unit

Contact Person: Ipakeng Lekoto

Tel: 018 330 7000

Fax: 018 330 7047

Technical Enquiries: Ester Mokoena

Tel: 018 330 7000

Fax: 018 330 7047

TAX COMPLIANCE PIN REQUIREMENTS

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. The attached form "Application for Tax Compliance Pin (in respect of bidders)", must be completed in all respects and submitted to the Receiver of Revenue where the bidder is registered for tax purposes. The Receiver of Revenue will then furnish the bidder with a Tax Compliance Pin that will be valid for a period of twelve (12) months from date of issue. This Tax Compliance Pin must be submitted in the original together with the bid. Failure to submit the original and valid Tax Compliance Pin may invalidate the bid.
3. In bids where Consortia / Joint Ventures / Sub-contractors are involved each party must submit a separate Tax Compliance Pin. Copies of the Application for Tax Compliance Pin are available at any Receiver's Office.

RATLOU LOCAL MUNICIPALITY



TERMS OF REFERENCE

TERMS OF REFERENCE FOR APPOINTMENT OF INSURANCE BROKER TO UNDERWRITE AND MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE RATLOU LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS

Ratlou Local Municipality requires the services of a professional registered insurance company to provide and administer the insurance portfolio (Movable Assets, Immovable Assets and Special risk **cover to councillor's assets**) of Ratlou Local Municipality for a period of 36 months.

SCOPE OF WORK

Annexure/Assets Register and Claim history will be uploaded on the National Treasury's e-tender portal and emailed to all the bidders.

SPECIFICATIONS

1. TENDER CONDITIONS AND INFORMATIONS

Terms of reference for the insurance brokers to underwrite and manage the short term-term insurance portfolio of Ratlou Local municipality for a period of three years.

The successful bidding Broker is required to register as a service provider / supplier on Central Supplier Database of National Treasury.

2. SPECIAL CONDITIONS OF CONTRACT

The contract will be for a period of three years. Any deviations, limitations or unfamiliar conditions must be clearly stipulated in respect of each policy type.

2.1 We require you to quote on the following Premium Option:

- Normal excess as prevailing at time of quote applicable to All Policies

2.2 If the premiums and excess payments are not shown separately as specified in the Price Schedule, the tender will be deemed non-responsive and will not be considered.

2.3 All premiums must be VAT inclusive.

2.4 Broker's fees and any other administrative fees that will be payable, must be shown separately from the insurance premiums.

2.5 The Broker must provide a MONTHLY report to the Municipality of all claims paid and outstanding.

- 2.6 Once the tender is awarded to an Insurance Broker, such broker will be responsible for handling all aspects of claims, as the Municipality will not communicate directly with any legal advisors of the Broker, other entities, or the Insurance Company where the insurance is placed.
- 2.7 Any claim that is rejected by an insurer must be evaluated by the Broker based on policy wording and legal grounds. The Municipality reserves the right to reconsider any opinion received, to refer it back to the broker for another opinion or recommendation. The Municipality will not communicate directly with any insurer regarding any aspects of a claim.
- 2.8** The bidder must be registered as an authorised financial service provider and must confirm the name of the service consultant and whether he/she complies with the Financial Advisory and Intermediary Services Act (Act 37 of 2002). **A certified copy of the Certificate must be attached to the tender submission.**
- 2.9 Full particulars must be provided regarding the services that will be delivered to the Municipality of Ratlou.
- 2.10 The pricing schedule allows for the premium per annum, escalation if any must be included, for extending the contract.
- 2.11 The Municipality has an issued short term insurance policy that is reviewed on an annual basis. The Bidding Broker must ensure that any proposed insurance policy, negotiated, must cover these risks.
- 2.12 The Municipality requires an improved policy wording on all classes as well as a uniform deductible structure.
- 2.13 The Municipality would prefer Assets All Risks Policy Wording as well as Broad Form Liability Policy Wording to cover potential Third-Party Non-Motor and Motor Liabilities.
- 2.14 Bidding Brokers are advised that the Municipality is the owner of various properties and infrastructure that are constructed of inter alia historical thatch buildings, as well as risks consisting of chlorine stations, fuel storage tanks, bulk water storage dams and reservoirs, electrical stations, wastewater treatment works, plantations, overnight fleet parking and the like requiring special coverage.
- 2.15 Broad Form Third Party Liability Coverage is specifically required but not limited to the spread of fire, the accidental bursting of water pipes, water storage facilities and the like that may cause damage, injury, sickness, death and the like to third parties. Environmental Pollution must be covered by the insurance program.
- 2.16 The Motor Fleet must function on an annual adjustment basis by means of an inception and annual declaration basis.
- 2.17 The Municipality serves as the organiser of various special public events, public meetings, and public conferences during any given financial year, requiring property and liability coverage. These events might include motorcades, air shows, pyrotechnics, street parades, street markets with live music performances, artists, public speakers, and the like. It is a requirement that such events enjoy property and third-party liability coverage for all events during any given period. Cover must inter alia include, but not limited to:-
- a) Broad Form Public Liability Cover
 - b) Emergency Medical Expenses
 - c) Employers Liability
 - d) Food & Drink
 - e) Spread of Fire
 - f) Statutory Legal Defence Costs
 - g) Temporary Structures
 - h) Wrongful Arrest & Defamation
- 2.18 A claim number must be issued within 24 hours of a new claim being logged. Subsequent feedback on the claim must be provided within five (5) working days.

3. TERMS OF REFERENCE

4.

4.1 Objectives

The Municipality invites suitably experienced insurance brokers to tender for the managing of the short-term insurance portfolio of Ratlou Local Municipality.

4.2 Scope of Work

- 4.2.1 This tender will be for a period of three years
- 4.2.2 The insurance broker must ensure that the insurable interests of the Municipality, its community and service providers are conveyed to underwriters and always protected; including: -
- 4.2.3 Ensure that the Municipality has insurance cover as instructed by the Municipality, and as advised by the Broker in the Broker's Record of Advice.
- 4.2.4 That the management of the Municipality is informed on the progress of all claims.
- 4.2.5 Advise the Municipality on any potential risk not covered by insurance cover.
- 4.2.6 Provide technical advice regarding claims lodged against the Municipality.
- 4.2.7 Act as representative for the Municipality with the underwriter; and
- 4.2.8 Advise the Municipality of potential under insurance

5. THE MUNICIPALITY RISK PROFILE TO BE QUOTED ON FOLLOWS BELOW

Note: Councilors to be insured on an unnamed open policy basis with a declaration at the end of the period of insurance.

Office contents	Comprehensive cover for our furniture and fittings
Business Risks	Comprehensive cover of assets as per our Asset Register (AR)
Theft	Damage to contents of our properties and vehicles, and of loss of our properties and vehicles, because of theft accompanied by forceful entry or exit
Stated benefits	24-hour cover for bodily injury by accident, violence, force, internal and external, to our employees (3x Annual salary for all 220 employees and 27 councilors)
Electronic equipment	Comprehensive cover of our electric equipment including cables and our power stations and substations
Motor Vehicles	Comprehensive cover for damages/ loss of any of our motor vehicles.
Public liability	<ul style="list-style-type: none"> • Loss or damage to third party property / injury or death to third parties due to our negligence (the municipality and employees)

	<ul style="list-style-type: none"> • Any other third-party related claims • Personal injury • Products liability
Employers' liability	<ul style="list-style-type: none"> • Death or bodily injury (Disable) to any person employed under a contract of service and which occurs during hours of work or while he/she is driving for municipal duty in connection with such person's employment. • Employee's annual basic remuneration x3 for employees working for Municipality, Municipal Manager Senior managers and councilors if it happens that he/she loses his or her life while he/she works for Ratlou Local Municipality
SASRIA	Cover against riot, strike and political strike. Bidder must also show in a quotation SARIA cover. Municipality currently have 27 Councilors
Fidelity Guarantee	Cover against commercial crime/ fraud caused by hackers or Ratlou Local municipal employees
Insured risk	Insurance against fire, lightening, explosion, implosions, smoke, storm, wind, water, hail, snow, earthquake and other natural disaster to our property.
Support	One on one dedicated claims consultant
Claims	30 calendar days turn-around time for outcome of claim from the date of submission of the claim.

SECTION	SUM INSURED
FIRE SECTION	
High Mast lights	R65 340 000.00

Water Tank, Jojo & Stand	R357 500
BUILDINGS COMBINED	
Sports Facilities	R57 782 500.00
Community Libraries	R53 000 000.00
Community Halls	R118 920 000.00
Disability Centre	R2 750 000.00
Telecentre	R7 750 000.00
Setlagole Business Complex	R37 000 000.00
Municipal Main office building	R37 000 000.00
Municipal Facility floodlights	R12 850 000.00
Museums and Centres	R720 854 450.00
OFFICE CONTENTS	
Municipal Building Office furniture	R4 950 000.00
Theft Sum insured	R600 000
Containers	R150 000
Repair & Maintenance tools	R200 000
BUSINESS ALL RISK	
Cleaning equipment	R470 000
Laptops	R2 790 000.00
PA System & Related Items	R100 000.00
CCTV Camera System	R5 100 000.00
Digital Camera	R250 000
Lawnmowers & Bushcutters	R120 000
Generators	R719 407
Air conditioners	R 2 500 000.00

Gazebos & Banners	R66 000.00
Borehole Equipment	R1 874 449.89
ELECTRONIC EQUIPMENT	
Printers, Shredders & Photocopiers	R414 260
Computer software	R1 562 424
CPUs	R800 000.00
Monitors	R379 233.35
Servers, switches & tools	R1 820 000.00
PUBLIC LIABILITY SECTION	
Policy Limit	R50 000 000.00
EMPLOYERS LIABILITY SECTION	
Policy Limit	R6 000 000.00
STATE BENEFITS SECTIONS	
3X Annual Salary (All employees & Councilors) list to be provided to the winning bidder	R75 000 000.00 (Annual Salary)
EXTENTION/ADDITIONAL BENIFITS	
DEATH-3 x Annual Earnings PERMANENT DISABILITY - % of Death Benefit Specified TEMPORARY TOTAL DISABILITY -100% of average weekly earnings max 104 weeks	
Medical Expenses	R4 000.00

Additional Death Benefits	R 11 000.00
Relocation	R11 000.00
Mobility	R11 000.00
BUSINESS HOURS LIMITATION	
DEATH/INJURY BY ACCIDENT MEANS ONLY	
MOTOR SECTIONS	
Vehicles over R500 000.00	23
Private types cars	9
LDV's	9
Kombis	2
Tractors	1
Trailers	3
Special Type Vehicles	3
Total Value of entire Motor Fleet	R

NOTED

- ROADSIDE ASSISTANCE TO BE INCLUDED TO ALL VEHICLES
- CAR HIRE TO INCLUDED ON PROTOCOL/PRIVATE TYPE VEHICLES
- THE MOTOR SECTION TO INCLUDE THIRD PARTY LIABILITY UP TO R2 600 000.00
- SASRIA (27 COUNCILORS) TO BE INCLUDED TO ALL APPLICABLE POLICY SECTIONS
- ACCESS AMOUNT/PERCENTAGE TO BE STATED

PRICE SCHEDULE

- **THE BIDDER TO SUBMIT DETAIL PRICE SCHEDULE (PREMIUM) AS THE ABOVE INSURED FOR 2026/2027 FINANCIAL YEARS (FIRST YEAR/12 MONTHS)**

FUNCTIONALITY – INSURANCE BROKER TO UNDERWRITE AND MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE RATLOU LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS

Functionality of points will be awarded as follows:

1. Confirmation Letters of SIMILAR WORK Conducted (Confirmation letter should be in a letter head of your previous client) (50)

9 or more Confirmation letters	50
7 – 8 Confirmation letters	40
5 – 6 Confirmation letters	30
3- 4 Confirmation letter	10
1 – 2 Confirmation letter	5
No Confirmation letters	0

Purchase orders will not be accepted

2. Registration of a Bidder on as FSP (25)

Registration on as Financial Service Provider (FSP)	25
Not Registered on as Financial Service Provider (FSP)	0

3. Registration of a Bidder on as FSB (25)

Registration on as Financial Service Board (FSB)	25
Not Registered on as Financial Service Board (FSB)	0

NB: Bidders who score less than 70% on functionality points will be regarded as non-responsive and will not be evaluated further!

All copies must be certified.

80/20 system of Preferential Procurement Policy Framework Act will apply.

NB: THE APPOINTED SERVICE PROVIDER MUST ADHERE TO MFMA CIRCULAR 82 – COST CONTAINMENT MEASURES

NOTES TO BIDDERS

OFFER:.....

NB: This offer to be included in the final bid price.

LOWEST TENDER

Ratlou Local Municipality does not bind itself to accept the lowest or any tender or assign any reason for the non-acceptance of a tender.

EVALUATION PROCESS

Bids will be evaluated on 3 categories:

- (i) Tender responsiveness on returnable documents,
- (ii) Technical content (functionality),
- (iii) Price and preferential points.

Bids will be evaluated in accordance with the prescripts of the PPPFA of 2022 regulations which stipulate **80/20** point system. Minimum score for functionality to proceed to next phase is 70%

MBD 3.1

**PRICING SCHEDULE – FIRM PRICES
(PURCHASES)**

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

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

Name of Bidder.....	Bid Number: NW381/CORPS001/2025/2026
Closing Time 11H00a.m	Closing Date: 30 July 2026

OFFER TO BE VALID FOR 90 DAYS FROM THE CLOSING DATE OF BID.

ITEM NO.	QUANTITY	DESCRIPTION	BID PRICE IN RSA CURRENCY (INCLUDING VAT)
-	Required by:	.....	.....
-	At:	.....	.....
-	Brand and Model	.....	.....

- Country of Origin
- Does offer comply with specification? YES/NO
- If not to specification, indicate deviation(s)
- Period required for delivery
- Delivery: Firm/not firm
- Delivery basis (all delivery costs must be included in the bid price)

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

MBD 4

DECLARATION OF INTEREST

1. No bid will be accepted from persons in the service of the state*.
2. Any person, having a kinship with persons in the service of the state, including a blood relationship, may make an offer or offers in terms of this invitation to bid. In view of possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to persons in service of the state, it is required that the bidder or their authorised representative declare their position in relation to the evaluating/adjudicating authority and/or take an oath declaring his/her interest.
- 3 In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.

- 3.1 Full Name:
- 3.2 Identity Number:
- 3.3 Company Registration Number:
- 3.4 Tax Reference Number:
- 3.5 VAT Registration Number:

3.6 Are you presently in the service of the state* **YES / NO**

* MSCM Regulations: "in the service of the state" means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

3.6.1 If so, furnish particulars.

.....
.....

3.7 Have you been in the service of the state for the past Twelve months? **YES / NO**

3.7.1 If so, furnish particulars.

.....

3.8 Do you, have any relationship (family, friend, other) with persons in the service of the state and who may be involved with the evaluation and or adjudication of this bid?

3.8.1 If so, furnish particulars.

.....
.....

3.9 Are you, aware of any relationship (family, friend, other) between a bidder and any persons in the service of the state who may be involved with the evaluation and or adjudication of this bid?

3.9.1 If so, furnish particulars

.....
.....

YES / NO

3.10 Are any of the company's directors, managers, principal Shareholders or stakeholders in service of the state? **YES / NO**

3.10.1 If so, furnish particulars.

.....
.....

3.11 Are any spouse, child or parent of the company's directors, **YES / NO**

Managers, principal shareholders or stakeholders in service
Of the state?

3.11.1 If so, furnish particulars.

.....
.....

YES / NO

CERTIFICATION

I, THE UNDERSIGNED (NAME)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

If yes, provide particulars.

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

MBD 5

DECLARATION FOR PROCUREMENT ABOVE R10 MILLION (ALL APPLICABLE TAXES INCLUDED)

For all procurement expected to exceed R10 million (all applicable taxes included), bidders must complete the following questionnaire:

1 Are you by law required to prepare annual financial statements for auditing?

1.1 If yes, submit audited annual financial statements for the past three years or since the date of establishment if established during the past three years.

***YES / NO**

.....
.....

2 Do you have any outstanding undisputed commitments for municipal services towards any municipality for more than three months or any other service provider in respect of which payment is overdue for more than 30 days?

2.1 If no, this serves to certify that the bidder has no undisputed commitments for municipal services towards any municipality for more than three months or other service provider in respect of which payment is overdue for more than 30 days.

2.2 If yes, provide particulars.

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

2.3 If yes, furnish particulars

.....
.....

***YES / NO**

4. Will any portion of goods or services be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality / municipal entity is expected to be transferred out of the Republic?

***YES / NO**

4.1 If yes, furnish particulars

.....
.....

CERTIFICATION

I, THE UNDERSIGNED (NAME)

CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM IS CORRECT.

I ACCEPT THAT THE STATE MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

MBD 6.1**PREFERENCE POINTS CLAIM FORM IN TERMS OF THE PREFERENTIAL PROCUREMENT REGULATIONS 2022****MBD 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

1.2

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

The maximum points for this tender are allocated as follows:

	POINTS
PRICE	80
SPECIFIC GOALS	20
Total points for Price and SPECIFIC GOALS	100

1.4 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.

1.5 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

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)	Means of Verification
Ratlou Local Municipality Jurisdiction of a Bidder		2			Proof of resident from the Municipality or Traditional Council (not older than three month from closing date) of a Bidder
Black Owned Business		5			CSD Report/ or Original/Certified copy of BBBEE
50% or more owned Dissability Business		3			Dissability Verificattion Letter, CSD Report, ID Copy
50% or more owned Youth Business		4			CSD Report
50% or more owned Women Business		6			ID Copies, CSD Report

DECLARATION WITH REGARD TO COMPANY/FIRM

4.3. Name of company/firm.....

4.4. Company registration number:

4.5. TYPE OF COMPANY/ FIRM

- Partnership/Joint Venture / Consortium
- One-person business/sole propriety
- Close corporation
- Public Company

- Personal Liability Company
- (Pty) Limited
- Non-Profit Company
- State Owned Company

[TICK APPLICABLE BOX]

4.6. I, the undersigned, who is duly authorised to do so on behalf of the company/firm, certify that the points claimed, based on the specific goals as advised in the tender, qualifies the company/ firm for the preference(s) shown and I acknowledge that:

- i) The information furnished is true and correct;
- ii) The preference points claimed are in accordance with the General Conditions as indicated in paragraph 1 of this form;
- iii) In the event of a contract being awarded as a result of points claimed as shown in paragraphs 1.4 and 4.2, the contractor may be required to furnish documentary proof to the satisfaction of the organ of state that the claims are correct;
- iv) If the specific goals have been claimed or obtained on a fraudulent basis or any of the conditions of contract have not been fulfilled, the organ of state may, in addition to any other remedy it may have –
 - (a) disqualify the person from the tendering process;
 - (b) recover costs, losses or damages it has incurred or suffered as a result of that person’s conduct;
 - (c) cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellation;
 - (d) recommend that the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, be restricted from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
 - (e) forward the matter for criminal prosecution, if deemed necessary.

	..... SIGNATURE(S) OF TENDERER(S)
SURNAME AND NAME:	.....
DATE:	.....
ADDRESS:	.....

CONTRACT FORM – PURCHASE OF GOODS/ WORKS

THIS FORM MUST BE FILLED IN DUPLICATE BY BOTH THE 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 BIDDER)

1. I hereby undertake to render services described in the attached bidding documents to **Ratlou Local Municipality** 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
 - Tax Compliance Pin
 - Pricing schedule(s)
 - Filled in task directive/proposal
 - Preference claims in terms of the Preferential Procurement Regulations 2022
 - Declaration of interest
 - Special Conditions of Contract;
 - (ii) General Conditions of Contract; and
 - (iii) Other (specify)
3. I confirm that I have satisfied myself as to the correctness and validity of my bid; that the price(s) and rate(s) quoted cover all the 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 fulfillment 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 authorized to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES	
1	.....
2	.....

CONTRACT FORM – PURCHASE OF GOODS/ WORKS

PART 2 (TO BE FILLED IN BY THE MUNICIPALITY)

1. I..... in my capacity as.....
accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
2. An official order indicating service delivery instructions is forthcoming.
3. 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 (VAT INCL)	COMPLETION DATE

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

1

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)

- 7. 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.
- 8. The following documents shall be deemed to form and be read and construed as part of this agreement:
 - (iv) 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;
 - Declaration of interest;
 - Declaration of Bidder's past SCM practices;
 - Certificate of Independent Bid Determination;
 - Special Conditions of Contract;
 - (v) General Conditions of Contract; and
 - (vi) Other (specify)
- 9. 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.
- 10. 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.
- 11. I declare that I have no participation in any collusive practices with any bidder or any other person regarding this or any other bid.
- 12. I confirm that I am duly authorised to sign this contract.

NAME (PRINT)

CAPACITY

SIGNATURE

NAME OF FIRM

DATE

WITNESSES	
3	.....

4	.....

CONTRACT FORM - RENDERING OF SERVICES

PART 2 (TO BE FILLED IN BY THE PURCHASER)

- 4. I..... in my capacity as..... accept your bid under reference numberdated.....for the rendering of services indicated hereunder and/or further specified in the annexure(s).
- 5. An official order indicating service delivery instructions is forthcoming.
- 6. 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

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

SIGNED AT ON

NAME (PRINT)

SIGNATURE

OFFICIAL STAMP

WITNESSES

3

....

4

DECLARATION OF BIDDER'S PAST SUPPLY CHAIN MANAGEMENT PRACTICES

- 1 This Municipal Bidding Document must form part of all bids invited.
- 2 It serves as a declaration to be used by municipalities and municipal entities in ensuring that when goods and services are being procured, all reasonable steps are taken to combat the abuse of the supply chain management system.
- 3 The bid of any bidder may be rejected if that bidder, or any of its directors have:
 - a. abused the municipality's / municipal entity's supply chain management system or committed any improper conduct in relation to such system;
 - b. been convicted for fraud or corruption during the past five years;
 - c. willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - d. been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 4 **In order to give effect to the above, the following questionnaire must be completed and submitted with the bid.**

Item	Question	Yes	No
4.1	<p>Is the bidder or any of its directors listed on the National Treasury's Database of Restricted Suppliers as companies or persons prohibited from doing business with the public sector?</p> <p>(Companies or persons who are listed on this Database were informed in writing of this restriction by the Accounting Officer/Authority of the institution that imposed the restriction after the <i>audi alteram partem</i> rule was applied).</p> <p>The Database of Restricted Suppliers now resides on the National Treasury's website(www.treasury.gov.za) and can be accessed by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.1.1	If so, furnish particulars:		
4.2	<p>Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)?</p> <p>or Tender Defaulters can be accessed on the National Treasury's website (www.treasury.gov.za) by clicking on its link at the bottom of the home page.</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

4.2.1	If so, furnish particulars:		
4.3	Was the bidder or any of its directors convicted by a court of law (including a court of law outside the Republic of South Africa) for fraud or corruption during the past five years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.3.1	If so, furnish particulars:		
Item	Question	Yes	No
4.4	Has the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality / municipal entity, or to any other municipality / municipal entity, that is in arrears for more than three months?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.4.1	If so, furnish particulars:		
4.5	Was any contract between the bidder and the municipality / municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.7.1	If so, furnish particulars:		

CERTIFICATION

I, THE UNDERSIGNED (FULL NAME)CERTIFY THAT THE INFORMATION FURNISHED ON THIS DECLARATION FORM TRUE AND CORRECT.

I ACCEPT THAT, IN ADDITION TO CANCELLATION OF A CONTRACT, ACTION MAY BE TAKEN AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

CERTIFICATE OF INDEPENDENT BID DETERMINATION

- 1 This Municipal Bidding Document (MBD) must form part of all bids¹ invited.
- 2 Section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, prohibits an agreement between, or concerted practice by, firms, or a decision by an association of firms, if it is between parties in a horizontal relationship and if it involves collusive bidding (or bid rigging).² Collusive bidding is a *pe se* prohibition meaning that it cannot be justified under any grounds.
- 3 Municipal Supply Regulation 38 (1) prescribes that a supply chain management policy must provide measures for the combating of abuse of the supply chain management system, and must enable the accounting officer, among others, to:
 - a. take all reasonable steps to prevent such abuse;
 - b. reject the bid of any bidder if that bidder or any of its directors has abused the supply chain management system of the municipality or municipal entity or has committed any improper conduct in relation to such system; and
 - c. cancel a contract awarded to a person if the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- 4 This MBD serves as a certificate of declaration that would be used by institutions to ensure that, when bids are considered, reasonable steps are taken to prevent any form of bid-rigging.
- 5 In order to give effect to the above, the attached Certificate of Bid Determination (MBD 9) must be completed and submitted with the bid:

¹ Includes price quotations, advertised competitive bids, limited bids and proposals.

² Bid rigging (or collusive bidding) occurs when businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods and / or services for purchasers who wish to acquire goods and / or services through a bidding process. Bid rigging is, therefore, an agreement between competitors not to compete.

CERTIFICATE OF INDEPENDENT BID DETERMINATION

I, the undersigned, in submitting the accompanying bid: **APPOINTMENT OF INSURANCE BROKER TO UNDERWRITE AND MANAGE THE SHORT-TERM INSURANCE PORTFOLIO OF THE RATLOU LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS, Tender Reference No: NW381/CORPS001/2025/2026** in response to the invitation for the bid made by: **Ratlou Local Municipality** do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of: _____ that:

(Name of Bidder)

1. I have read and I understand the contents of this Certificate;
2. I understand that the accompanying bid will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am authorized by the bidder to sign this Certificate, and to submit the accompanying bid, on behalf of the bidder;
4. Each person whose signature appears on the accompanying bid has been authorized by the bidder to determine the terms of, and to sign, the bid, on behalf of the bidder;
5. For the purposes of this Certificate and the accompanying bid, I understand that the word "competitor" shall include any individual or organization, other than the bidder, whether or not affiliated with the bidder, who:
 - (a) has been requested to submit a bid in response to this bid invitation;
 - (b) could potentially submit a bid in response to this bid invitation, based on their qualifications, abilities or experience; and
 - (c) provides the same goods and services as the bidder and/or is in the same line of business as the bidder
6. 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 consortium³ will not be construed as collusive bidding.
7. In particular, without limiting the generality of paragraphs 6 above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
 - (a) prices;
 - (b) geographical area where product or service will be rendered (market allocation)
 - (c) methods, factors or formulas used to calculate prices;
 - (d) the intention or decision to submit or not to submit, a bid;
 - (e) the submission of a bid which does not meet the specifications and conditions of the bid;
 - or
 - (f) bidding with the intention not to win the bid.

- 8. In addition, there have been no consultations, communications, agreements or arrangements with any competitor regarding the quality, quantity, specifications and conditions or delivery particulars of the products or services to which this bid invitation relates.
- 9. 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.
- 10. 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.

.....
Signature

.....
Date

.....
Position

.....
Name of Bidder

³ 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.

GENERAL CONDITIONS OF CONTRACT (GCC)

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

TABLE OF CLAUSES

1. Definitions
2. Application
3. General
4. Standards
5. Use of contract documents and information; inspection
6. Patent rights
7. Performance security
8. Inspections, tests and analysis
9. Packing
10. Delivery and documents
11. Insurance
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

1. Definitions

1. The following terms shall be interpreted as indicated:

- 1.1 **“Acceptable bid”** means any bid, which, in all respects, complies with the specifications and conditions of the bid as set out in the bid document.
- 1.2 **“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, works or services.
- 1.3 **“Black enterprise”** means an enterprise that is 50,1% owned by black persons and where there is substantial management control. Ownership refers to economic interest while management refers to the membership of any board or similar governing body of the enterprise.
- 1.4 **“Black empowered enterprise”** means an enterprise that is at least 25,1% owned by black persons and where there is substantial management control. Ownership refers to economic interests. Management refers to executive directors. This is whether the black enterprise has control or not.
- 1.5 **“Black people”** includes all African, Coloured or Indian persons who are South African citizens by birth or by descent or who were naturalized prior to the commencement of the constitution in 1993. In addition, the term also includes black people who became South African citizens after the constitution’s commencement but who would have been able to be naturalized prior to this, were it not for the Apartheid laws which prohibited naturalization of certain persons. This means that an African, Coloured or Indian person who was not a South African citizen before the commencement of the constitution in 1993 but who would have been entitled to apply to be naturalized prior to 1993, will also be considered a black person and therefore a beneficiary of BEE.
- 1.6 **“Black woman-owned enterprise”** means an enterprise with at least 25,1% representation of black women within the black equity and management portion.
- 1.7 **“Closing time”** means the date and hour specified in the bidding documents for the receipt of bids.
- 1.8 **“Comparative price”** means the price after the factors of a non-firm price and all unconditional discounts that can be utilized have been taken into consideration.
- 1.9 **“Community or broad-based enterprise”** means an enterprise that has an empowerment shareholder who represents a broad base of members such as a local community or where the benefits support a target group, for example black women, people living with disabilities, the youth and workers. Shares are held via direct equity, non-profit organizations and trusts.

Benefits from the shareholding should in a measurable sense be directed towards the uplifting of the community through job creation, welfare, skills development, entrepreneurship and human rights. At the same time, directors and management of groups should significantly comprise black persons.

These arrangements are appropriate in situations where the activities or operations of an enterprise or industry directly impact on a community or are located in a community, or may benefit a community. Notable examples are large industrial projects, mining and tourism. Other instances, which do assist in broadening the shareholder base, are employee share ownership schemes; these are a viable empowerment shareholder option. In this and other circumstances, these arrangements should not detract from the ability of the shareholder to exercise significant influence or control over the operations of the business.

- 1.10 **“Consortium or joint venture”** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skills and knowledge in an activity for the execution of a contract.

- 1.11 **“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.
- 1.12 **“Contract price”** means the price payable to the supplier under the contract for the full and proper performance of his contractual obligations.
- 1.13 **“Control”** means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of appropriate managerial authority and power in determining the policies and directing the operations of the business.
- 1.14 **“Co-operative or collective enterprise”** is an autonomous association of persons who voluntarily join together to meet their economic, social and cultural needs and aspirations through the formation of a jointly-owned enterprise and democratically controlled enterprise.
- 1.15 **“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.
- 1.16 **“Countervailing duties”** are imposed in cases where an enterprise abroad is subsidized by its government and encouraged to market its products internationally.
- 1.17 **“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.
- 1.18 **“Day”** means calendar day.
- 1.19 **“Delivery”** means delivery in compliance with the conditions of the contract or order.
- 1.20 **“Delivery ex stock”** means immediate delivery directly from stock actually on hand.
- 1.21 **“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.
- 1.22 **“Disability”** means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.
- 1.23 **“Dumping”** occurs when a private enterprise abroad markets 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.
- 1.24 **“Equity Ownership”** means the percentage ownership and control, exercised by individuals within an enterprise.
- 1.25 **“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.
- 1.26 **“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.

- 1.27 **“GCC”** means the General Conditions of Contract.
- 1.28 **“Goods”** means all of the equipment, machinery, and/or other materials that the supplier is required to supply to the purchaser under the contract.
- 1.29 **“Historically Disadvantaged Individual (HDI)”** means a South African citizen -
- 1.29.1 who, due to the Apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act 110 of 1983) or the Constitution of the Republic of South Africa, 1993, (Act 200 of 1993) (“the interim Constitution”); and/or
- 1.29.2 who is a female; and/or
- 1.29.3 who has a disability:
- provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be a HDI.
- 1.30 **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.
- 1.31 **“Local content”** means that portion of the bidding price which is not included in the imported content provided that local manufacture does take place.
- 1.32 **“Management”** means an activity inclusive of control and performed on a daily basis, by any person who is a principal executive officer of the company, by whatever name that person may be designated, and whether or not that person is a director.
- 1.33 **“Manufacture”** means the production of products in a factory using labour, materials, components and machinery and includes other related value-adding activities.
- 1.34 **“Order”** means an official written order issued for the supply of goods or works or the rendering of a service.
- 1.35 **“Owned”** means having all the customary elements of ownership, including the right of decision-making and sharing all the risks and profits commensurate with the degree of ownership interests as demonstrated by an examination of the substance, rather than the form of ownership arrangements.
- 1.36 **“Parliament”** means Parliament of the Republic of South Africa as set out in Chapter Four of the Constitution.
- 1.37 **“Person”** includes reference to a juristic person.
- 1.38 **“Project site”** where applicable, means the place indicated in bidding documents.
- 1.39 **“Purchaser”** means the organization purchasing the goods.
- 1.40 **“Rand value”** means the total estimated value of a contract in Rand denomination that is calculated at the time of the bid invitations, and includes all applicable taxes and excise duties.
- 1.41 **“Republic”** or **“RSA”** means the Republic of South Africa.
- 1.42 **“RFP”** means Request for Proposal.

- 1.43 **“RFT”** means Request for Tender.
- 1.44 **“RFQ”** means Request for Quotation.
- 1.45 **“SCC”** means the Special Conditions of Contract.
- 1.46 **“Secretary”** means the Secretary to Parliament.
- 1.47 **“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.
- 1.48 **“Specific contract participation goals”** means the goals as stipulated in the Preferential Procurement Regulations, 2001. In addition to above-mentioned goals, the Regulations [12. (1)] also make provision for organs of State to give particular consideration to procuring locally manufactured products.
- 1.49 **“Small, Medium and Micro Enterprises (SMMEs)”** bears the same meaning assigned to this expression in the National Small Business Act, 1996 (Act 102 of 1996).
- 1.50 **“Sub-contracting”** means the primary contractor’s assigning or leasing or making out work to, or employing another person to support such a primary contractor in the execution of part of a project in terms of the contract.
- 1.51 **“Trust”** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.
- 1.52 **“Trustee”** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
- 1.53 **“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 can be accessed electronically from www.parliament.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 as 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 Parliament or an organisation acting on behalf of Parliament.
- 8.3 If there are no inspection requirements indicated in the bidding documents and no mention is made in the contract, but during the contract period it is decided that inspections shall be carried out, the purchaser shall itself make the necessary arrangements, including payment arrangements with the testing authority concerned.

- 8.4 If the inspections, tests and analyses referred to in clauses 8.2 and 8.3 show the supplies to be in accordance with the contract requirements, the cost of the inspections, tests and analyses shall be defrayed by the purchaser.
- 8.5 Where the supplies or services referred to in clauses 8.2 and 8.3 do not comply with the contract requirements, irrespective of whether such supplies or services are accepted or not, the cost in connection with these inspections, tests or analyses shall be defrayed by the supplier.
- 8.6 Supplies and services which are referred to in clauses 8.2 and 8.3 and which do not comply with the contract requirements may be rejected.
- 8.7 Any contract supplies may on or after delivery be inspected, tested or analyzed and may be rejected if found not to comply with the requirements of the contract. Such rejected supplies shall be held at the cost and risk of the supplier who shall, when called upon, remove them immediately at his own cost and forthwith substitute them with supplies which do comply with the requirements of the contract. Failing such removal the rejected supplies shall be returned at the suppliers cost and risk. Should the supplier fail to provide the substitute supplies forthwith, the purchaser may, without giving the supplier further opportunity to substitute the rejected supplies, purchase such supplies as may be necessary at the expense of the supplier.
- 8.8 The provisions of clauses 8.4 to 8.7 shall not prejudice the right of the purchaser to cancel the contract on account of a breach of the conditions thereof, or to act in terms of Clause 23 of GCC.

9. Packing

- 9.1 The supplier shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the contract. The packing shall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing, case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.
- 9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the purchaser.

10. Delivery and documents

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

11. Insurance

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

12. Transportation

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

13. Incidental services

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

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

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

14. Spare parts

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

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

15. Warranty

- 15.1 The supplier warrants that the goods supplied under the contract are new, unused, of the most recent or current models and that they incorporate all recent improvements in design and materials unless provided otherwise in the contract. The supplier further warrants that all goods supplied under this contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the purchaser's specifications) or from any act or omission of the supplier, that may develop under normal use of the supplied goods in the conditions prevailing in the country of final destination.
- 15.2 This warranty shall remain valid for twelve (12) months after the goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.
- 15.3 The purchaser shall promptly notify the supplier in writing of any claims arising under this warranty.
- 15.4 Upon receipt of such notice, the supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective goods or parts thereof, without costs to the purchaser.
- 15.5 If the supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, the purchaser

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

16. Payment

- 16.1 The method and conditions of payment to be made to the supplier under this contract shall be specified in SCC.
- 16.2 The supplier shall furnish the purchaser with an invoice accompanied by a copy of the delivery note and upon fulfillment of other obligations stipulated in the contract.
- 16.3 Payments shall be made promptly by the purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the supplier.
- 16.4 Payment will be made in Rand unless otherwise stipulated in SCC.

17. Prices

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

18. Contract amendments

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

19. Assignment

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

20. Subcontracts

- 20.1 The supplier shall notify the purchaser in writing of all subcontracts awarded under this 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 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.

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 favorable difference shall on demand be paid forthwith by the contractor to the State or the State may deduct such amounts from moneys (if any) which may otherwise be due to the contractor in regard to supplies or services which he delivered or rendered, or is to deliver or render in terms of the contract or any other contract or any other amount which may be due to him.

25. Force Majeure

- 25.1 Notwithstanding the provisions of GCC Clauses 22 and 23, the supplier shall not be liable for forfeiture of its performance security, damages, or termination for default if and to the extent that his delay in performance or other failure to perform his obligations under the contract is the result of an event of force majeure.
- 25.2 If a force majeure situation arises, the supplier shall promptly notify the purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the purchaser in writing, the supplier shall continue to perform its obligations under the contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the force majeure event.

26. Termination for insolvency

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

27. Settlement of Disputes

- 27.1 If any dispute or difference of any kind whatsoever arises between the purchaser and the supplier in connection with or arising out of the contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.
- 27.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the purchaser or the supplier may give notice to the other party of his intention to commence with mediation. No mediation in respect of this matter may be commenced unless such notice is given to the other party.
- 27.3 Should it not be possible to settle a dispute by means of mediation, it may be settled in a South African court of law.
- 27.4 Mediation proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.
- 27.5 Notwithstanding any reference to mediation and/or court proceedings herein,
- (a) the parties shall continue to perform their respective obligations under the contract unless they otherwise agree; and
 - (b) the purchaser shall pay the supplier any monies due the supplier.

28. Limitation of liability

- 28.1 Except in cases of criminal negligence or willful misconduct, and in the case of infringement pursuant to Clause 6;
- (a) the supplier shall not be liable to the purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the supplier to pay penalties and/or damages to the purchaser; and
 - (b) the aggregate liability of the supplier to the purchaser, whether under the contract, in tort or otherwise, shall not exceed the total contract price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

29. Governing language

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

30. Applicable law

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

31. Notices

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

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

32. Taxes and duties

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

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

32.3 No contract shall be concluded with any bidder whose tax matters are not in order. Prior to the award of a bid, Parliament must be in possession of a Tax Compliance Pin, submitted by the bidder. This certificate must be an original issued by the South African Revenue Services (SARS).

33. Ownership and Copyright

33.1.1 Ownership of all products produced in terms of this agreement, of whatever nature, vest in Parliament.

33.1.2 The copyright of products, of whatever nature, commissioned and produced in terms of this agreement, and that have been paid for by the Secretary are owned exclusively by Parliament.